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Date: May 18, 2020 at 6:31:34 PM EDT
To: Ethan Baker <Ethan.Baker@troymi.gov>, Ann E Gault
Cc: Cindy A Stewart <StewartCA@troymi.gov>
Subject: Update this evening

Sorry I missed sending this - I had to make updates based on all that happened today! I am State Representative Padma Kuppa, and can be reached at 517-373-1783 or padmakuppa@house.mi.gov. I would love to be able to give you this stateside update via zoom as I have with the Troy School Board or the Clawson council, but for now am sending an email.

While I have been in Lansing for session, I am working from home, with a stellar legislative team as we continue to respond to constituents, practicing social distancing and doing things safely. We have had some tension filled hours in Lansing lately, and I am grateful for Councilwoman Ellen Hodorek for a consistent text exchange throughout the hours I sat in the gallery on April 30 and Police Chief Nastasi for his words of advice last week. It reminded me what we have here in Troy and across the region: people who care for their neighbors.

Thank you to members of Council and Glenn Lapin from staff joining us for the virtual Downtown Business Coalition Listening tour that we held last Monday. We continue to gather input from small businesses which have been hardest hit by the covid pandemic related downturn.

Friday, the Governor announced her Return to Learning Advisory Council, which is seeking applications until May 20. The Advisory Council will provide the COVID-19 Task Force on Education recommendations on how to safely, equitably and efficiently return to school in the fall and assemble critical voices from education, public health and communities across the state to identify the key issues schools must consider before opening, including:

- Performing outreach to ensure the voices of stakeholders are included in the discussion of implementing the 2020-2021 school year in these challenging and uncharted circumstances.
- Ensuring experts in public health and epidemiology are informing the discussion of safety returning to school.
- Recommending actions to remove statutory/administrative barriers to delivering education before we are at Phase 6 of the MI Safe Start Plan.
- Recommending actions to develop and improve systems for remedial support for students who experienced learning loss during the spring and summer.

More about this Council and the Roadmap they will create, including the application, is available at the following links:

[EO 2020 – 88 Michigan.gov/appointments](https://www.michigan.gov/appointments) and click 'apply now' under boards and commissions

The plan to reopen safely, and members of the other two Safe Start Councils, the Health Advisory Council and Economic Advisory Council, are listed here:

https://www.michigan.gov/documents/whitmer/MI_SAFE_START_PLAN_689875_7.pdf

I sent Mayor Baker and City Manager Mark Miller information about Friday's Consensus Revenue Estimating Conference. A summary of the agreements reached at the CREC is available on the HFA website at

https://www.house.mi.gov/hfa/PDF/RevenueForecast/CREC_Memo_Final_Summary_May2020.pdf.

The state reached a consensus on economic and revenue figures for the remainder of Fiscal Year (FY) 2020, and for the 2021 and 2022 Fiscal Years. Michigan has a well-respected process for arriving at revenue estimates following best practice, whereby Treasury, House Fiscal, and Senate Fiscal reach agreement on the numbers. Revenues are down \$6.2 billion when looking at the combined General Fund and School Aid Fund numbers in fiscal years 2020 and 2021. The total revised forecast has been decreased by \$3.2 billion in FY20 and reduced by \$3.0 billion in FY21. Compared to the January 2020 consensus, GF/GP forecast is down \$2.0 billion in FY20 and \$1.9 billion in FY21. The School Aid Fund forecast is down \$1.2 billion in FY20 and \$1.1 billion in FY21.

This is an issue that every city, village and township, in Michigan and across the country are grappling with, but to varying degrees. For example, for small biz in the first round of small business support in the Federal CARES Act, Michigan's small businesses got roughly 55% of applicants' needs met, in Nebraska it was over 80% and in NY it was around 40%. (data from Crain's/Bloomberg)

The numbers show that COVID-19 has had a dramatic impact on state revenues which presents enormous challenges for the state budget, which is fixed. Most of the state's revenue is allocated constitutionally, and as a legislator, we have only so much we can do.

Right now, our best option is flexible federal funding to replace lost revenue.

The state has already implemented actions such as temporary layoffs, a state hiring freeze, and a freeze on discretionary spending - some of discretionary spending that was supposed allocated to HD 41 has been cut to address the COVID response.

The language in the CARES act doesn't allow states the ability to utilize federal funding for existing items in the budget that are impacted by lost revenue. The State Budget Office has already started a comprehensive review of everything in the state budget, working with departments and agencies on various budget reduction scenarios

The federal CARES act Coronavirus Relief Fund (CRF) provides \$3.8 billion to state government and to local governments exceeding a population of 500,000 (Detroit, Wayne, Oakland, Macomb, Kent). About \$800 million goes to those 5 local units of government, with the state receiving the remaining \$3 billion. However, under the current language, federal funds cannot be used to backfill revenue losses or support existing state costs, which is the number one thing the state needs.

The state budget allocates money for local governments and school districts, so potential budget cuts at the state level have a direct impact on local government and our schools.

The state's rainy-day fund currently stands at just over \$1.2 billion. Even if the state were to draw every cent from that fund, local governments will be unable to maintain existing critical operations and services. This morning MSU Institute for Policy had a presentation of the CREC info, and repeatedly mentioned that they have never dealt with this type of situation and the challenges of the pandemic.

I have signed on to letters urging not only Congresswoman Stevens and Senator Peters but our federal electeds from across the state to help us, to help the people of Troy and Clawson. I am glad to see that you are issuing a proclamation and will advocate alongside you.

I know that the Governor announced that we are opening up Regions 6 and 8 in northern MI, but as the Mayor of Traverse City said, this will set an example for us as we reopen the rest of the state.

This is a time of great anxiety. I request that interested people join me and Oakland County Commissioner for District 16, Penny Luebs (the former Clawson Mayor), and mental health professionals, for a mental health town hall that will be on FB. People can also register at www.tinyurl.com/KuppaMentalHealthTownHall for this event on Wednesday May 20 at 7pm. We are planning a June 1 event to provide people information on the auto insurance reforms that will go into effect on July 1. Register at https://bit.ly/AutoInsuranceTownHall_61

I do a FB live weekly to provide new info and resources - find me at @mireppadmakuppa, and you can always reach my office at 517-373-1783 or email at padmakuppa@house.mi.gov. We are helping constituents daily with unemployment, small business support, and a host of other questions that people need answers with. We share information regularly via periodic e-news, and you can sign up for updates at kuppa.housedems.com, and find past issues for download. One of the next things we need to talk about is our public library so that constituents who do not have internet access at home are able to come in. Let's continue to stay in touch, and work together at the city, county and state levels to take the next steps as we reopen slowly and safely.

Thank you.