MSHO UPDATES FROM THE CAPITAL

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McCALL HAMILTON
Advocacy & Public Affairs

FEDERAL JUDGE ORDERS PARTIAL SNAP PAYMENTS AMID ONGOING SHUTDOWN

In response to the U.S. Department of Agriculture (USDA) announcing that SNAP benefits would not be distributed for the month of November, Michigan Attorney General Dana Nessel joined a lawsuit with 24 other states arguing the USDA unlawfully suspended the funds. Recently, a federal judge ruled that the Trump administration must provide partial benefits to SNAP recipients while the federal government shutdown continues. Judge Indira Talwani from the U.S District Court for Massachusetts ruled that the USDA is required to use the appropriated contingency funds for the program.

The Trump administration has insisted that the use of contingency funds is not legally permitted to cover benefits. However, U.S. Secretary of Agriculture Brooke Rollins argued that because SNAP is not currently funded, the emergency SNAP benefits cannot be distributed. In 2019, the USDA used contingency funds in response to that year's government shutdown. The pausing of the benefits was set to affect over 42 million Americans nationwide, including 1.4 million Michigan residents.

Following Judge Talwani's ruling, President Trump instructed his lawyers to ask for clarification from the court on how they can legally fund SNAP. The USDA reported that its contingency fund could only cover approximately half of November's benefits, leaving no funds available for future months. The USDA was also instructed by the court to notify them if tariff revenue dollars can be used to support SNAP benefits; USDA officials and U.S. Department of Justice lawyers declined the request.

The USDA notified the Michigan Department of Health and Humans Services that the partial SNAP benefits will begin to be distributed on Saturday, November 8th.

GOVERNOR, MICHIGAN LEGISLATURE SEEK TO PROVIDE SNAP FUNDING

In response to the initial pause, Democrats in the state House announced a five-bill package to give benefits to Michiganders receiving SNAP. Key bills in the package include HB 5193 (Myers Phillips, D-Detroit) which would create emergency funding to backfill SNAP benefits for two months, HB 5194 (Edwards, D-Eastpointe) allocating $12.5 million to support food pantry programs, and HB 5195 (Coffia, D-Traverse City) to provide $12.5 million to the Food Bank Council of Michigan.

The Michigan Senate also took action by passing $71 million in supplemental funding to backfill some of the cost for SNAP benefits. Specifically, the appropriation allocates $50 million for emergency food assistance, $10 million for the agricultural surplus system, $10 million for food bank grants, and $1 million to expand the Double Up Food Bucks program.

In an all-hands-on-deck approach, Governor Whitmer also announced that the state will be giving $4.5 million to the Food Bank Council of Michigan. This funding will go toward providing food delivery to residents in all 83 counties who have been impacted by the SNAP benefits pause.

MICHIGAN HEALTH INSURANCE RATES ARE ON THE RISE

As open enrollment season begins, many Michigan residents can expect to see increased health insurance costs in the upcoming year. Monthly premiums for those with plans on the individual Affordable Care Act marketplace will increase by an average of 20.2%. Of the half million Michiganders with individual health insurance, nearly three quarters will see their plans increase by 15%. Folks with ACA-compliant insurance plans offered by small businesses will see an average increase of 11%. Large business plans, which rarely see steep increases, are also set for a 6.5% upsurge.

This rate hike comes as the approved individual health plans also see a decrease from 162 available plans this past year to 116 plans next year. This is expected to impact 200,000 individuals statewide who can no longer renew with their insurer.

SENATORS HEAR TESTIMONY ON MEDICAL DEBT REDUCTION BILLS

Three bills, SB 449, SB 450, and SB 451, that aim to ease the burden of medical debt were recently brought before the Senate Health Policy Committee. The bipartisan package spearheaded by Sen. Sarah Anthony (D-Lansing) and Sen. Jonathan Lindsey (R-Coldwater) with assistance from the Michigan Health and Hospital Association, would require that hospitals implement a financial assistance program for medical bills that align with the patient's income and insurance. The Michigan Department of Health and Human Services would create the collection process and determine patient eligibility. The bills would also ban reporting agencies from creating consumer reports with patients' medical debt information, which could hurt their credit score as well as loan eligibility.

The package is expected to be voted on at the next committee hearing.

MICHIGAN FAMILIES STRUGGLING TO FIND CHILD CARE FIND CREATIVE SOLUTIONS

A study done by Michigan State University found that 89% of Michigan kids live in an area with insufficient childcare services, particularly in the rural areas and northern regions. The study also found that this severe scarcity costs the state $2.9 billion in lost productivity from parents who are forced to leave the workforce and instead care for their children at home. As demand continues to outpace supply, many are scrambling to find ways to address Michigan's childcare crisis.

As a step toward alleviating this issue, the state has set aside a $400,000 grant for northern Michigan. The Leelanau County Early Childhood Development Commission plans to use the money to start a program that will provide financial and coaching support to local childcare providers. The commission hopes the investment will encourage new childcare startups and help existing providers expand through improved access to training.

Another innovative solution Leelanau county is testing includes investing in "micro-centers", where home-based providers can partner with each other to offer childcare in a shared facility instead of their own home. These new locations lease their space for $1 a year, significantly lessening their overhead costs and lowering the barrier to entry for new providers.

HOUSE MUST SEND 9 LEFTOVER BILLS FROM PREVIOUS LEGISLATURE TO THE GOVERNOR

Recently, the Michigan Court of Appeals ruled that the nine remaining bills from the 2023-2024 legislature must be sent to Governor Whitmer for a signing decision. The court upheld that the state Constitution requires presentation of the bills and ordered the House to abide by the ruling. The court ruled that while the Michigan Constitution does not set a strict schedule for the House to present a bill, the Constitution does state that once passed the mandatory next step for a bill passed by both chambers is to be presented in front of the governor.

House Speaker Matt Hall (R-Richland Township) had refused to present the bills, arguing that the current House was unable to do so because they were passed under a former Legislature. One of the nine bills now set for presentment is one that would require governments to pay more of their employees' health insurance premiums.

AI DATA CENTER DEAL IN WASHTENAW COUNTY SET TO BE LARGEST ECONOMIC INVESTMENT IN STATE HISTORY

The Stargate company is coming to Michigan. Helmed by tech giants such as OpenAI, Oracle, Nvidia, and Microsoft, the company aims to invest $500 billion in AI infrastructure and development by 2029. Saline Township, Michigan is the 5th location announced out of 20 new AI data centers the company plans to build around the country. The data center's plans for this rural farming town bring with it a whopping spending estimate of $10 billion.

Back in September, the township board refused to rezone the farmland plot required for building the data center after local residents raised concerns about pollution and the eventual increase in utility costs. However, an agreement was reached when Stargate offered to invest $14 million upfront to the township to go toward fire services, farmland preservation, and the community investment fund, plus an annual investment of $9.6 million into the township's government and local school for the next 25 years.

Governor Whitmer praises the investment after working with Stargate to secure a deal since the project was first announced. She predicts the building will create 2,500 construction jobs, as well as 450 permanent on-site jobs and 1,500 jobs within the county.

NOVEMBER 4TH LOCAL ELECTION UPDATE

Detroit City Council
Current State Reps. Tyrone Carter and Karen Whitsett both lost their Detroit city council bids, meaning both legislators will remain in their seats in the Michigan House until 2027. They were defeated by Democratic Socialists Gabriela Santiago-Romero and Denzel McCampbell, respectively, with both candidates backed by the Metro Detroit Democratic Socialists of America.

Detroit Mayoral Election
Detroit City Council President Mary Sheffield was elected the city's next mayor Tuesday, becoming the first woman to hold the office since Detroit's founding 324 years ago. She defeated Pastor Solomon Kinloch Jr. in a landslide, capturing 77% of the vote to Kinloch's 23%, marking it one of the largest victory margins in the city's history.

Statewide school bond proposals
Voters approved 67% of the 46 proposals for school bond investments. These proposals raise property taxes so the school can fund new and renovated school buildings. Historically only around half of school bond proposals succeed at the ballot box.