

KAROUB REPORT

JUNE 2024

LEGISLATURE PASSES FY 2024-2025 STATE BUDGET



Early in the morning of June 27, the Michigan Legislature passed the fiscal year 2024-2025 state budget, comprised of general appropriations for state departments and education appropriations for school aid, community colleges, and higher education. A broad overview of appropriations per department and the education omnibus can be found on pages 2-3.

WHAT'S IN THE BUDGET

General Omnibus Budget Details:

- **House Fiscal Agency analysis**
- **Senate Fiscal Agency analysis**

Education Omnibus Budget Details:

- **House Fiscal Agency analysis**
- **Senate Fiscal Agency analysis**

STATE DEPARTMENT APPROPRIATIONS

Agriculture & Rural Development
- New farm-to-family program
- New fruit and vegetable prescription program

Corrections
- Covering increasing costs of prisoner healthcare services
- Expanding a correctional facility education facility
- Peer-led reentry services
- In-reach services expansion

Education
- Developing an ongoing community health worker certification program (one-time funding available to districts and ISDs)
- Mental health training
- Increased state aid to libraries

Environment, Great Lakes, and Energy
- Lead line replacement
- Electric vehicle charging stations and hydrogen fueling facilities
- Local water infrastructure projects
- Grants to local governments for stormwater projects that mitigate climate change
- Drinking water intake monitoring program

Health and Human Services
- Opioid addiction services
- Addiction medicine training curriculum
- Community behavioral health clinics
- Medicaid caseload adjustments
- Medicaid rate increases for behavioral health providers, doulas, and select codes for orthotic and prosthetic services
- Increased direct care worker wages
- Increase for the MiDOCS program, which provides student loan assistance for physicians working in undeserved communities
- Aid to grocers and retail merchants in combatting food deserts

Insurance and Financial Services
- New staff for improving customer service outreach related to auto insurance and care claims

Labor and Economic Opportunity
- Increasing housing stock and affordability
- Grants for community enhancement, public infrastructure, public safety, and workforce development
- Michigan Innovation Fund, to support startups
- Economic assistance to businesses locating or expanding in Michigan
- Office of Rural Prosperity grants for enhancing broadband, housing, infrastructure, education, and workforce development

Licensing and Regulatory Affairs
- Study on statewide energy waste reduction
- Hiring additional elevator inspectors
- Evaluating the effect of the required implicit bias training for health professionals

Lifelong Education, Advancement, and Potential
- Transfers from the Department of Education and Department of Licensing and Regulatory Affairs
- Office of Great Start, which administers early childhood education programs
- Child development and care subsidy
- Child care provider reimbursement rate increase
- Out-of-school-time program, which provides grants for before and after school programs

STATE DEPARTMENT APPROPRIATIONS continued

Military and Veterans Affairs

- Funding for three state veteran homes to cover operating cost increases

Natural Resources

- Developing a mass timber market in Michigan
- Acquiring refrigerated trailers that processors can use to store deer and processed venison

State Police

- Public safety assistance programs
- Emergency contingency fund
- Targeted disaster relief for recently affected counties
- Increase for Capitol securit

Transportation

- Transit innovation grants
- Critical infrastructure grants in local communities
- New technology and mobility projects
- Speed enforcement pilot project in school zones
- Increase for road and bridge construction

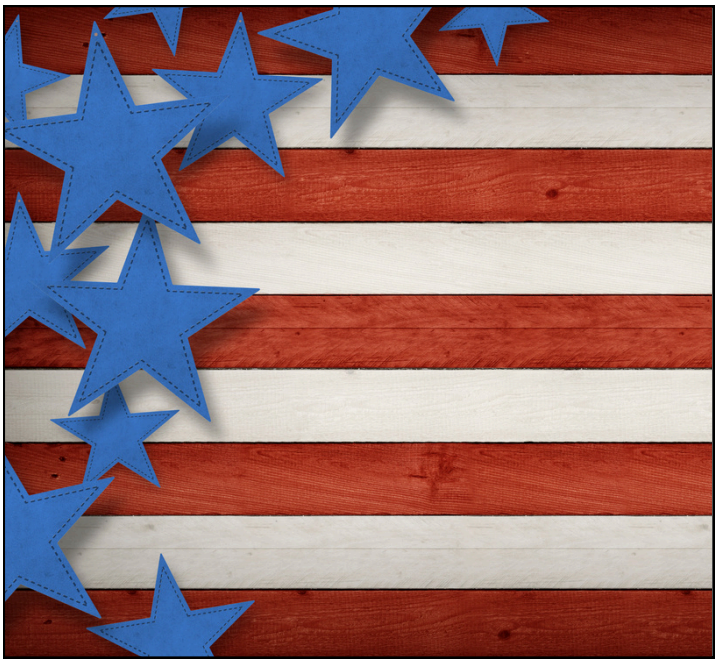
Treasury

- Establishing a state-managed retirement plan marketplace where small businesses can provide optional retirement savings plans
- Establishing a public safety and violence prevention fund for public health grants to cities, villages, and townships
- Expanding protections against illegal internet gaming and sports betting
- Ongoing living donor tax credit program

SCHOOL AID, COMMUNITY COLLEGES, HIGHER EDUCATION APPROPRIATIONS



- Reduces the amount school districts and employees must pay into the Michigan Public Schools Employee Retirement System
- Invests in the Great Start Readiness Program, school safety, before-and-after-school programs, literacy programs, special education, and various other School Aid categorial programs
- Increase for community colleges and public universities



LEGISLATURE ADJOURNED FOR SUMMER RECESS

Following passage of the fiscal year 2024-2025 state budget and a multitude of other policy bills on June 26 and into June 27, the Michigan Legislature adjourned for summer recess. Several session days are scheduled between the Legislature's return to Lansing after Labor Day and the November 7th general election; however, we anticipate most of those will be cancelled.

Karoub Associates wishes you a happy and safe Fourth of July. Please note our offices will be closed July 3-5.

REDISTRICTING COMMISSION PUTS FORTH REMEDIAL SENATE MAP FOR FEDERAL APPROVAL

On June 26, Michigan's Independent Redistricting Commission adopted a **remedial Detroit-area Senate map**, sending it to the three-judge federal panel for review/approval. In November 2023, the panel mandated that Michigan redraw Senate Districts 1, 3, 6, 8, 10, and 11, based on its finding they were mapped unconstitutionally in 2021.

The remedial map includes geographic changes to amended Senate districts 1-11, 13, 23, and 24. If approved, the map will be put in place for the 2026 midterm elections, when Michigan Senate seats will be up for a vote.

