

KAROUB

ASSOCIATES

KAROUB REPORT

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THANK YOU

to everyone who
joined us for Karoub
Associates' 2024
State of the State
Viewing Party on
January 24!

GOVERNOR LAYS OUT 2024 PLANS

Governor Whitmer delivered her sixth State of the State address before a joint session of the House and Senate on January 24, highlighting her plans for lowering costs, expanding education opportunities, and catalyzing economic development.

The Governor calls for, among other things:

- Investing \$1.4 billion to **build or rehabilitate nearly 10,000 affordable homes** across every kind of housing in Michigan
- Establishing a \$5,000 **tax credit for caregivers** of loved ones so seniors and children can remain outside of long-term care facilities
- Providing access to **free pre-Kindergarten** for every 4-year-old in Michigan
- Making the first two years of **community college tuition-free** for every high school graduate in Michigan

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STATE ECONOMY REBOUNDED

According to the state's top economists, Michigan's economy is strong and stable—with inflation slowly normalizing, labor force demands leveling off, and unemployment rates expected to hold steady. However, our state still falls below national averages on key metrics, such as population and gross domestic product growth. These were the messages delivered at the Consensus Revenue Estimating Conference (CREC) held on January 12.

The January CREC kicks off the budget process for the State of Michigan each year, providing information on the national and Michigan economies, state government revenue forecasts, student counts, employment, and taxes. These details are the foundation for crafting the next state budget that begins October 1.

At the conference, the state treasurer and directors of the Senate and House fiscal agencies agreed to the data presented—highlights included:

- Both of the state's main spending accounts—the General Fund and the School Aid Fund—are projected to increase over May 2023 estimates; they will close out the current fiscal year at \$13.6 billion and \$17.95 billion, respectively
- The state is expected to bring in approximately \$31.5 billion in tax revenue for the current fiscal year; this is about \$418 million more than previous estimates, but a slight decrease from the previous year
- Tax revenue for fiscal year 2025 is expected to be \$32.3 billion—about \$146.9 million higher than previously predicted



The next CREC will be held in May, when updated revenue forecasts will be presented prior to enactment of the final fiscal year 2025 state budget.

Governor Lays Out 2024 Plans continued from p.1

- Authorizing expenditure of the final \$700 million in bonding of the five-year Rebuilding Michigan Plan for **repairing roads**
- Creating a **research and development tax credit**
- **Lowering overall payroll taxes** for small and second-stage businesses
- **Simplifying Renaissance Zones**
- Establishing a fund to help **launch new Michigan-based start-ups**
- Creating a new tax credit for **new vehicle purchases**, with more generous credits for union-made vehicles

Next on the Governor's beginning-of-the-year agenda is releasing her executive budget recommendation (page 3).





FISCAL YEAR 2025 STATE BUDGET PROCESS UNDERWAY

Now that Governor Whitmer has outlined her 2024 priorities in her State of the State Address (page 1) and budget targets were agreed to at the January Consensus Revenue Estimating Conference (page 2), next steps for building the fiscal year 2025 state budget can get underway.

On February 7, Governor Whitmer will present before the House and Senate appropriations committees her executive proposal for spending General Fund and School Aid Fund dollars during the next fiscal year. According to the Governor's budget director, the proposal will "continue to prioritize lowering costs, investing in kids, and growing jobs and economy."

The Appropriations committees in both chambers will then begin developing 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 and advancement.

The budget must be finalized by the Legislature and presented to Governor Whitmer by July 1.

Throughout the process, Karoub Associates will be engaged in key appropriations discussions and advocating for our clients' interests. Time and time again, Karoub Associates has helped clients succeed in securing state funding for projects of critical importance to Michigan's residents and advancement.

PLANS FOR REMAPPING DETROIT DISTRICTS DUE FEBRUARY 2

Following a recent court order that Michigan redraw 13 metro Detroit House and Senate districts because they were found to be unconstitutional based on improper use of racial data, the Michigan Citizens Independent Redistricting Commission has been hard at work. The Commission has until February 2 to submit a final draft of its Voting Rights Act-compliant redistricting plan that resolves issues with seven House Districts.

- 1:** Rep. Tyrone Carter (D-Detroit)
- 7:** Rep. Helena Scott (D-Detroit)
- 8:** Rep. Mike McFall (D-Hazel Park)
- 10:** House Speaker Joe Tate (D-Detroit)
- 11:** Rep. Veronica Paiz (D-Harper Woods)
- 12:** Rep. Kimberly Edwards (D-Eastpointe)
- 14:** Rep. Donovan McKinney (D-Detroit)

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KEY DATES: 2024 ELECTION

February 27: Michigan Presidential Primary

- **February 12:** Deadline to register online or by mail to be eligible to vote
- **February 17 -25:** Early voting period
- **February 23:** Deadline to request an absentee ballot online or by mail
- **February 26, 4 pm:** Deadline to request an absentee ballot in person at local clerk’s office
- **February 27:** All absentee ballots must be received or postmarked by midnight
- **February 27, 8 pm:** Deadline to register in person at local clerk’s office to be eligible to vote

April 16: General Election - 13th & 25th House Districts

- On the ballot for House District 13 will be Mai Xiong (D) and Ronald Singer (R)
- On the ballot for House District 25 will be Peter Herzberg (D) and Josh Powell (R)

May 7: Local Elections, Jurisdictions TBD

August 6: Michigan Primary Election

- **July 22:** Deadline to register online or by mail to be eligible to vote
- **July 27 - August 4:** Early voting period
- **August 2, 5 pm:** Deadline to request an absentee ballot online or by mail
- **August 5, 4 pm:** Deadline to request an absentee ballot in person at local clerk’s office

November 5: Michigan General Election

- **October 26 - November 3:** Early voting period
- **November 1, 5 pm:** Deadline to request an absentee ballot online or by mail
- **November 4, 4 pm:** Deadline to request an absentee ballot in person at local clerk’s office

What’s On the Ballot: Presidential Primary & General Election

- President
- Local races
- Successor to U.S. Senator Debbie Stabenow
- All 13 members of the U.S. House of Representatives
- All 110 members of the Michigan House of Representatives



Plans for Remapping Detroit Districts Due February 2 continued from p.3

The public will have until February 23 to submit feedback on the plan, with court approval to be given by March 29. This will ensure a new state House map is in place in time for 2024 elections.

Work will then get underway on April 12 to redraw six state Senate districts up for election in 2026.

- 1:** Sen. Erika Geiss (D-Taylor)
- 3:** Sen. Stephanie Chang (D-Detroit)
- 6:** Sen. Mary Cavanagh (D-Redford Township)
- 8:** Sen. Mallory McMorrow (D-Royal Oak)
- 10:** Sen. Paul Wojno (D-Warren)
- 11:** Sen. Veronica Klinefelt (D-Eastpointe)

