



To: Amy Malmer, Executive Director, Metropolitan Affairs Coalition
From: Mike Compagnoni, Adam Wright, and Dusty Fancher, Account Lobbyists, Midwest Strategy Group
Date: July 30, 2025
Subject: Lobbying and Government Relations Activities Summary

Session Schedule

The House and Senate are now on their Summer Break, but the schedule remains in flux as neither chamber has reached a budget agreement on the K-12 or general omnibus budgets. It is likely there will be session days in August and September as budget negotiations are ongoing.

Budget Update

The state legislature has missed their statutory deadline to approve the budget on July 1, ongoing conversations and negotiations will continue. Michigan's new fiscal year does not begin until October 1 and state government operations would not be impacted by a failure to pass a budget until then.

The House held hearings on earmark spending projects in a move to advance budget priorities. Members that previously submitted Legislatively Directed Spending Items (LDSIs or earmarks) were asked to prioritize their top 3 projects and request a hearing on those projects. Hearings on the projects have already started, though not having a hearing doesn't necessarily disqualify a project from funding. They will continue through the last week in July.

Governor Whitmer, while speaking to reporters, made it clear that she believes that the budget will not be complete until the roads are done as well. This direct statement from the Governor draws a line in the sand with the legislature, although the governor didn't say she would veto budget bills if a roads plan wasn't adopted.

It is anticipated that the legislature will continue their work and take the full amount of time allotted to them to pass the budget. The state's new fiscal year begins October 1, so the legislature has until September 30 at midnight to pass the budget.

A final wrinkle being added to the already complex budget dynamics is a pending shortfall of \$677M (estimated by the House Fiscal Agency) because of recent federal tax code changes signed into law by President Trump. The revenue reductions from the changes will lower over time – \$613M in the 2026-27 fiscal year, \$444M in the 2027-28 fiscal year and then reduce to \$46M by the 2033-34 fiscal year. The reduction results from how federal tax changes affect what businesses pay in Corporate Income Tax. The federal tax changes alter many companies' Michigan tax base. The biggest change comes from additional write-offs for domestic research and experimental spending.



The loss of \$677 million for the upcoming fiscal year presents a significant new issue in finalizing the budget, particularly in light of shortfalls of funding in House Republicans income tax rollback and roads plan.

Farhat out as MVC of Appropriations - Energy Bills Re-referred to Gov Ops

One of the few July session days in the Michigan House session unraveled as Republicans were unable to pass bills related to school cell phone bans and sentencing for young offenders, due to attendance issues and lack of Democratic support. The House spent seven hours in session and failed to pass any bills. House Republicans were short three members for attendance, meaning they would have needed Democratic votes to advance bills.

In response, Speaker Hall removed State Rep. Alabas Farhat (D-Dearborn) from his role as Minority Vice-Chair of Appropriations. The move by Speaker Hall came immediately following Rep. Farhat's no vote on a House Republican led bill which makes changes to "life without parole" sentencing for those aged 19-20. A replacement for Rep. Farhat on Appropriations has yet to be named.

Additionally, all bills referred to the House Energy Committee were discharged and re-referred to House Government Operations. This shift is believed to be due to the absence of House Energy Chair Pauline Wendzel (R-Watervliet), one of the three missing Republican members. Bills included [HB 4709](#), which would ban wind turbines in the Great Lakes; [HB 4590](#), which would establish community solar and impose a 20% solar cap (referred to as MAGA Solar), and [HB 4486](#), which would ban local governments from instituting natural gas bans amongst others.

Trump Approves \$50M in Fed Aid for Ice Storm Relief

FEMA officials announced that federal money will be available for the emergency work and Northern Michigan buildings impacted by the March 28-30 ice storms. President Donald Trump told Gov. Gretchen Whitmer and also made an announcement on Truth Social. Residents in 13 Northern Michigan counties – Alcona, Alpena, Antrim, Charlevoix, Cheboygan, Crawford, Emmet, Kalkaska, Mackinac, Montmorency, Oscoda, Otsego and Presque Isle – will be able to take advantage of the federal funding. The ice storm was particularly devastating to the area, closing the Mackinac Bridge for several days and leaving some residents out of power for over a week.

MDE Circumspect of Report Calling for More Involvement of Governor

A study commissioned by the Michigan Department of Education (MDE) has been released by the Youth Policy Lab at the University of Michigan. The [report](#) suggests the governor should have more involvement in the leadership and policy-setting of the state's Department of Education. The report recommends restructuring the State Board of Education where some of the members are appointed by the governor's office (they are currently statewide elected officials) while also giving the governor more control over the state superintendent choice (currently selected by the Board). MDE and the State Superintendent Michael Rice took some issue with this saying they agreed with parts of the report but disagreed with others. MDE has historically been resistant to outside interference from both Republican and Democratic Governors.



EGLE Awards \$7.9M in Solar for Savings Grants to Eight Pilot Projects

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) has announced \$7.9 million in Solar for Savings (SFS) grants to eight rooftop and community solar projects across Michigan, launching the first pilot phase of the MI Solar for All program. These projects aim to reduce energy costs, improve resilience, and expand solar access for low-income households. The awards mark the start of Michigan's broader plan to deploy \$156 million in federal Solar for All funds. Grants were awarded in two categories for rooftop and residential solar projects. Applications for the third round of Solar for Savings are open until Sept. 30. More clean energy funding opportunities will be announced throughout 2025 at Michigan.gov/MHCChallenge.

MPSC Commissioner Replacement Announced

Governor Whitmer has appointed Shaquila Myers, a senior advisor and longtime legislative staffer, to the Michigan Public Service Commission (MPSC) for a six-year term, replacing Alessandra Carreon. Carreon, whose term ended July 2, will become the state's chief climate officer at EGLE in August. Myers has held several key roles in state government, including as chief of staff to Lt. Governor Gilchrist and, more recently, former House Speaker Joe Tate.

Transportation Funding Tied to the Budget?

With budget discussions accelerating, so are discussions on transportation funding. While the House Senate and Governor's Office all understand that roads and the budget are linked, how and when to move forward continue to tie up progress.

As a reminder:

- The House has passed the education related budgets and a roads package but has not passed or introduced any other departmental budgets.
- The Senate has passed all their versions of budgets, but not a roads plan.
- The Governor's Office has released her comprehensive budget proposal and a couple options for transportation funding.

The House roads plan depends on a couple billion dollars in cuts, and the Senate wants to see where the House thinks those cuts should come before they agree to funding education and roads with that money. Gov. Whitmer is willing to agree to a K-12 bill if she can get a roads deal. Most think if they can make a deal, the outcome will be a move towards eliminating the sales tax on gas at the pump in exchange for an increase in the tax at the pump and backfilling schools.

"Big, Beautiful Bill" Could Create Budget Holes in Michigan

The federal budget reconciliation bill pushed by President Trump was recently signed by him in early-July, leaving Republicans happy with hefty tax cuts and Democrats frustrated with major cuts to SNAP benefits and Medicaid. There are broad concerns from Michigan's Democratic Governor and state legislators that this bill will blow holes in the state budget, particularly for social services.

While some of the major policy changes in the federal bill are not instant hits to the budget, there are long term alarm bells as the state spends nearly \$40B on social services, most of which are federal dollars. Other changes like the loss of SNAP benefits would start in 2027 and the loss of



provider taxes would begin in 2028, making it a potential future legislative issue. As mentioned above, the \$677M hole created by CIT changes is already an impact that will be felt in next year's budget.

New Construction Code Paused

Michigan will delay the implementation of new construction codes because of a lawsuit filed by organizations impacted by the codes including the Homebuilder's Association of Michigan. The MI Attorney General's office and attorneys for the plaintiffs agreed to delay the implementation of the new codes until the lawsuits are "each fully resolved and not subject to further appeal". While the current 2021 rule set is in litigation, the state will rely on the older 2015 standards. Furthermore, the state is prohibited from starting a new rule set while the 2021 set is in dispute.

The lawsuit is expected to last several years, and creating new rules could be a multi-year process. It is possible that Michigan will be operating under the 2015 code thru 2030. In dispute is if the cost of including the energy efficiency standards in the new code outweigh the increase in the average cost of building a new home because of their inclusion.

Michigan Public Service Commission Approves New Transmission Lines

The MPSC approved the building of over 100 miles of high voltage transmission lines across two locations. This will allow the state to integrate alternative energy projects into the power grid. The lines will be built by Michigan Electric Transmission Company (METC).

Several landowners opposed the projects. The MPSC noted the bar for public notice and participation was extremely low, but conceded it was met. As a result, the Commission approved the Helix to Hiple route, which is a 55-mile power line between Branch and Calhoun counties. The commission also approved the alternative route for the Nelson to Oneida route, a 39-mile line between Gratiot and Eaton counties. To address landowner concerns the MPSC did order minor modifications to the routes requested by landowners be considered and that monthly reports be filed with the commission with those requests.

EGLE Local Leaders Webinars

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) will host a free monthly webinar series, to learn how to address environmental issues in local communities. Each webinar will include a presentation by EGLE staff and time for questions from attendees. All webinars will

be recorded, and a link to the recordings will be shared with all registrants, after each session. Upcoming Webinars Include:

- August 28, 10 - 11 AM
What Local Leaders Should Know About Drinking Water
- September 9, 10 - 11 AM
What Local Leaders Need to Know About the State's Burning Regulations
- October 16, 10 - 11 AM
Waste Gone Wild and Local Enforcement



- November 18, 10 - 11 AM
Wetlands - Where are they and how are they regulated?
- December 17, 10 - 11 AM
Marijuana Production and Processing Operations – Environmental Regulations and Concerns

To register for a webinar, click [here](#).

MEDC Grant Investigation Continues

An ongoing investigation into a failed \$20M Michigan Economic Development Corporation (MEDC) grant revealed new details as Fay Beydoun, the operator of the organization that received the grant, was found to have been politically giving to the Governor. Around the time Beydoun was pushing for the grant, she was hosting a fundraiser for Governor Whitmer, who later supported the grant through the legislative process.

Beydoun's organization, Global Link International, was only incorporated as a nonprofit 10 days after the budget passed in 2022. The legislative grant said the \$20 million would create "an international business accelerator" that would bring "top international entrepreneurs to establish their companies in Michigan." Later, the Detroit News reported the existence of the grant and Beydoun's spending which reportedly included a \$4,500 coffee maker, a salary of \$550,000, and \$11,000 first-class plane ticket to Europe. AG Nessel has served a search warrant against the MEDC for documents and devices related to the investigation in a move that has garnered significant media attention.

Benson Testifies Before House Oversight on MITN

Secretary of State (SOS) Jocelyn Benson testified in the House Oversight Committee regarding Michigan's troubled new campaign finance reporting system. Secretary Benson said that although she believes her department did not mismanage the rollout of the system, there was a misunderstanding of just how difficult it would be to replace Michigan's old reporting software (MERTS). This is the second hearing on the subject, and House Republicans and Democrats asked critical questions of the SOS. Committee Chair Rep. Jay Deboyer (R-Clay) also asked Secretary Benson if she would be facing any consequences for the rollout of her gubernatorial campaign inside a state office building. The state is currently not paying the vendor, Tyler Technologies, until metrics are met, and has held over \$160k in invoices on the new MITN system. A video of the hearing is [online here](#).

Musician, Hunting Advocate Ted Nugent Testifies in the House

Three House committees took testimony from Ted Nugent regarding alleged abuses of hunters by the state's Department of Natural Resources (DNR). Standing, surrounded by cameras at the start of the hearing, Nugent delivered a lengthy monologue that blended praise for the outdoors and

hunting culture with attacks on the DNR, including the state's ban on deer baiting, common source feeding, and regulations surrounding feral pigs.



The joint meeting participants were the House Appropriations Agriculture and Rural Development and Natural Resources Subcommittee, the House Oversight Weaponization of State Government Subcommittee, and the House Natural Resources and Tourism Committee. Democrats largely despise Nugent, who has been highly critical of Democratic policies and elected officials. Several Democratic members made comments questioning the need for this hearing given the looming budget deadline.

It was later learned that Nugent carried a firearm into the state Capitol, in violation of Capitol rules, after several legislators noticed a partially concealed handgun on his person in committee. Troopers were alerted to the firearm via metal detectors, but failed to notice the alert or speak to Nugent before he entered the committee room and testified. A video of the hearing is [online here](#).

Senate Passes Minimum Staffing Bill

A divided Senate approved legislation that would require minimum staffing levels for police officers and firefighters to be a required topic of discussion at the bargaining table. Members passed [SB 319](#) by a 19-18 vote along party lines, which is a controversial issue for local governments that largely oppose the bill. The bill risks forcing additional spending on first responder staffing at the cost of other municipal services. SB 319 is largely supported by police and fire unions, which is likely at odds with the House Republicans, so the bill faces an uncertain future.

Senate Passes Gun Bills

Five bills to codify a Capitol firearms ban, ban the use of bump stocks in Michigan, and ban the use or possession of unserialized firearms (often called “ghost guns”) cleared the Senate mostly along party lines 19 to 17 with all Republicans voting no except three Republican yes votes on the bump stock ban bill. These were SBs [224](#), [225](#), and [226](#), which would codify the existing Capitol gun ban and enact a ban on bump stocks on firearms in the state. SBs [331](#) and [332](#) were also reported along party lines, which restrict unserialized firearm production and possession. Most firearms rights organizations opposed the bill, including the National Rifle Association and Speaker Hall indicated the bills are “dead on arrival” in his chamber.

Senate backs incentives for sustainable aviation fuel

A pair of bills passed the Senate with bipartisan support relating to tax credits for sustainable aviation fuel. A refundable tax credit under the Income Tax Act would be created through [SB 235](#) for the purchase of sustainable aviation fuel within the state for use in flights that depart from Michigan. Under [SB 236](#), a Sustainable Aviation Fuel Incentive Program Act would be created to govern the program, which would be overseen by the Department of Environment, Great Lakes, and Energy.

Health Purchasers Coalition Study Released

A recent study by the Michigan Health Purchasers Coalition claims that Michigan’s largest hospitals have seen record profit margins—many over 10%—between 2018 and 2023, raising concerns about the affordability of health care for small businesses. The Small Business Association of Michigan (SBAM) criticized the high margins and urged hospitals to focus on reducing costs. In response, the Michigan Health and Hospital Association (MHA) disputed the study’s findings and methodology,



calling the report misleading and noting that other analyses, like those from RAND and the Kaiser Family Foundation, show Michigan hospitals with some of the nation's lowest profit margins. MHA emphasized the rising costs hospitals face, such as increased wages and Medicare reimbursement challenges, and reiterated their commitment to patient care over profit.

Board of State Canvassers to Consider Major Ballot Initiatives for 2026

The Board of State Canvassers (BSC) met on several significant petition proposals for the 2026 election cycle. The BSC ultimately approved all three proposals, clearing the way for them to start gathering signatures. That said, the school income tax proposal hit a procedural snag and will be delayed on getting signatures.

School Income Tax

One of the items is a proposed constitutional amendment from "Invest in MI Kids." This amendment seeks to implement an additional 5% tax on income taxes for high-earning filers (over \$1 million for joint filers and \$500,000 for single filers). The revenue generated from this tax would be specifically allocated to local public-school districts within the school aid fund.

Business organizations, including the Michigan Chamber, Detroit Regional Chamber, Grand Rapids Chamber, Michigan Manufacturers Association (MMA), SBAM, and West Michigan Policy Forum, are united in their opposition. Their concerns revolve around the potential negative impact on small businesses, arguing that the tax would significantly increase their tax burden for LLCs and other pass-through entities, and hinder their ability to invest in growth, employee benefits, and job creation.

Tipped Wage

The Board is revisiting the second proposal, which reignites the "tipped wage" debate, as One Fair Wage (the ballot committee is "Voters to Stop Pay Cuts") is pursuing a referendum petition to repeal recent legislation related to tipped wages and minimum wage. This is a continuation of an ongoing discussion that has seen legislative action and court rulings in previous years. Business groups largely oppose this and feel a deal was already cut earlier this year on ESTA and Tipped/Minimum Wage between Republicans and Democrats.

Ranked Choice Voting

"Rank MI Vote" is also seeking ballot language to transition Michigan to a ranked-choice voting state. The proposal would: "Guarantee voters in Michigan the right to rank candidates in order of preference in most federal, state and certain local elections; require that candidates for major

offices receive a majority of votes to be elected; receive timely notice of changes to polling places or voting procedures; cast a ballot if in line at the time polls close; use secure and accessible paper ballots in all elections, preserved for certification, recounts and audits; vote for eligible write-in candidates not listed on the ballot; participate in primary elections held at least 140 days before the general election."



This is a somewhat controversial move, and one of the interesting notes is that it would move the traditionally August Michigan primary elections to June (140 days before the November General). Several places in the US have ranked choice voting, including New York City and state/local races in some states, but 17 states (mostly western and southern states) have altogether banned the practice.

Nessel Challenges Trump Admin Coal Plant Order

Attorney General Dana Nessel has challenged an order by the U.S. Department of Energy's (DOE) forcing the Consumers Energy-owned J.H. Campbell plant in Port Sheldon to remain open for 90 days, arguing that the move will force customers to absorb exorbitant costs. Nessel also said the Trump Administration's move, ordered under "energy emergency" rules, are false and unduly burden ratepayers. The plant, built in the early-1960's is Consumers Energy's largest coal facility in the state and was originally scheduled to close in 2040 with partial closure in 2030. Consumers Energy closed the plant ahead of schedule citing a new natural gas plant and increased use of wind and solar to meet their needs. Nessel's request for a rehearing on the DOE's order is available [online here](#).

Senate Passes Legislation to Prevent 34,000 Coming Off Sex Offender Registry

The Senate recently passed [SB 424](#), sponsored by Senator Sam Singh (D-East Lansing), to update the state's sex offender registry to comply with a recent federal court ruling. The vote was unexpected and not included on the Senate's agenda for that day, but there were concerns about timing leading up to the summer recess and the possibility of 34,000 individuals falling off the sex offender registry if no action was taken. The bill passed, 20-4, with ten Republican and three Democratic senators absent. Sen. Stephanie Chang (D-Detroit), Jeff Irwin (D-Ann Arbor), Mary Cavanagh (D-Redford Twp.) and Rosemary Bayer (D-Keego Harbor) cast no votes.

Political Update

US Senate Democratic Candidate Poll & Fundraising

The National Republican Senatorial Committee conducted a poll that found no clear frontrunner in the Democratic Primary for the open United States Senate seat. 40% of Democrat respondents remain undecided. The announced candidates received the following support in the poll:

24%	Congresswoman Haley Stevens
22%	Abdul El-Sayed
11%	MI State Senator Mallory McMorrow
1%	MI State Representative Joe Tate

State Sen. McCann Files for Congress

Sen. Sean McCann (D-Kalamazoo), the term-limited chair of the State Senate Energy and Environment Committee, announced he will run for the 4th Congressional seat currently held by Congressman Bill Huizenga (R-Zeeland). Congressman Huizenga has indicated he is not seeking the soon to be vacant US Senate seat and will likely stay in the US House.



McCann has previously worked in the non-profit community and was a Kalamazoo City Commissioner before joining the state House in 2010. He served until 2014, when he lost a contested State Senate seat by just 61 votes. He ran again in 2018, defeating then-Sen. Margaret O'Brien in a rematch by more than 12,000 votes.

Price Files for 10th State Senate District

State Rep. Natalie Price (D-Berkley) has filed for State Senate to backfill a vacancy left by State Sen. Mallory McMorrow (D-Royal Oak) seeking the open US Senate seat. The district is considered very safe for Democrats and consists of parts of southern Oakland and Macomb Counties. Price was elected in 2022 and is in her second term. Prior to entering the legislature, Price served on the Berkley City Council. No Republicans have yet filed to run for the seat.

Pugh Announces for the 35th State Senate District

Pamela Pugh, the State Board of Education President, announced that she will run for the open 35th State Senate District. Also announced was Saginaw County Democratic Party Chair, Brandell Adams. The 35th Senate District has remained vacant since Congresswoman Kristen McDonald-Rivet resigned to join the United States House of Representatives. There has not been a special election called for this seat yet and remains a potential negotiating point with Governor Whitmer in dealing with the legislature.

Detroit Regional Chamber of Commerce PAC Endorses Duggan for Governor

The Detroit Regional Chamber PAC announced its endorsement of Detroit Mayor Mike Duggan's 2026 independent bid for governor. Duggan once served on the chamber's board of directors and received a unanimous vote of PAC members present. The Chamber PAC said that in a calmer political and public environment, the PAC would likely have waited to make this announcement and chosen between a Democrat or Republican, since the race is populated with many good and long-time friends of the chamber. The Chamber PAC has endorsed Duggan in all three of his mayoral races.

Congressman Huizenga Passes on Senate Run

West Michigan Congressman Bill Huizenga (R-Zeeland) passed on a rumored bid for US Senate. The news comes after many Republican US House members are seeing national pressure to stay in their seats - the margin for Republicans in congress is razor slim and his departure would have made the path for State Senator Sean McCann (D-Kalamazoo) or another Democratic challenger much easier in an open seat in 2026. This move effectively clears the field of many bigger names, leaving Former Congressman Mike Rogers as the most likely to clinch the Republican nod for US Senate. Rogers also clinched the endorsement of President Trump in his Senate bid.

Benson Announces \$3.5M Gubernatorial Campaign Haul

Secretary of State Jocelyn Benson has announced she's raised \$3.5M in her bid to replace term-limited Gov. Gretchen Whitmer. This is a record off-year total from any gubernatorial campaign. Benson faces current LG Garlin Gilchrist and Genesee County Sheriff Chris Swanson in the August 2026 Democratic primary, and she's significantly out fundraised both at this point.



Duggan Announces \$3.2M in Independent Bid Fundraising

Perhaps equally as impressive are the \$3.2M dollars Mayor Mike Duggan announce in his bid for Governor as an independent. Secretary Benson transferred a portion of her funds from her existing SOS account so Mike Duggan could be the top fundraiser of new money this cycle for Governor despite not running with a party.

Leonard Enters Race for Governor

Former Michigan House Speaker Tom Leonard has officially entered the 2026 race for governor, pitching himself as a results-driven conservative focused on reform and forward-looking leadership. Leonard emphasized his legislative accomplishments during his time as House Speaker and his campaign platform includes phasing out the income tax, restoring right-to-work laws, improving third grade reading proficiency, and expanding FOIA laws to cover the Legislature and executive branch. Leonard joins an already crowded GOP field that includes State Sen. Aric Nesbitt, U.S. Rep. John James, and former AG Mike Cox.

McDonald Files for AG

Oakland County Prosecutor Karen McDonald has filed to replace term-limited AG Dana Nessel. McDonald became well-known for her successful prosecution of the parents of Oxford school shooter Ethan Crumbley. She joins former US Attorney Mark Totten and Washtenaw County Prosecutor Eli Savit in the race. McDonald is the fraternal twin sister of Congresswoman Kristen McDonald-Rivet (D-Bay City). We would note that both parties select their AG, SOS, and University Board candidates through a convention process, which will likely occur in August of 2026.

Skaggs Announces for State Senate District 29

State Rep. Phil Skaggs (D-Cascade Township) has announced his intention to seek the State Senate seat currently held by Senate Majority Leader Winnie Brinks (D-Grand Rapids). SML Brinks will be term-limited at the end of this session. State Rep. Kristian Grant (D-Grand Rapids) also lives in the Senate seat and is a rumored candidate as well. The seat is considered very safe for Democrats, so the primary likely determines the overall winner.