



**MCCALL  
HAMILTON**  
*Advocacy & Public Affairs*

## **UPDATES FROM THE CAPITOL** **September 2 - October 2, 2024**

### **UPCOMING EVENTS**

**Wednesday, October 2, 2024**

Senate Session

**Tuesday, October 8, 2024**

Senate Session

**Tuesday, October 15, 2024**

House Session

**Wednesday, October 16, 2024**

House Session

**Thursday, October 17, 2024**

House Session

**Thursday, November 7, 2024**

House Session

### **SENATE PASSES BILL REDIRECTING FUNDS FROM RETIREMENT TO CLASSROOMS**

[Senate Bill 911](#) passed in the Senate along party lines (20-16) in favor of permanently reducing the retirement contribution cap for Michigan schools to reallocate more funds toward operations and education. Originally appearing as a one-time change in the fiscal year 2024-2025 budget beginning on October 1, SB 911 would cement the retirement reduction into law. The bill also accelerates the timeline for decreasing the unfunded actuarial accrued liability cap to 15.21% by the 2025-26 fiscal year for K-12 schools, faster than the House's proposed 2027-28 timeline.

The legislation would also eliminate the 3% contribution to retirement health care benefits that is currently considered mandatory for Michigan Public School Employees' Retirement System (MPSERS) members hired prior to September 2012. Supportive stakeholders consider the vote a significant win for public school classrooms, while opponents saw the bill as a destabilizer to the teacher pension fund. The bill now awaits further action in the House.

### **LEGISLATURE RESTORES \$125 MILLION FOR SCHOOL SAFETY AND MENTAL HEALTH SERVICES**

On September 25, a conference committee approved \$125 million in additional funding for school safety and mental health grants in Michigan's K-12 schools. After cutting \$300 million from the FY 2024-25 budget in a move criticized by House Republicans, the legislature has elected to restore \$125 million to help schools enhance student safety and support mental health. Another \$1 million from the School Aid Fund will be allocated to a student tip line for reporting improperly stored firearms accessible to minors.

The supplemental funding reallocates School Aid Fund dollars considered underutilized by House Democrats to prioritize these initiatives. The House and Senate approved this supplemental funding alongside a bill that permanently reduces the retirement contribution cap for schools.

## **MICHIGAN GENERAL FUND AND SCHOOL AID FUND REVENUES BEAT PREVIOUS PROJECTIONS**

The House Fiscal Agency's (HFA) August revenue report indicates that both Michigan's General Fund and School Aid Fund revenues are exceeding earlier projections from the May Consensus Revenue Estimating Conference.

General Fund revenues reached an estimated \$1.15 billion in August, \$12.1 million higher than previous forecasts, with year-to-date revenues increasing by \$319 million. Similarly, the School Aid Fund brought in \$1.4 billion, surpassing projections by \$59 million, and showing a \$128.4 million year-to-date increase compared to the previous fiscal year.

## **MICHIGAN SUPREME COURT CLARIFIES MINIMUM WAGE INCREASE AND TIPPED WAGE PHASE-IN**

The Michigan Supreme Court issued an order clarifying the implementation of the state's minimum wage increase plan, confirming that the Department of Labor and Economic Opportunity and the Department of Treasury's calculations were accurate. The court ruled that inflation adjustments should be calculated starting from January 1, 2019, through July 31, 2024, resulting in a gradual increase in the minimum wage to \$12.48 in 2025 and up to \$14.97 by 2028.

The court also addressed a missed phase-in percentage for tipped wages, clarifying that tipped workers' wages would reach 100% of the regular minimum wage by 2030, correcting their initial projection of 2029. Justice Elizabeth Welch provided a concurring opinion, while Justices Brian Zahra and David Viviano dissented. Treasury must submit the finalized wage figures by November 1, 2024.

## **CLINTON COUNTY COUPLE DONATES THEIR TREE FOR 2024 CAPITOL CHRISTMAS**

A 60-foot spruce from the front yard of a Clinton County couple has been chosen as this year's Capitol Christmas tree, DTMB announced. The tree is being donated by Rich and Dorcas Albertson, who decorated the tree every Christmas season over 27 years, until it grew to be too massive for their space. The large spruce will be harvested on November 1st and transported to Lansing, where local Boy Scouts will help untie it before it's placed on the Capitol lawn. The tree will be decorated one last time for the Silver Bells in the City event, with the ceremonial lighting scheduled for November 22nd.