4.8 million voters - 52% of registered voters made it to the polls.
United State House of Representatives

All 435 seats up for election

Dem 218 majority

225 seats leading

Rep 197 seats leading

Before today

Had 195

Had 240
United States Senate

35 seats up for election (of 100)

44 seats

51 seats

Before today

Had 47

Had 2

Had 51
Michigan State Senate

All 38 seats up for election

Dem: 15 seats leading

Rep: 22 seats

Before today:
- Had 10
- Had 27
Oakland County – Bellwether?

2014

2018
Election Analysis – Looking Ahead
Election Analysis – Looking Ahead

GRETCHE WHITMER FOR GOVERNOR
My plan for improving public education focuses on:

1) Quality Education from Cradle to Career
2) Paths to Prosperity with a Highly Educated Workforce
3) Respect for Educators
4) Stabilizing School Funding and Improving Accountability
Whitmer Inherits Strained Budget

Sources: House Fiscal Agency, Senate Fiscal Agency, CREC
## Challenges for Incoming Governor

Still $1 billion in University funding in GF.

### SCHOOL AID FUND
**SHIFT OF COMMUNITY COLLEGE AND UNIVERSITY FUNDING**
**2009-10 THRU 2018-19**

<table>
<thead>
<tr>
<th>Year</th>
<th>Community College</th>
<th>University</th>
<th>Total</th>
<th>Per K-12 Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$208.4</td>
<td>-</td>
<td>$208.4</td>
<td>$131</td>
</tr>
<tr>
<td>2010-11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011-12</td>
<td>195.9</td>
<td>200.2</td>
<td>396.1</td>
<td>255</td>
</tr>
<tr>
<td>2012-13</td>
<td>197.6</td>
<td>200.6</td>
<td>398.2</td>
<td>259</td>
</tr>
<tr>
<td>2013-14</td>
<td>197.6</td>
<td>200.6</td>
<td>398.2</td>
<td>262</td>
</tr>
<tr>
<td>2014-15</td>
<td>364.7</td>
<td>206.5</td>
<td>571.2</td>
<td>379</td>
</tr>
<tr>
<td>2015-16</td>
<td>256.7</td>
<td>205.2</td>
<td>461.9</td>
<td>309</td>
</tr>
<tr>
<td>2016-17</td>
<td>260.4</td>
<td>237.1</td>
<td>497.5</td>
<td>334</td>
</tr>
<tr>
<td>2017-18</td>
<td>398.3</td>
<td>238.3</td>
<td>636.6</td>
<td>429</td>
</tr>
<tr>
<td><strong>2018-19</strong></td>
<td><strong>408.2</strong></td>
<td><strong>500.2</strong></td>
<td><strong>908.4</strong></td>
<td><strong>614</strong></td>
</tr>
</tbody>
</table>

| Total   | $2,487.8          | $1,988.7   | $4,476.5 | $2,970.5 |
Governor Whitmer Campaign Promises

Fix the Damn ROADS!  
$2 billion

Implement SFRC results  
$3+ billion

Pension Tax Repeal  
$270 million

Debt Free College Grant  
$100 million
Major State Taxes as a Percentage of Michigan Personal Income

Recent growth in state revenue has been driven by the income tax. Other major state taxes have declined as a percentage of state personal income as a result of economic trends or tax policy decisions.
Total State Revenue as a Percentage of Michigan Personal Income

Michigan’s constitution was amended in 1978 to set a limit on total state revenue (including all taxes and fees) equal to 9.49% of personal income. For FY 2018-19, the state is projected to be $9.0 billion below that limit.

Proposal A shifts approximately $4 billion in local revenue to state level.

Constitutional Revenue Limit = 9.49%

$9.0 billion below limit

May 2018 Consensus Estimates

Potential Revenue Sources

1% Income Tax Increase: $2.38 billion
1% Sales Tax Increase: $1.28 billion
Marijuana Tax: $262 million*
1 mill Property Tax Increase: $332 million
Sales Tax on Services Increase: $1-3 billion*
Sports Gambling: $6 million*

*Estimates will vary depending on specific policy.
REGULATE MARIJUANA
LIKE ALCOHOL

YES
ON 2

Voters should choose their politicians, not the other way around.

PROMOTE the VOTE
lame duck.
Non-Controversial Lame Duck Topics

• **House Bill 6378**: Maintains UAAL calculation at 20.96% of payroll. Removes *PAYROLL + PURCHASED SERVICE* provision set to take effect in 2019-20.

• **Senate Bill 1098**: Provides one-year reprieve from the F-1 VISA issue where districts can’t charge “tuition” and count the student in membership.

• **House Bills 5707 & 6401**: Maintains growth calculation for evaluation at 25% for teachers and administrators.
Supplemental Budget

• At-Risk Make-Up – A surge in eligible at-risk students (676,000 to 743,000) reduced the proration from 87% to 78%. This left many districts with fewer resources than expected. Initial talks to correct this are happening but cost is $67 to $18 million.

• Mental Health – Money will be distributed for mental health. Total amount is unknown. $30 million set aside but could it be more?

• Instructional Days and Hours – We are having talks about allowing PD to count towards instructional time.
Potential Controversial Lame Duck Topics

• **Election Consolidation**: Proposal 3 will make it easier with no reason absentee voting for governmental entities seeking revenue. Will the legislature try to squash and silence us?

• **1280c Rewrite**: There were talks early on about repealing and replacing 1280c. Senator Pavlov may have an interest at addressing this before he leaves office.

• **Further Tax Cuts**: Early chatter suggests lame duck will be active. We need to make sure the legislature doesn’t reduce revenue sources to the School Aid Fund on their way out the door.
Questions?