

Feb. 7, 2025

Executive budget presented, state budget process begins for FY 2026

Gov. Whitmer's executive budget recommendation for Fiscal Year 2026 was presented this week, kicking off the budget process for the upcoming fiscal year. The proposed \$83.5 billion budget includes a general fund total of \$15.3 billion, a school aid budget total of \$21.3 billion and \$34.8 billion in federal funds; federal funds represent 41.7% of the total FY 2026. Highlights of the budget proposal impacting townships include:



- Constitutional revenue sharing—\$25.7 million increase
- Statutory revenue sharing—4% increase (\$22.7 million) for those local units receiving City, Village and Township Revenue Sharing (CVTRS) prior to the FY 2025 budget; 3.6% increase overall
- Public safety trust fund—\$75 million to address violent crime prevention for townships, cities and villages based on violent crime statistics
- Behavioral health resources—\$2.5 million ongoing for first responders and public safety staff
- First responders presumed coverage fund—increase of \$2.5 million for wage loss and medical care expenses for those battling certain cancers
- Lead service line replacement—\$50 million (one-time) to assist communities replace lead service lines and upgrade their water systems to improve the quality of drinking water and reduce lead exposure
- Water infrastructure grants—\$30 million in ongoing annual funding to support communities' efforts to replace lead service lines and upgrade associated infrastructure, and expand resources to support locals with stormwater management and stormwater infrastructure upgrades
- Solid waste surcharge (tipping fee) increase—\$80 million to clean up contaminated sites, provide grants to local communities for waste management and bring Michigan in line with other Midwest states when it comes to out-of-state trash haulers
- Road funding—\$112.2 million to ensure Michigan receives all \$1.8 billion in federal highway aid; \$27.3 million to improve local roads, highways and bridges across the state, and \$7.8 million to fund a study and pilot program of potential road usage charge options
- Rural prosperity grants—\$3 million to support rural communities through grants and expansion of the Rural Development Grant Program to support projects that enhance rural community infrastructure, including job training, childcare, housing and utilities
- Renewables Ready Communities program—\$129.1 million federal competitive grant to deploy clean energy resources

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- to support those who choose to host these facilities with technical and financial resources and incentivize the deployment of energy facilities on brownfield properties
- Employer assisted housing pilot program—\$25 million to expand the existing program, leveraging investments from employers to fund a range of affordable housing projects
 - Budget stabilization fund—\$50 million deposit, bringing the rainy day fund balance to approximately \$2.3 billion by the end of fiscal year 2026

Register for MTA’s Capital Conference today

Join us for MTA’s 2025 Capital Conference on March 4 in Lansing to get the latest on policies that affect local government from experts who will break down what you need to know for your community, including the latest on the new earned sick leave act and minimum wage law, an update on PA 233 litigation (the implementation order for the siting of large-scale renewable energy facilities), election law changes and more. We will also provide an update on what passed in 2024 that is going to take effect in April, what's currently happening in 2025, and what is ahead in the year to come. Discover how you can engage, advocate and influence the legislative issues impacting townships in 2025. [Learn more about MTA’s 2025 Capital Conference](#) and register today.



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ALLIED SERVICE PROVIDERS



Local input sought on state housing priorities

The Michigan State Housing Development Authority (MSHDA) is seeking local government input as it prepares the 2025-2029 [Michigan Consolidated Plan](#). Complete the [survey](#) by **Feb. 21** to help shape housing program priorities and grant offerings.



State: Elected, appointed officials not subject to Earned Sick Time Act

Elected and appointed local officials are not subject to the requirements of the Earned Sick Time Act (ESTA), according to [Frequently Asked Questions](#) on the law created by the Michigan Department of Labor and Economic Opportunity (LEO). The ESTA is slated to go into effect Feb. 21, though two bills are being debated to amend the law, as well as the law implemented an increase to the state minimum wage, also effective Feb. 21. The House passed [House Bill 4002](#), which



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proposes a number of changes to the ESTA, and a Senate committee continues its work on a separate bill, [Senate Bill 15](#), to amend the ESTA.

Per the FAQs, “Generally, publicly elected officials, members of publicly appointed boards and commissions, and similar public office holders are not considered employees for purposes of ESTA, even if paid or receiving some form of compensation, unless the governing entity treats these individuals as employees.” MTA Legal Counsel believes that deputies would also fall under “appointed officials,” and therefore would not be subject to the ESTA requirements, unless they are treated as a township employee for other purposes.

The FAQs state that an “eligible employee” is “an individual engaged in service to an employer in the business of the employer, except those employed by the U.S. government. Michigan case law uses the economic reality test to determine whether an individual is an employee.” The ESTA also applies to part-time, temporary and seasonal workers. Independent contractors are not employees and are not subject to the ESTA.

MTA has received numerous calls as to whether on-call firefighters are considered employees under the act. Per our Legal Counsel, on-call firefighters do not fall under any kind of exemption. Thus, it is recommended that townships track these individuals’ hours as they would any other employee. MTA will share any additional guidance that may be released by LEO or other state agency as additional impacts of the law are realized or changes are made by the Legislature.

Proposed rule would require local compliance with immigration laws for specific budget funding

All local governments may soon be required to submit certification of their full compliance with federal immigration enforcement measures before budget earmarked funds could be approved by the Legislature under a proposed House Rule. [House Resolution 19](#), sponsored by House Speaker Rep. Matt Hall (R–Richland Twp.), was introduced this week to create the requirement for all legislatively directed spending items—meaning appropriations directed to a specific township, city, village or county in a legislator’s district. This would not include formula-driver or competitive award processes. The resolution states no municipality may receive these special funds unless they submit to the House a copy of all the municipality’s rules, policies and ordinances related to their cooperation with U.S. Immigration and Customs Enforcement (ICE) and a signed letter from the municipality’s board certifying they do not have any policies that support subverting immigration enforcement. The resolution is expected to be considered by the House next week.

EGLE offers brownfield workshops

This spring, the state Department of Environment, Great Lakes, and Energy (EGLE) will host [Brownfield Stakeholder Workshops](#) in person across the state. The four-hour program will provide 2024 program accomplishments, information on upcoming opportunities, and time for questions and networking with the EGLE Brownfield staff. The workshops begin at 1 p.m. and will be offered on March 4 in Grand Rapids, March 6 in Livonia, March 13

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MCAT, MCAO courses offered

The State Tax Commission (STC) is now accepting applications for two upcoming courses. The [May 2025 Michigan Certified Assessing Technician \(MCAT\) program](#) will be held May 15-16 from 8 a.m. to 5 p.m., at the Kirtland University Center in Gaylord, with the exam on May 19 from 9 to 11 a.m., at the same location. Applications for the [June 2025 Michigan Certified Assessing Officer \(MCAO\) program](#) are also being accepted. This nine-month weekly virtual classroom program will be on Monday or Tuesday evenings with breaks scheduled. Dates will be provided after acceptance to the program. Completed applications for both programs must be received by the STC no later than **April 25**. Program information is available on the [STC's website](#); questions can be directed to GastW@michigan.gov.

BOE reminders

May election deadlines:

- **Feb. 11 at 4 p.m.**—Ballot wording of proposals qualified to appear on the May ballot certified to local or county clerks
- **Feb. 13**—Local clerks receiving ballot wording must forward to county clerk

Retention schedule updates: Clerks are asked to provide feedback on updates to the current record retention schedules and the new documentation required by early voting. Comments and concerns on the proposed state Bureau of Elections (BOE) changes should be submitted by **Feb. 21** to Elections@michigan.gov.

Language access: BOE recommends clerks periodically review the demographics for their jurisdictions and consider the availability of election forms or ballots in additional languages. Email questions to Elections@michigan.gov with the subject line, "Accessibility in elections."

Virtual accreditation program: The virtual accreditation program has been updated to include changes in election administration and election law changes effective in the last year. Program completion fulfills requirements for a clerk to receive initial two-year accreditation in the conduct of election administration responsibilities. The program is also open to new and returning election administrators.

Does your township's board of review need training? MTA can help!

Get the training your board of review members need to fulfill the statutorily mandated training requirement PLUS learn how to handle common trouble spots encountered by boards of review at MTA's annual [Board of Review Training](#). There's still time to register for one of our remaining events—choose from seven in-person or three online classes, but space is filling up fast! Training includes comprehensive handouts and resources like samples, updated forms and bulletins, along



with expert guidance created specifically for your township's board of review. [Download the full brochure here for dates and details](#) or [register online now](#). *Wondering how the online class works? Learn more at <http://mta.events>.*

Traffic safety grants available

Local law enforcement departments can apply until **March 14** for [behavior-based traffic safety grant projects](#) for fiscal year 2026, funded through the National Highway Traffic Safety Administration. Agencies must be able to receive federal funds to be eligible for a project, which can include traffic safety research, occupant protection, community traffic safety programs, police traffic services, pedestrian/bicyclist (nonmotorized) safety, traffic records, teen drivers, distracted driving, impaired driving, and school bus safety programs. For more information, contact the state [Office of Highway Safety Planning](#).

Federal update for week of Feb. 3

Check out the National Association of Towns and Townships [Weekly Legislative Update](#) for an update on federal actions impacting townships.

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