



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

July 20, 2021

Michigan House of Representatives
State Capitol Building
Lansing, MI 48909-7514

Representatives,

As you know, federal pandemic unemployment compensation will end of its own accord on September 4, 2021. Enrolled House Bill 4434 would violate federal law by ending payment of these enhanced UI benefits without the required thirty days' notice. In addition, the bill lacks immediate effect and would therefore not even take effect until 2022, by which time it will be moot. For those reasons, I am vetoing it. Moreover, ending these enhanced UI benefits on July 31, as proposed by HB 4434, would drain \$1.5 billion from our economy – money that will instead flow into our local economies and support small businesses.

I am laser-focused on jumpstarting Michigan's economic recovery. Michigan's economy grew 7.6% in the first quarter of 2021, the best in the Midwest, higher than the national average, and among the top 10 states nationwide. An independent analysis from the financial publication Credible found that our economic recovery is the second strongest nationwide. Strong fiscal management combined with our economic rebound has helped our state turn a projected \$3 billion deficit into a \$3.5 billion surplus, leading the top credit rating agencies to upgrade Michigan's credit outlook, saving taxpayers millions.

Across the entire country, employers are struggling to find workers to meet their needs. With our economy growing quickly, many workers are leaving for higher-paying jobs, leaving staffing challenges in their wake. And many workers who could have filled those open positions have understandable reservations – about leaving their kids without adequate care during a nationwide childcare shortage, and about the risk of working in-person during the COVID-19 pandemic.



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To help address the childcare shortage, I have proposed spending more than \$1.4 billion to support working families and help employers meet their workforce needs. In addition, we should take this opportunity to make Michigan's maximum weekly UI benefits comparable to that of our neighbors. When federal pandemic unemployment compensation ends, weekly UI benefits will revert to a maximum of \$362 a week – less than \$19,000 a year, well below the federal poverty level for a family of four. That's just not enough money for a family to keep food on the table and a roof over their heads.

In summary, I am open to discontinuing the enhanced UI benefit early if this Legislature swiftly allocates federal funding for childcare and raises the UI benefit commensurate with that of neighboring states.

Sincerely,

Gretchen Whitmer
Governor