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Legislative Update

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ASSOCIATES
karoub.com | 517.482.5000

House Republicans Pass an 'Emergency' FY 2025-2026 Budget Plan



On March 6, House Republicans passed a partial spending plan for Fiscal Year 2025-2026, comprised of **HB 4161** for general appropriations and **HB 4162** for the School Aid Fund. The plan would take effect October 1, if a Legislature-passed and Governor-approved budget isn't finalized by the required September 30 deadline. The 59-49 party-line vote on both bills garnered one Democratic yes.

Approximately $15 billion of the $20 billion spending plan would go to schools, including the foundation allowance, special education funding, MPSERS costs, and Section 31aa school safety and mental health funding. As currently written, however, the plan leaves out funding for any other PreK-12 appropriations.

House Appropriations Chair Ann Bollin (R-Brighton) said in press statements that the proposed plan did not represent a final House-proposed budget, but rather a starting point for ongoing negotiations.

The rationale for the plan, according to House Republican leadership, is to provide a sort of backstop proposal that would fund basic ongoing governmental functions should the Legislature and Governor reach an impasse on developing next year's state budget before the start of the next fiscal year.

The remaining $4-5 billion of the spending plan would be split among corrections, judiciary, judiciary, military and veterans' affairs, transportation, debt obligations, and other government functions most at risk should a budget agreement not be reached by October 1.

As a reminder, July 1 is both the statutory deadline for the Legislature to present its budget to the Governor as well as the start of the fiscal year for school districts, while October 1 marks the start of the new state fiscal year.

HBs 4161 and 4162 now head to the Democratic-controlled Senate for consideration, and any spending bills must be approved by the Governor. Meanwhile, subcommittees within both the House and Senate Appropriations Committees continue to hold hearings and meet with stakeholders as they build their Fiscal Year 2025-2026 funding recommendations.

Long-term Road Funding Discussions Continue

Thursday, March 6, was a busy day in terms of road funding discussions. First, Governor Whitmer discussed her **"Mi Road Ahead" plan** with a group of six Democrats from the House and Senate who will serve as the Democratic point-people for negotiations going forward. Her $3 billion plan, formally released on February 10 and referenced during her State of the State address last week, consists of new cuts and revenue streams.

Later in the day, House Republicans introduced eight road funding bills (HBs 4180-4187) aimed at generating approximately $3.14 billion in ongoing revenue for roads. The Republican plan led by Speaker Matt Hall (R-Richland) redirects existing state revenues to road funding.

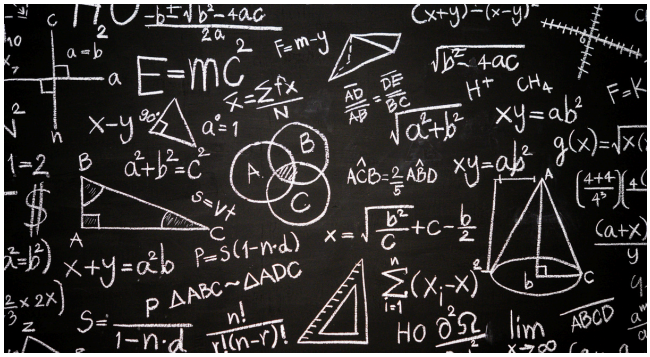
HBs 4180-4817 were referred to the House Transportation and Infrastructure Committee, where hearings could start as soon as next week.



KEY PROVISIONS OF THE REPUBLICAN ROAD FUNDING PACKAGE

- Eliminate sales tax on gas, ensuring all taxes paid at the pump go to transportation funding
- Increase gas tax by 20 cents, a revenue neutral increase to replace the sales tax
- Remove gasoline from sales and use taxes and earmark a set amount of existing sales tax to the School Aid Fund; currently, roughly 73% of revenue from Michigan's 6% sales tax, which is applicable to gasoline sales, goes to the School Aid Fund
- Modify distribution of Corporate Income Tax revenue

Legislation Reintroduced for Removing Course References in the Merit Curriculum



Representative Carol Glanville (D-Walker) reintroduced legislation from last session that calls for modifying the merit curriculum requirement by removing references to specific math, social science, and science courses a student must complete for graduation. **House Bill 4175** was referred to the House Government Operations Committee.



Committees Send Teacher Certification, Subject Area Endorsement Bills to House Floor

The House Education and Workforce Committee reported **HB 4150** and **HB 4152** this week, calling for:

- Eliminating fees related to the issuance, renewal, or reinstatement of a teacher certificate, license, approval, endorsement, authorization, or permit
- Establishing September 30, 2027, as the deadline for teacher preparation programs to ensure that math and science programs were developed in consultation with a professor or other content expert who specializes in math or science; failing to meet this deadline would result in the revocation of existing programs previously authorized

Meanwhile, the House Rules Committee heard testimony on and reported **HB 4151** and **HB 4153**, which would:

- Require that an additional subject area endorsement be issued to a teaching certificate if the certificate holder passed that subject area on the Michigan Test for Teacher Certification
- Authorize a school district, ISD, or charter school to issue a local teaching certificate, following specific requirements

All four bills are headed to the House floor for consideration.