

KAROUB REPORT

| FEBRUARY 2025

STATE OF THE STATE: LOWERING COSTS, CREATING JOBS, INVESTING IN ROADS AND EDUCATION

Governor Whitmer delivered her seventh State of the State address before a joint session of the House and Senate last night, February 26. In just under an hour, she highlighted her plans for lowering costs, creating jobs, and investing in roads and education, among other things. A summary of the priorities she discussed is on page 2.

continued on page 2





EARNED SICK TIME ACT TODAY, FEB. 27, 1 PM

It's not too late to register for the live the webinar that Karoub Associates is hosting at 1 pm this afternoon, exclusively for our clients, to detail the new Earned Sick Time Act that took effect February 21.

Attorney Matthew Radler of Honigman Law Firm will discuss the law's requirements and penalties for noncompliance.

If you haven't already RSVPed to attend the webinar, **click here to register**. You will then receive an email with a calendar invitation and login information.

If you already RSVPed, you should have received the calendar invitation with login information via email. If you have any questions about the status of your registration or your login information, email **dlawrence@karoub.com**.

continued from page 1

Roads

- Reaching a compromise for a long-term solution, through "fair sources of revenue" that include tax increases and funding cuts in other areas

Workforce

- Simplifying the state's permitting and licensing systems, to speed up construction, increase jobs, and lower costs. To start, the Governor plans to issue an executive directive that all state departments and agencies who have missed their deadlines to refund permitting fees. Regarding licensing, she calls for honoring trade licenses from other states, eliminating duplicative exams, streamlining reporting requirements, and giving entrepreneurs more flexibility
- Increasing the number of male high school graduates enrolling in higher education and skills training programs
- Protecting Selfridge Air National Guard Base

Health

- Taxing vapes similar to the tax on cigarettes
- Reducing medical debt

Education

- Limiting cell phones in the classroom
- Investing more in reading strategies, metrics, and transparency measures so parents can see how schools are performing
- Continuing to expand affordable child care

Housing

- Investing $2 billion to build, buy, or fix nearly 11,000 homes, with the goal of increasing the supply of affordable housing and creating construction jobs
- Investing more in reading strategies, metrics, and transparency measures so parents can see how schools are performing

Read the address in its entirety

Watch a recording of the address on YouTube



FISCAL YEAR 2026 STATE BUDGET WORK UNDERWAY

Deviating from tradition, the Governor released her Executive Budget recommendation for the next fiscal year (October 1 – September 30) ahead of delivering her State of the State address. Her 2026 budget proposal, issued on February 5, totals $83.5 billion, including a general fund total of $15.3 billion and a school aid budget totaling $21.2 billion.

Work is now underway in the Appropriations Subcommittees in both chambers to develop their budget proposals, with input from constituents and lobbyists, including Karoub Associates. Time and time again, Karoub Associates has helped clients succeed in securing state funding for projects of critical importance to Michigan's residents.

Throughout the fiscal year 2026 state budget process, Karoub Associates' partners and associates will be engaged in key appropriations discussions and advocating for our clients' interests, and we will report on updates in the Karoub Report.