

SENATE RESOLUTION NO.124

Senators Brinks, MacGregor, Moss, Hertel, Chang, Wojno, Polehanki, McMorrow, Santana, Bullock, Alexander, McCann, Geiss, Hollier, Bayer, Ananich and Irwin offered the following resolution:

1 A resolution to memorialize the Congress of the United States
2 to help the state of Michigan, schools, and local governments
3 address revenue shortfalls during the COVID-19 Pandemic.

4 Whereas, The COVID-19 Pandemic has led to an unprecedented
5 economic crisis in the United States. Governors across the country,
6 including Michigan Governor Gretchen Whitmer, have ordered non-
7 essential businesses and schools to temporarily close and mandated
8 that residents do not leave their homes, except for specific
9 essential activities, in order to limit the spread of COVID-19 and
10 save lives; and

11 Whereas, The cost of preventing the spread of COVID-19 and

1 protecting Michigan's citizens has been a dramatic decline in state
2 tax revenue. As businesses are shut down and residents are out of
3 work, the projected revenue from income, sales, and other taxes has
4 dropped precipitously. In Michigan, projected General Fund revenue
5 has been reduced by \$2 billion and projected School Aid Fund
6 revenue has declined by \$1.2 billion for Fiscal Year 2020. Even as
7 businesses re-open and restrictions on movement are lifted, the
8 economic fallout from fighting COVID-19 will remain. Significant
9 budget holes are projected in Fiscal Year 2021; and

10 Whereas, Local governments and schools are also facing a dire
11 fiscal situation. In addition to falling revenues from property,
12 casino, and local income taxes, the fall in state revenue may
13 necessitate severe cuts to state revenue sharing to local
14 governments. Similarly, the substantial shortfall in School Aid
15 Fund revenue may lead to similar cuts in state funding for local
16 school districts; and

17 Whereas, While government revenues have declined, the costs of
18 providing some critical public services has increased as a result
19 of the Pandemic. About 14,000 "essential" state employees are
20 eligible for extra pay on each paycheck during the crisis. Several
21 municipalities have enacted hazard pay for employees who are
22 working during the crisis. In Wayne County, sheriff's deputies are
23 receiving an additional \$30 per day worked with additional hazard
24 pay available for overtime shifts; and

25 Whereas, While Congress has already enacted some federal aid
26 for states and local governments, its limited scope and
27 restrictions will be insufficient to weather the effects of the
28 Pandemic. Michigan is currently expected to receive about \$3.8
29 billion from the federal Coronavirus Aid, Relief, and Economic

1 Security (CARES) Act, but the funds may only be used for expenses
2 associated with the Pandemic. In addition, since the act only
3 provides direct aid to local governments with a population
4 exceeding 500,000, only a handful of Michigan's nearly 2,000 local
5 units of government will be eligible for direct payments from the
6 federal government; and

7 Whereas, Increasing the flexibility states have when using
8 CARES Act aid will help mitigate these dramatic cuts. Allowing
9 states and local governments to use CARES Act funding for costs
10 that are not directly associated with the Pandemic will help to
11 address their projected revenue shortfalls. Providing flexibility
12 will ensure aid is available to local governments that were left
13 out of the CARES Act and further address state and local budget
14 shortfalls; now, therefore, be it

15 Resolved by the Senate, That we memorialize the Congress of
16 the United States to help the state of Michigan, schools, and local
17 governments address revenue shortfalls during the COVID-19
18 Pandemic; and be it further

19 Resolved, That copies of this resolution be transmitted to the
20 Speaker of the United States House of Representatives, the
21 President of the United States Senate, and the members of the
22 Michigan congressional delegation.