# **CAPITOL NEWS UPDATE**

WEEK OF AUGUST 25, 2025



#### FROM THE ASSOCIATE'S DESK

Stephanie Szymas

#### **House Advances Budget Proposal with Significant Cuts**

This week, the Michigan House passed its version of the state budget, marking an important step toward finalizing a plan before the new fiscal year begins in October. While the move signals progress, the proposal is drawing sharp criticism for what many are calling "deep and painful cuts" to local governments, hospitals, schools, and public health services.

The House Republican budget totals \$54.6 billion (\$12.09 billion General Fund) and trims nearly every state department except for the Legislature, Executive Office, Auditor General, Military & Veterans Affairs, and Transportation. When combined with earlier education budgets, the House plan comes in at nearly \$79 billion—notably less than both the Senate's \$84.6 billion version and Governor Whitmer's \$83.5 billion recommendation.

#### Key highlights include:

- **Road Funding Boost:** More than \$3 billion—an increase of about 50%—would go toward fixing roads.
- Cuts Across Departments: Significant reductions are proposed for the Department of Health and Human Services (including Medicaid, maternal health, and autism programs), the Attorney General, Environment, Great Lakes & Energy, and Labor and Economic Development.
- Public Safety Shifts: Funding for State Police would be cut by \$66.3 million, while Republicans
  emphasized redirecting resources to local police and sheriffs.
- Eliminations & Efficiencies: The plan eliminates 4,300 vacant state positions, requires state employees to return to in-person work, and introduces new reporting rules on severance pay and work projects.
- Policy Additions: Boilerplate language would prohibit diversity, equity, and inclusion programs, block the Attorney General from joining certain lawsuits without legislative approval, and require in-person DMV services without appointments.

The proposal passed largely along party lines (59–45), with one Democrat joining Republicans in support. Democrats objected to both the substance and process, citing a lack of transparency and little time to review the 800-page document. Hospitals, schools, counties, and advocacy groups also voiced strong opposition, warning of cuts to healthcare, education, and local government services.

Republicans defended the plan as fiscally responsible, pointing to \$5 billion in identified savings and redirection of funds toward "core needs" like roads, pensions, and local public safety. Supporters, including the West Michigan Policy Forum, called the budget a "return to basics" and a sign of good governance.

Governor Whitmer, Senate leaders, and the House Speaker met earlier this week to continue negotiations. With just over a month until the fiscal year deadline, all sides acknowledge that significant work remains to reach a bipartisan agreement.

At McAlvey Merchant & Associates, we recognize the challenges these proposed cuts and shifting priorities present for many of our clients. As budget negotiations move forward, our team is fully engaged at the Capitol to advocate for your interests, ensure your voices are heard, and keep you informed of key developments.

We will continue to provide timely updates as discussions evolve in the weeks ahead. Thank you, as always, for the trust you place in us. We wish you a safe and enjoyable Labor Day weekend.

### **NEWS**

#### WHITMER, BRINKS OFFER UNITED FRONT ON NEED FOR BUDGET SOON

On the eve of renewed budget negotiations between legislative principals, Gov. Gretchen Whitmer offered praise for the Democratic-led Senate in how it has handled the budget so far and warned against failing to have a budget in place before the Oct. 1 start of the fiscal year.

For most of this year, Whitmer and House Speaker Matt Hall, R-Richland Township, have seemed more in sync on certain aspects of the budget, like making a long-term road funding solution a key component, even resolving it before completing the entire budget. Senate Majority Leader Winnie Brinks, D-Grand Rapids, has strongly resisted passing a road funding deal separate from the budget.

Whitmer, at times, has voiced frustration with Senate Democrats and their lack of action on roads. She praised Hall for having the House pass a roads plan. And a group affiliated Democratic Governor Association began running online ads urging the Senate to pass Whitmer's roads plan.

Brinks, Hall and Whitmer will meet Tuesday for the first time in what one source described as a fair amount of time to discuss the budget.

Hall has relished playing Brinks and Whitmer off each other, but at a Monday event in Grand Rapids on housing, Whitmer offered some support to Senate Democrats on the budget.

Appearing next to Brinks during her discussion with reporters, Whitmer alluded to the fact that Brinks' chamber is solo in passing a complete slate of budgets for negotiation.

"I have been ready to negotiate a budget since I introduced the budget seven months ago, and while you know we still have time to get it done and to have a negotiated budget, time is running out, and we will continue to try to make sure that we get it done on time. I will not be the hold up," she said. "I can tell you that, and I can thank my partner here in the state Senate, they passed some budgets out."

The Republican-led House has passed their education budget bills, but the chamber's Republican leadership has given no indication as to their budget plans for departments and agencies.

Some have speculated about discord between Whitmer and Brinks in the months since Whitmer called for the budget to be passed alongside a road funding plan, a request many Senate Democrats have rejected out of hand. On Monday, however, Whitmer and Brinks appeared to be a united front – and mentions of Hall, who has recently touted his relationship with the governor, were nowhere to be found.

"We are serious about getting this done for the people of Michigan," Whitmer continued, referring to herself and Brinks. "It behooves no one to miss that deadline. It will be bad for everyone, and, most importantly, bad for the people of Michigan."

Brinks did not speak during the back-and-forth with reporters but stood beside Whitmer nodding her agreement. In a further show of unity, Whitmer named Brinks first in a list of officials she thanked for their work on housing access issues during her remarks at the event.

On Monday, Whitmer wouldn't say if she's planning to leave the country for two weeks mid-September – but said if she does, any snags in the process won't be due to her absence.

The Detroit News reported last week that Whitmer would be traveling to Japan on a two-week trade mission in September, citing a Michigan Economic Development Corporation webpage and unnamed sources. When asked Monday if she could confirm her travel plans, Whitmer deferred again to security protocols, similar to what her spokespersons have said upon prior requests for confirmation.

"I'm not in a position to confirm anything. We don't do that," Whitmer said. "But I will say, should I not be in state, I am always governor 24/7, 365, and I'm never hard to get ahold of."

The powers of the governor shift to the lieutenant governor when the governor is out of state, but that involves Whitmer's ability to take official actions like signing bills, making appointments or issuing executive orders, not negotiations on legislation.

Addressing the press after an event in Grand Rapids to announce a milestone in the statewide housing plan (see separate story), Whitmer said she's more than ready to move on budget negotiations and won't let international travel keep her from communicating with the Legislature.

Hall said last week he's not concerned about Whitmer being in Japan shortly before the budget deadline. Brinks declined to comment on the trip last week. Stakeholder groups around the state, however, are beginning to feel the pressure of the looming deadline even if lawmakers are not and are increasingly speaking out to demand speedy passage of a budget and reminding lawmakers of their priorities.

The conservative West Michigan Policy Forum released a statement Monday imploring Whitmer, Brinks and Hall to be mindful of state pension and health care obligations and to "reject efforts to divert or diminish" them.

"Governor Whitmer and legislative leaders should make all of Michigan's hardworking men and women a priority," WMPF Chair John Kennedy said in the statement. "Fix the roads, keep your promises and stop making it harder to live, work and grow a business in Michigan."

Among the items the group hopes to see left out of this year's budget: earmarks for "frivolous pet projects" and economic development initiatives that consist of tax incentives for select businesses or large grants to "politically connected donors."

"Michigan doesn't have a revenue problem; it has a spending priority problem," Kennedy continued. "Just two years ago, our state had a \$9 billion surplus. Instead of fixing our roads, that money went to new government programs and political pet projects."

#### LOOK WHAT YOU MADE ME DO: HOUSE REPUBLICANS PASS BUDGET

A spending plan with cuts in nearly every department passed the House on Tuesday quickly after it was presented for the first time following weeks of Democrats calling on majority House Republicans to show their cards on the budget.

The House Republican budget makes cuts to almost every budget area, despite objections from Democrats.

HB 4706 includes the House Republican proposal for the state's departments and agencies. It totals \$54.6 billion (\$12.09 billion General Fund). The Executive Office, Legislature, Department of Auditor General, Department of Military and Veterans Affairs and Department of Transportation are the only areas that wouldn't be cut under the plan.

The bill passed 59-45. Rep. Karen Whitsett, D-Detroit, voted with the Republican majority.

"We've been hounded by the press, by the Senate — we've said, the governor's said, show us your roads plan," House Appropriations Chair Rep. Ann Bollin, R-Brighton, said. "Well, guess what, they have our whole budget now. We did it. ... We're not budging as much as they're going to have to budge if they want to get a budget done."

Coupled with the spending plans for community colleges, higher education and K-12 schools, the Republican budget proposal is nearly \$79 billion. The budget passed by the Senate totaled \$84.6 billion, and the executive recommendation proposed by Gov. Gretchen Whitmer totaled \$83.5 billion.

The spending plan was voted on within the of being released publicly.

House Republicans acted well after the July 1 statutory deadline for a budget to be signed into law. The move comes after weeks of Democrats and other stakeholders calling for a Republican budget so negotiations could begin in earnest.

Also on Tuesday, a little over a month until the end of the fiscal year, Gov. Gretchen Whitmer, House Speaker Matt Hall R-Richland Township, and Senate Majority Leader Winnie Brinks, D-Grand Rapids, met on the budget.

The House Republican plan does boost road funding by more than \$3 billion or 50 percent. Republicans also moved to require departments to prioritize in-person work, report on severance pay to top officials and provide information on work project status.

Some of the larger cuts are for the Department of Attorney General (down \$38.4 million, a 29.6% reduction), Department of Environment, Great Lakes and Energy (down \$200 million, a 19.2% reduction) and the Department of Labor and Economic Development (down \$1.1 billion, a 46.7% reduction).

The Department of Health and Human Services is split into three categories: Medicaid, Public Health and Human Services. All saw cuts, The Medicaid portion of the budget was cut by \$3.7 billion, the Public Health portion \$92.5 million and the Human Services portion by about \$1 billion.

The budget would cut grant programs and the Strategic Outreach Attraction and Reserve Fund. It also eliminates 4,300 unfilled positions, which House Republicans say will free up \$560 million, and it requires state employees to return to in-person work.

Additionally, the budget cut the Department of Corrections (down \$28.5 million or 1.3%) and the Department of State Police (down \$66.3 million, or 7%).

House Democrats criticized the process.

"This has to be the least transparent budget that I have even been a part of, which is more than ironic coming from a speaker who prided himself on being very transparent," House Minority Leader Rep. Ranjeev Puri, D-Canton Township, said. "There was no time for us to review an 800- page document to understand what we were voting on. ... They didn't allow HFA to give us a full analysis, so we have not been able to review that. This was very authoritarian in terms of how this was presented to us."

Rep. Alabas Farhat, D-Dearborn, former minority vice chair of the House Appropriations Committee, said the process needed to be better.

"The speaker continues to operate in a silo in the four walls of his office, not engaging with Democratic values at all, with the Senate or the governor," he said. "The governor and (Senate Majority Leader) Winnie Brinks are ready to negotiate a budget and to avert a government shutdown, and you've seen the speaker instead come out and slam the governor for her inaction ... on a 'road funding plan for over two terms.'... Democrats are ready. We're here. They can reach out to us."

House Republicans defended the process, saying they held 137 hours of public testimony on the budget, though much of that testimony was dedicated to legislative earmarks.

"We went through the budget, and we eliminated the waste, fraud and abuse in government," Hall said. "Our subcommittee chairs have never been more engaged in the process. ... I would just say, as we're going forward, (legislative Democrats are) a very negative group of people that have no intention of advocating for a position or supporting any budget. We couldn't even find a vice chair of the Appropriations Committee on the Democrat side who wants to solve problems an get a budget done, so we just said, look, this committee's broken. We're going to move forward with the budget because the people of Michigan expect this budget to be done on time."

Bollin said transparency looked different during this budget process.

"We have hearings almost every single week. Hearings that ask questions about programs, about projects, not about where you want to go and where you want to spend more but really getting into the meat and potatoes of whether or not these programs and projects are delivering," she said. "Does that transparency look a little different on the budget? Yes."

House Republicans touted their spending plan as including \$3.1 billion for roads, eliminating taxes on tips and overtime, including \$140 million for new public safety investments and making more than \$5 billion in cuts.

"Our budget plan transitions Michigan from a status quo to a let's go for the taxpayers," Bollin said during a floor speech. "Instead of adding 3 or 4% to last year's top line, we poured through it, line by line. We asked tough questions about what was working, what wasn't working. We followed the money. We shined a light on the prices for tax dollars were being wasted and abused."

House Democrats objected strongly to House Republican's proposal.

"Who are we defending in this budget?" Farhat said during a floor speech. "Are we defending the working families of our state?... Or are we trying to defend special interest of the state ... when I look at this document that we got about an hour ago, I can only see how much further we're allowing our state to slide back into a position of mediocrity instead of leading."

House Democrats did not say they were against any cuts, though.

"We're all for efficient, effective government," Farhat said. "We're all for making sure that we're delivering the highest level of customer service every single day for Michiganders. ...That's what we all stand for here. We all believe that government can be the best through staunch accountability."

In the Department of Corrections budget, the House cuts funding for higher education, transitional housing development and does not include any funding for reimbursing ambulance service providers. Elsewhere in the General Fund budget, however, \$6 million in unexpended funds from work projects are made available in the Department of Technology, Management and Budget to compensate ambulance providers (editor's note: an earlier version of this story incorrectly stated the status of emergency service reimbursements). The Corrections budget also includes \$50 million in General Fund dollars to provide pay increases for corrections officers.

House Republicans said their budget will protect Supplemental Nutrition Assistance Program and Medicaid.

"What we did with Medicaid is we said, let's tailor Medicaid to make it work so that everyone who's eligible can continue to use Medicaid," Hall said.

Hospitals criticized the House budget.

"The proposed state budget from the Michigan House of Representatives guts hospital funding and would be disastrous if even a semblance of the cuts eventually makes it into the state budget," said Brian Peters, CEO of the Michigan Health and Hospital Association, in a statement. "Michigan hospitals already stand to lose more than \$6 billion over the next ten years due to federal budget cuts. Slashing more funding that supports delivering healthcare services and the nurses, physicians and other staff employed by hospitals harms Michigan and our more than 10 million residents."

Hall defended cuts to rural hospitals

"Our budget funds \$250 million for rural hospitals, and they know that," he said. "I would caution the hospitals. They're really getting a little too political and they're siding too much with the Democrats... I really think they should pick their battles because everything they say is going to put them out of business."

On the cuts to State Police, House Republicans said they wanted to invest in local police because of the controversy with the Director James Grady.

"We're trying to make investment in local police and county sheriffs so that they can go and lower our violent crime rates," Hall said.

House Democrats, however, are already accusing potentially vulnerably House Republicans who voted for the proposal of defunding the police.

A Whitmer spokesperson for Brinks addressed the meeting with Hall on the budget ahead the House's action.

"It was a productive meeting, and our team will stay in close touch with legislators and their staff over the next month to get this done," a spokesperson for Whitmer said before the House acted on its plan.

Brinks, also before the House presented then passed its proposal, said she has made her frustrations about a lack of proposal heading into September "abundantly clear."

"It's 36 days until October 1, and we have a lot of work to do," she said. "It's work that we can accomplish, but the games and distractions need to end."

# STATE BOARD OF EDUCATION OFFERS STATE SUPERINTENDENT POSITION TO DEARBORN'S MALEYKO

Dearborn Public Schools Superintendent Glenn Maleyko has been offered the position of superintendent of public instruction by the State Board of Education after a Tuesday evening vote.

Maleyko was selected by the board after two rounds of interviews, the second of which was conducted Tuesday morning. He was chosen over Harrison Community Schools Superintendent Judy Walton and former Virginia Superintendent of Public Instruction Lisa Coons, who also interviewed for a second time today.

Maleyko has been in the Dearborn Public Schools district for over 25 years, working his way up from a substitute teacher to becoming superintendent in 2015. He was named the 2019 Michigan Superintendent of the Year by the Michigan Association of Superintendents and Administrators. He holds four degrees from Wayne State University, the University of Detroit Mercy and University of Windsor.

During his interviews, Maleyko focused on his experience leading a large and diverse school district and his considerable ties to education associations around the state and at the national level. Board members noted those factors in the deliberations that ultimately ended with a vote in Maleyko's favor.

"He has a vast number (of people) from all different corners of life and experiences that have shown up as references. I will say that that tells us that he can come in and work with a diverse sector of stakeholders," Board President Pamela Pugh said of Maleyko during deliberations. "I have had the opportunity to speak with members of his staff who have appreciated his leadership style. I've heard from parents whose only comments or bad thing that I heard was that he would be leaving their child (if he were offered the position)."

The board split 3-5, with members Tom McMillin, Nikki Snyder and Mitchell Robinson voting against Maleyko and Pugh, Tiffany Tilley, Marshall Bullock, Ellen Cogen Lipton and Judy Pritchett voting in favor (editor's note:

This story was changed to correct the vote tally). Robinson stated he favored Walton over Maleyko, whereas Snyder and McMillin, the board's two Republican members, expressed distaste at all of the candidates. Snyder said she felt Maleyko was unprepared compared to Walton and Coons.

Maleyko emphasized on several occasions during his interviews his desire to put students first and place students at the heart of his mission if chosen to be state superintendent, a message that resonated with board members and education groups alike.

Peter Spadafore, executive director of the Michigan Alliance for Student Opportunity, congratulated Maleyko in a statement.

"Having had the opportunity to work alongside Dr. Maleyko at various statewide leadership tables, I know firsthand the integrity, experience and student-centered leadership he brings to this critical role. His proven ability to manage one of Michigan's largest school districts, his deep understanding of the challenges and opportunities facing public education, and his commitment to students with the greatest needs will serve our state well," Spadafore said. "This is a pivotal moment for Michigan's schools, and I look forward to working with Dr. Maleyko and all of our education partners to ensure every child has the opportunity to succeed."

Each of the three finalists were asked to come to their interviews prepared with a presentation on their "entry plan" if they were to receive the job. Maleyko said his first steps as state superintendent would be meeting individually and in small groups with board members and Department of Education staff and beginning engagement with the rest of the executive branch and the Legislature as well as non-governmental stakeholders.

After that, Maleyko said he would plan to embark on a statewide listening tour to visit local school districts and ISDs to meet with students, parents and educators. The end goal of the listening tour and stakeholder engagement, he said, would be to "fine tune" MDE's Top 10 Strategic Education Plan Goals to address the latest challenges the state faces in education.

"If the board agrees, what I would like to do is bring the stakeholder groups back, just to look at the plan, maybe to fine tune the Top 10," Maleyko said in his interview. "We want to compile data from all stakeholders, do a deep, deep dive into Michigan data aligned with the Top 10 goals, triangulate that data. We want to analyze, again, the strengths, opportunities and challenges that we are facing."

As the next state superintendent, Maleyko will enter MDE at a time of understaffing, budgetary turmoil and pressure from all sides to improve Michigan's educational metrics, while also being tasked with implementing a significant portion of the state's new literacy and dyslexia laws and navigating what has at times been a tense relationship between MDE, its counterparts at the Department of Lifelong Education, Advancement and Potential and the office of the governor.

Maleyko feels he's ready for those challenges, though.

"My career in Michigan in public education, and multiple positions that we talked about throughout the interview, has truly prepared me for this moment. I'm ready to lead on day one ... but I also know I'm going to have some learning (to do)," he said. "I'm ready to lead because of all the relationships that have been built across the state to advance student centered policy and practice. What I've learned is education is complex, but the mission is simple, whether we're here debating policy, addressing workforce shortages or navigating a lot of politics. I am going to say this: if you hire me, you're going to see me always bring it back to the impact on students."

If Maleyko accepts the board's offer, a third-party deep background check will be conducted on him, and contract negotiations will begin. Next updates will be given at the board's September 9 meeting, including a start date for Maleyko.

#### WHITMER SIGNS 3 BILLS, BRINGING PUBLIC ACTS TO 12 IN 2025

A pair of bills that make it a crime to create and distribute artificial intelligence-created images featuring a specific person in sexual situations were signed by Gov. Gretchen Whitmer on Tuesday.

Whitmer's signed of HB 4047 and HB 4048, along with SB 70, on Tuesday bring the public acts in 2025 up to 12.

"As a county prosecutor, I went after people who used their power to prey on others," Whitmer said in a statement. "Now, as governor, I'm proud to sign these bipartisan bills into law, so we can protect Michiganders from this rising form of sexual exploitation. I'll keep working with anyone to protect Michiganders from blackmail or retribution, because no one should have to live in fear. Together, let's get it done."

HB 4047 and HB 4048, now Public Acts 11 and 12 of 2025, are sponsored by Rep. Matthew Bierlein, R-Vassar, and Rep. Penelope Tsernoglou, D-East Lansing.

"With the governor's signature, Michigan is making it clear that non-consensual intimate deepfakes have no place in our state. This law protects the dignity and privacy of every citizen and gives victims the tools they need to seek justice," Bierlein said. "Technology should be used to improve lives, not to exploit them — and today we've taken an important step to ensure that."

SB 70, PA 10 of 2025, designates a portion of M-34 in Hillsdale County as the "Deputy Sheriff William Butler, Jr. Memorial Highway." This change honors Deputy Sheriff William Butler, Jr., a member of the Hillsdale Sheriff's Department, who lost his life in the line of duty after being shot during a traffic stop.

# WHITMER RESPONSE: PLAINTIFFS HAVE NO STANDING TO FORCE CALL OF SPECIAL SENATE ELECTION

Gov. Gretchen Whitmer filed on Thursday for summary disposition in a lawsuit filed against her, saying the plaintiffs lack standing to seek a judicial order compelling her to call a special election to fill the vacant 35th Senate District seat.

In a response filed with the Court of Claims on Thursday in Anderson v. Whitmer (Docket No. 25-000131), attorneys for Whitmer said the court also lacks the authority to issue mandamus or injunctive relief against a sitting governor, citing constitutional separation of powers.

The Thursday response was to a lawsuit filed by several Mid-Michigan residents seeking to have the courts compel Whitmer to call a special election for the seat, which has been vacant for nearly eight months.

Plaintiffs in the suit have asked for a writ of mandamus compelling Whitmer to call the election, alleging she has violated the Constitution by not yet issuing a writ of election.

A motion for an order to show cause in the suit was denied by Judge James Redford, but a request for expedited consideration was granted.

The Constitution requires the governor to call a special election to fill any vacancy in the Legislature but provides no timetable for when that must happen.

This was cited in the governor's response.

"Governor Whitmer is currently deciding when to schedule the election to fill the vacancy in the 35th Senate District," her lawyers wrote. "She fully intends to issue the writ of election for that vacancy; she just has not done so yet. Apparently dissatisfied with the governor's decision-making speed, plaintiffs filed this suit asking the court to enter unprecedented relief based upon the incorrect premises that not only must the governor issue a writ of election immediately (despite no law setting forth such a requirement), but also that write must call for a special election to occur "at the earliest practicable time" (despite the law stating the exact opposite ...)."

The response states that the Constitution says that any such election shall be held in a manner prescribed by law. It was noted that under Michigan Election Law that the governor "may" call a special election "or direct that the vacancy be filled at the next general election."

Further, the response noted that calling a special election involves not just setting a date for a special general election but also setting a special primary election while also factoring in deadlines for filing fees or nominating petitions.

The governor's attorneys also argued the 35th District is the first legislative vacancy to occur after the implementation of early voting in elections, which could make matters more complicated.

Additionally, the plaintiffs lack standing and have not demonstrated a right or substantial interest different than the public at large, they said. It was stated that they instead speak of a lack of representation and lack of voice in legislative discussions and votes.

In the governor's arguments it was noted that the complaint raises claims of mandamus and mandatory injunctive relief, adding that the Michigan Supreme Court and Court of Appeals have affirmed in cases dating back 150 years that constitutional separation of powers precludes courts from issuing such relief against a governor.

As to the lack of merit in bringing the suit Whitmer's lawyers said there is nothing cited in statute that points to a deadline for issuing a call for a special election.

For these reasons, the plaintiffs had failed to show that they were entitled to any relief and that Whitmer should be granted summary disposition, her attorneys concluded.

# NEW REPORT EMPHASIZES ISSUES IN ROAD FUNDING, INFRASTRUCTURE

Michigan faces an annual \$3.9 billion deficit in road funding to preserve infrastructure, and the loss of bonds in the next year will exacerbate the issue, according to a new report from TRIP, a national transportation research nonprofit.

Although the bonds borrowed by the Department of Transportation in the last five years have allocated approximately \$3.5 billion to transportation programs, these bonds run out after the next fiscal year, dropping reconstruction funds from \$500 million annually to \$222 million. The Infrastructure Investment and Jobs Act funding will also run out.

With a 54% rate of inflation on highway costs, according to Ricky Moretti, director of policy and research at TRIP, Michigan is looking at cutting 2,800 construction jobs, and the current findings of the report becoming bigger problems.

The report broke down some of the numbers regionally when it comes to unpaved roadways and costs to individual drivers. In Detroit, the average cost to motorists, based on deterioration or unsafe roads, is \$2,921 per year. In Grand Rapids, it costs \$2,302 and \$1,856 in Lansing.

Across the state, 21% of major roads are in poor condition with another 19% in mediocre condition, according to the report.

In Detroit, 42% of the roads are in poor condition and another 19% are in mediocre condition.

Around 36% of roads in Grand Rapids are in poor condition with another 18% in mediocre condition. In Lansing, 37% of major roadways are in poor condition and 20% are mediocre.

Around 11% of bridges in Michigan are rated in poor condition and "in need of immediate repair," and another 56% are in fair condition.

Lansing is on par with the state, with 11% of bridges in need of repairs, while 9% of Detroit's bridges need repair and 8% of Grand Rapids bridges are in poor condition.

The report also covered driver experience instead of just infrastructure, stating that the average driver in Detroit spends an additional 64 hours annually stuck in traffic, leading to a waste of 24 gallons of fuel. In Grand Rapids, this is 43 hours and 16 gallons, and in Lansing, this is 16 hours and six gallons of fuel.

Fatalities on Michigan roads have also increased 16% in Michigan during the past five years. In the Detroit area, an average of 382 fatalities occur.

Even with all this need, Moretti acknowledged Michigan has made progress during the last five years with additional funding from the state, but that it could be challenging moving forward with traffic inflation back to pre- COVID-19 levels.

Lance Binoniemi, vice president of government affairs at the Michigan Infrastructure and Transportation Association, said the report helps lawmakers understand where they need to invest and brings "a human element" to the road funding issue.

"As a driver of 30 years in Michigan, I take for granted the fact that we have poor roads and that I have to replace tires, and so does everyone else in our state," Binoniemi said. "There's not a single person that doesn't know a family member or a friend or themselves who has been affected by poor roads and damage to their vehicle or costly commute times or safety measures."

Although the bonds were a good short-term investment, Binoniemi said, they also did not include increases in the local systems that have been "beat up" by construction season and then continuing deterioration of pavement.

He said in the next three years that more than 10,000 jobs will be cut from industry if the funding cliff happens with nothing to backfill it.

Binoniemi said his association is very supportive of the House road funding plan and hopeful in negotiations to start soon for the full passage.

The nine-bill package was passed back in March to provide \$3.1 billion for a long-term funding plan.

The focus on the local level is most attractive in the House's plan, Binoniemi said, with \$275 million set aside for a neighborhood streets program without requiring local townships to match the funds.

With the increased funding, for every \$1 billion invested, 20,000 jobs are created, according to Binoniemi.

"On a macro level, you know, good roads really affect all of our economy," Binoniemi said, "It affects tourism. It affects agriculture. And so, every aspect of Michigan's economy really is impacted by good roads. Even our ability to attract businesses to our state has a huge impact on our road system. And so, we believe that good roads will support a great economy."

# BUDGET OFFICE REVIEWING HOUSE PLAN'S 'DEEP' CUTS

The House passing a budget is an important step ahead of the end of the fiscal year next month, but its plan still makes "deep and painful cuts," to local governments and hospitals, the State Budget Office said in a statement Wednesday.

Lauren Leeds, a spokesperson for the State Budget Office, still said the House's action on Tuesday is an important step in getting a budget finished in the next five weeks.

"We're still reviewing the House proposal which makes deep and painful cuts to local governments and local hospitals, defunds police, guts Medicaid and ends free school meals," Leeds said. "We'll be working diligently in the weeks ahead to negotiate and pass a balanced, bipartisan budget that prioritizes fixing our roads and ensures anyone can make it in Michigan."

The House passed – mostly along party lines – its budget proposal for the state's departments and agencies on Tuesday. It makes cuts to all but five spending areas. The Legislature, Executive Office, Office of Auditor General, Department of Military and Veterans Affairs and Department of Transportation were not cut.

Earlier this year, the House passed its education budgets. Education advocacy groups rallied against the full budget proposal passed by the House in statements on Wednesday, saying the spending plan would move \$2 billion away from education.

All other areas were cut, including the Department of Health and Human Services, which saw reductions to hospital payments based on federal law along with reductions in programming related to maternal health, autism and mental health.

Cuts from DHHS include the autism navigator program (\$2 million), adult dental services for Medicaid managed plans (\$21 million), group-based maternity health programs (\$5 million) and maternity care data sharing incentives (\$10 million).

Additionally, the DHHS budget includes a boilerplate requirement that the department seek a waiver to block the use of bridge cards for purchasing soda and candy. It also reduced funding for double-up food bucks from \$5 million to \$1.2 million.

A senior policy analyst for the Michigan League for Public Policy, which broadly criticized the House budget, said shopper choice is what makes SNAP so efficient.

"Micromanaging individual SNAP purchases just creates more overhead for the government and retailers while doing nothing to make healthier options more affordable or accessible to struggling families," Julie Cassidy said in a statement. "The hundreds of thousands of workers and 39,000 veterans in Michigan who use SNAP don't need the state to tell them what they can buy at the grocery store. Lawmakers should worry less about pop and more about the fact that Congress just passed the largest SNAP cut in history while hunger is on the rise."

Many budgets also included a 10% reduction to be achieved through "administrative efficiencies."

The House budget did not provide \$80 million for water infrastructure projects, including lead service line replacement. It reduced funding for crime victim's rights funding by \$4 million. It also did not include a \$1.3 million increase to meals on wheels proposed by the Senate.

Much of the House's adds were in boilerplate. The proposal prohibits diversity, equity and inclusion programs and seeks to block the Department of Attorney General from joining multi-state lawsuits against the federal government without legislative approval. It also seeks to require to Department of State to provide in-person services at branch offices without requiring an appointment.

The House did add \$1 million for caseworker mental health programs in DHHS and \$25 million for local prosecutors retrying juvenile life without parole cases.

In the Department of State Police, the House cut \$66.3 million, or 7%, and 433 FTEs. Democrats slammed the Republicans for "defunding the police." Republicans, though, said the culture is toxic at the agency.

"We're sending more resources directly to local police through our Public Safety and Violence Prevention Trust Fund," Rep. Mike Mueller, R-Linden, said in a statement. "In the meantime, we have a lot of work to do to mend the relationship between MSP and our local law enforcement agencies that (MSP Director James Grady) has destroyed."

Sen. Kevin Hertel, D-St. Clair Shores, in a statement, said the House budget would force reductions in training programs and critical community safety initiatives.

"Funding our police should never be a partisan issue," Hertel said. "But House Republicans' budget makes catastrophic cuts and undermines public safety. I will not play games with the safety of Michigan communities, and I will never balance the budget on the backs of our troopers."

The Michigan Association of Counties also slammed the budget proposal. The House reduced constitutional revenue sharing by \$34.9 million.

"While the Michigan Association of Counties has long argued for more investments in our chronically underfunded road grid, trying to raise those funds by slashing state dollars that counties use to operate everything from courts to health departments is robbing Peter to pay Paul," Stephan Currie, MAC executive director, said in a statement. "You can't suddenly adopt a 12% reduction in county revenue sharing, require minimum funding levels and walk

away expecting everything will turn out fine. County commissioners are elected to make local investment decisions in their communities. Wayne County has different needs and priorities than Delta County."

Most of the feedback on the budget was negative, including from the Michigan Environmental Council, school groups, the Michigan Works! Association, hospitals and Democrats.

Sen. Sarah Anthony, D-Lansing, chair of the Senate Appropriations Committee called the plan fiscally reckless.

School groups blasted the proposal. The K-12 Alliance of Michigan said it would create a \$2 billion hole in school funding. The Michigan Alliance of Student Opportunity, the Michigan Association of Superintendents and School Administrators, the Michigan Association of Intermediate School Administrators, the Michigan Association of Secondary School Principals and the Michigan Association of School Boards agreed.

The groups said House Republican's complete budget moves \$2 billion from education by diverting \$1.47 billion in School Aid Fund to higher education, cutting \$588 million in School Aid Fund to offset retirement costs and removing sales tax charged on fuel.

Adequate funding is the foundation that sets Michigan students up for long term success. It's how we deliver a K-12 education system that provides smaller class sizes, mental health supports, wraparound services, and other resources we know creates an education environment where students can reach their full potential," Peter Spadafore, executive director of the Michigan Alliance for Student Opportunity, said in a statement. "Unfortunately, the House budgets do none of those things."

Michigan Association of Ambulance Services Executive Director Angela Madden praised the House budget for including funding for services EMS providers gave to the Department of Corrections and has not received payment for.

The West Michigan Policy Forum also praised the budget, calling it fiscally responsible.

"This budget gets back to the basics," John Kennedy, chair of West Michigan Policy Forum Board, said in a statement. "It prioritizes core needs like roads and pensions while tightening the belt on government bureaucracy. That's what good governance looks like."

Rep. Ann Bollin, R-Brighton, the chair of the House Appropriations Committee, said the budget is balanced and prioritizes families.

"Our budget is built on honesty, transparency, and respect for taxpayers," Bollin said in a statement. "We went line by line through every department, identified more than \$5 billion in waste, and redirected that money to fix our roads, keep our communities safe, strengthen education, and protect our most vulnerable."

# **CALENDAR OF EVENTS**

Sept. 6 Rep. Jennifer Wortz (R) - 5k Fun Run & Walk
Lewis Emery County Park at the Rearing Ponds, 2111 State Road, Hillsdale, 8:30 a.m.

Sept. 7 Michigan Senate Democratic Fund Location Shared Upon RSVP, Traverse City, 4 p.m.

# Sept. 8 Rep. Mike Hoadley (R) - Golf Outing

Huron Breeze Golf Club, 5200 Huron Breeze Drive, Au Gres, 8 a.m.

#### Sept. 9 Rep. Gina Johnsen (R) - Breakfast Reception

MI Beer & Wine Wholesalers Hop & Vine Room, 332 Townsend St, Lansing, 8 a.m.

#### Rep. Joe Pavlov (R) - Lunch Reception

Michigan Beer and Wine Wholesalers Association, Hop & Vine Room, 332 Townsend Street, Lansing, 11 a.m.

#### Rep. Nancy DeBoer (R) - Lunch Reception

Michigan Municipal League, First Floor, 208 North Capitol Avenue, Lansing, 11:30 a.m.

# Senate Majority Leader Winnie Brinks (D) - Evening Reception

Governors Room, Karoub Associates, 121 West Allegan Street, Lansing, 4:30 p.m.

# Rep. Bradley Slagh (R) - Evening Reception

Michigan Beer and Wine Wholesalers Association, Hop & Vine Room, 332 Townsend Street, Lansing, 5 p.m.

# Sept. 10 Rep. Matthew Bierlein (R) - Breakfast Reception

Michigan Beer and Wine Wholesalers Association, 332 Townsend Street, Lansing, 8 a.m.

#### Rep. Luke Meerman (R) - Breakfast Reception

Governors Room, Karoub Associates, 121 West Allegan Street, Lansing, 8 a.m.

# Rep. Nancy Jenkins-Arno (R) - Breakfast Reception

MLBA Office, 101 South Washington Square, Ste 800, Lansing, 8 a.m.

#### Rep. Brenda Carter (D) - Birthday Bash

Michigan Beer and Wine Wholesalers Association, 332 Townsend Street, Lansing, 11 a.m.

#### Rep. Sharon MacDonell (D) - September Shindig

Michigan Municipal League, First Floor, 208 North Capitol Avenue, Lansing, 11:30 a.m.

### Rep. Jerry Neyer (R) - Reception

Hop & Vine Room, Michigan Beer and Wine Wholesalers Association, 332 Townsend Street, Lansing, 4:30 p.m.

# Sept. 12 Rep. Timmy Beson (R) - Golf Scramble

Twin Oaks Golf Club, 6710 Freeland Rd, Freeland, 9 a.m.

#### Sen. John Cherry (D) - Sporting Clay Shoot

Hunter's Creek Club, 675 E Sutton Road, Metamora, 9 a.m.

#### Rep. Will Snyder (D) - Annual In-District Golf Scramble Fundraiser

Lincoln Golf Club, 4907 Whitehall Rd, Muskegon, 12 p.m.

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