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Mackinac Policy Conference 2026: A Quest for Common Ground

The Detroit Regional Chamber's annual Mackinac Policy Conference convened May 26–29 at the Grand Hotel, drawing lawmakers, business leaders, lobbyists, and policy advocates from across Michigan and the nation. This year's theme — "A Quest for Common Ground" — set the tone for a conference focused on bipartisan solutions ahead of November's midterm elections.

Conference Chair Bob Riney, CEO of Henry Ford Health, framed the gathering around unity and urgency, emphasizing the need to move past partisan gridlock on issues that matter most to Michiganders: education, economic growth, healthcare, and population retention.

Key Moments and Sessions

Governor Gretchen Whitmer closed the conference as the final keynote, declaring that "big achievements require collaboration." She also signed legislation awarding \$152

million for upgrades at Selfridge Air National Guard Base — a move expected to unlock \$792 million in federal military construction funding. On a political note, Whitmer told attendees she is not running for president in 2028, though she later left the door open.

Former Vice President Mike Pence headlined as a prominent national voice, while former Detroit Mayor Mike Duggan spoke candidly about his decision to exit the governor's race.

A marquee moment came Thursday with the Democratic U.S. Senate primary debate featuring state Sen. Mallory McMorrow, Congresswoman Haley Stevens, and Dr. Abdul El-Sayed. The debate featured sharp contrasts on tariffs, energy costs, and how Democrats can win back voters — and drew significant attention given the competitiveness of the race.

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Legislative leaders from both chambers were on hand, including Senate Majority Leader Winnie Brinks, Senate Minority Leader Aric Nesbitt, House Speaker Matt Hall, and House Minority Leader Ranjeev Puri. Speaker Hall floated a primary election reform proposal during the conference. At the PAC reception, all four leaders appeared together — a rare show of cross-aisle presence.

Higher Education: A Key Topic

One of the conference's more pointed policy debates centered on university governance. Detroit Regional Chamber President Sandy Baruah called for reconsidering how Michigan's three R1 research universities — U of M, MSU, and Wayne State — are governed, citing a "crisis" in oversight. An MSU trustee went further, publicly supporting abolishing the elected board model. Expect this conversation to continue in Lansing.

Housing, Trade, and Economic Anxiety

U.S. Sen. Elissa Slotkin spotlighted legislation that would have the president declare a national housing emergency to incentivize construction of 4 million homes. Tariffs, Chinese electric vehicles, and inflation also featured heavily in economic discussions, reflecting the anxieties of Michigan's manufacturing-heavy business community.

Looking Ahead

The Detroit Regional Chamber announced that Tina Freese Decker, President and CEO of Corewell Health, will chair the 2027 Mackinac Policy Conference. With midterms approaching and a packed legislative agenda in Lansing, the conversations that began on the island will continue to shape Michigan's policy landscape in the months ahead.

Duggan Exits Governor's Race, Reshaping Michigan's 2026 Landscape

Former Detroit Mayor Mike Duggan has announced that he is ending his independent campaign for Michigan governor, citing an increasingly difficult fundraising environment and a political climate that he said had shifted decisively against his bipartisan message.

Duggan launched his independent bid in December 2024, staking his campaign on the argument that Michigan voters were tired of partisan gridlock. He framed his candidacy around a belief that years of Democratic-Republican conflict in Lansing had led to declining schools, rising housing costs, and young people leaving the state.

By spring, however, the path had narrowed considerably. Duggan pointed to a sudden shift in national mood, with Democrats and independents unified in frustration over the war in Iran and gas prices rising above \$5 a gallon — headwinds that, in his assessment, were consolidating

voters behind partisan candidates. He acknowledged that his campaign was trailing in both polling and fundraising, concluding it would not be right to continue asking volunteers, donors, and supporters to invest in a race he no longer felt confident he could win.

A recent Detroit Regional Chamber poll had placed him third in the field of candidates. On the fundraising front, Duggan said the national infrastructure to support independent gubernatorial campaigns remains too underdeveloped to be competitive against the established party money networks that dominate modern statewide races.

With Duggan's exit, the field clarifies considerably. Remaining candidates include Democrats Jocelyn Benson and Chris Swanson, and Republicans John James, Aric Nesbitt, Mike Cox, and Perry Johnson.

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The partisan filing deadline passed April 21, and the primary is set for August, with the general election on November 3, 2026. The next governor will succeed term-limited Governor Gretchen Whitmer on January 1, 2027.

Analysts have noted that because Duggan is a former Democrat, his presence in the race was thought to potentially draw more from the Democratic candidates' pool

than from whichever Republican emerges from the primary. His withdrawal could therefore modestly benefit Benson or Swanson heading into the fall.

Michigan Democratic Party Chair Curtis Hertel acknowledged the departure graciously, crediting Duggan with bringing important ideas to the race and thanking him for his commitment to bringing people together.

Revenue Forecast Improves Modestly, but Budget Gap Persists Ahead of July Deadline

Michigan's fiscal picture came into slightly sharper focus on May 15 when the Consensus Revenue Estimating Conference (CREC) finalized the state's official revenue projections for the current and upcoming fiscal years. The bottom line: revenues are tracking somewhat better than anticipated in January, but not by enough to close the significant budget gap standing between lawmakers and a signed budget by July 1.

The panel, which includes the State Treasurer and House and Senate fiscal experts, approved the official revenue numbers at its second meeting of the year — a critical step in the budget process. State Budget Director Jen Flood acknowledged that while the numbers were a little better than earlier this year, they were not sufficient to plug a budget hole in excess of \$1 billion.

The official consensus figures tell a similar story. Net General Fund/General Purpose (GF/GP) revenue for FY 2026 was revised upward to \$14.36 billion, a \$227.9 million improvement over the January consensus estimate. For FY 2027, the May estimate came in at \$14.17 billion — a \$94.2 million increase from January. School Aid Fund (SAF) projections also ticked up modestly, with combined GF/GP and SAF revenues across the forecast window revised upward by roughly \$307 million for the current fiscal year.

The improved numbers were driven by stronger-than-expected collections in several areas. Strong gross

individual income tax collections and use tax collections helped offset weaker sales tax revenues, pushing the GF/GP estimate higher for the current fiscal year.

The broader economic backdrop, however, remains unsettled. Economists noted that while the national economy posted an estimated 2.1% real GDP growth in calendar year 2025, progress toward the Federal Reserve's 2% inflation target has stalled, in part due to upward pressure on global energy prices from the ongoing Iran conflict. Labor market conditions were described as stable but narrowly supported, with job gains concentrated in health care, and consumer sentiment hitting historic lows even as higher-income consumers continue to spend.

Reaction from legislative leaders reflected predictably different interpretations of the same data. Senate Appropriations Chair Sarah Anthony (D-Lansing) pointed to slowing consumer spending and job growth as evidence that federal economic decisions were constraining Michigan's outlook, and called for a bipartisan budget that protects social services and provides financial relief to residents.

House Appropriations Chair Ann Bollin (R-Brighton Township) took a more optimistic view, noting that economists indicated Michigan has not seen a major economic impact from federal tariffs, and that the state's economy is better insulated from international instability than in past decades.

Competing Property Tax Relief Plans Take Shape in the Michigan House

Property tax relief has emerged as one of the defining policy debates of Michigan's 2026 legislative session, with both House Republicans and House Democrats rolling out competing proposals this week that differ sharply in scope, cost, and who would benefit.

The Republican package, branded HELP UP — Hall Effectively Lowering Property Taxes and Utility Payments — moved quickly through the House Government Operations Committee, clearing without advance notice on the agenda. Speaker Matt Hall (R-Richland Township) said the plan would save the average taxpayer roughly \$900 a year, with an additional \$250 in utility bill savings. Eight bills — HB 5872 through HB 5879 — were reported to the floor, making the package a live variable in both budget negotiations and as a potential standalone vote heading into the November election.

The legislation rests on four pillars. HB 5872, sponsored by Rep. Ann Bollin (R-Brighton Township), would eliminate the property tax "pop-up" — the reset that occurs when property changes hands and taxable value is uncapped to 50 percent of market value. Under the bill, taxable value would remain capped post-sale, with increases limited to inflation or 5 percent, whichever is less. HB 5873, sponsored by Rep. Steve Frisbie (R-Battle Creek), would repeal the six-mill State Education Tax, which flows to the School Aid Fund; the House Fiscal Agency estimated that repeal would reduce SAF revenue by \$3.1 billion in FY 2027 and \$3.2 billion in FY 2028. HB 5874, sponsored by Rep. Rylee Linting (R-Wyandotte), would repeal the real estate transfer tax, at an estimated SAF cost of \$475 million in FY 2027 and \$488.3 million in FY 2028. HB 5878 and HB 5879 round out the package by exempting remaining personal property from personal property taxes beginning in 2027 and requiring utilities to pass resulting savings on to residential ratepayers through the Michigan Public Service Commission — while prohibiting utilities from filing a general rate case for two years after a rate decrease order is issued. The personal property tax provisions would reduce combined state and local property taxes by an estimated \$1.7 billion to \$1.9 billion.



The financing mechanism — a new services excise tax deposited into a Property Tax Savings Reimbursement Fund under HB 5880 — did not advance through committee with the rest of the package. Because HB 5880 is tie-barred to the other bills, the package cannot take effect until it also passes. Notably, the legislation as currently written does not specify which services would be taxed, leaving a significant open question about both the fiscal and political path forward. The total cost of the Republican plan is estimated at \$4.73 billion to \$5 billion. House Appropriations Chair Bollin has characterized the package as revenue-neutral, pledging that local governments and the SAF will be held harmless — a commitment Democrats dispute.

House Democrats countered the same day with a targeted, revenue-neutral alternative. Led by Rep. Regina Weiss (D-Oak Park) and Rep. Tyrone Carter (D-Detroit), the Democratic plan is designed to benefit households earning under \$100,000 annually, retirees living on fixed incomes, renters, and first-time homebuyers. Rather than eliminating the pop-up, the Democratic proposal phases in the post-sale tax increase over three years and adds transparency requirements so buyers understand their future tax obligations at the point of listing.

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The package would also waive property tax increases tied to home renovations valued at up to \$100,000. Its centerpiece is an expanded Homestead Property Tax Credit that Democrats say would reach approximately 900,000 additional households — including roughly 1.09 million renters — at an average annual benefit of \$1,000. The estimated \$330 million cost would be offset by a graduated excise tax on non-primary residences valued above \$1 million, starting at 2 percent and escalating for properties valued above \$2 million, \$3 million, and \$4 million.

The debate over the two proposals cuts to a core disagreement about fiscal risk. Education policy advocates

appearing alongside House Democrats cautioned that broad-based cuts to property tax collections would put significant pressure on school funding, police, libraries, and local infrastructure — particularly given Michigan's existing budget gap exceeding \$1 billion and the ongoing uncertainty around federal Medicaid funding.

With the Republican package now positioned for a floor vote or inclusion in budget negotiations, and Democrats offering a sharply differentiated alternative, property tax relief is likely to remain a central point of debate through the end of the session.

Around the Capitol: Notes from Lansing

Nine Blocked Bills Head to Michigan Supreme Court

A constitutional standoff between the House and Senate over legislation passed in the final days of the last legislative term has landed at the state's highest court.

Why it matters:

- The Michigan Supreme Court heard arguments in May in a case involving nine bills passed by both chambers in December 2024 but never transmitted to Governor Whitmer. The bills would place corrections officers in the state police pension system, require public employers to cover a larger share of employee health care premiums, exempt public assistance from debt collection, and allow Detroit historical museums to propose a millage.
- The case — *Michigan Senate v. Michigan House* — pits Senate Majority Leader Winnie Brinks against House Speaker Matt Hall. Democrats argue the House is constitutionally obligated to transmit the bills; Republicans contend the court should not interfere in a co-equal branch of government. Lower courts had ruled in the Senate's favor. The legal fight has already cost taxpayers an estimated \$300,000 in legal fees.
- A ruling from the 6-1 Democratic-leaning court could set significant precedent for how future divided legislatures manage end-of-session bill transmittal.

Housing Readiness Plan Draws Local Pushback

A bipartisan package of zoning reform bills designed to increase housing supply is running into resistance — not from the opposing party, but from local government officials across the state.

Why it matters:

- The Housing Readiness Plan, introduced in February, would update Michigan's zoning laws to address housing affordability, including preventing local governments from blocking construction of duplexes. At a May House Government Operations Committee hearing, a bipartisan group of local elected officials turned out in opposition, arguing the legislation strips too much local control.
- The tension between state-level supply goals and local land use authority is a recurring fault line in housing policy — and could stall a package that otherwise has meaningful support in both chambers.
- With the budget consuming most of the oxygen in Lansing before July 1, the housing bills' path forward this session remains unclear.

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Medicaid Work Requirements Loom

Federal changes to Medicaid are beginning to translate into real administrative and policy burdens at the state level.

Why it matters:

- Under H.R. 1, Michigan's Department of Health and Human Services must implement new federal mandates requiring most Medicaid recipients to work 80 hours per month to qualify for benefits, and to reapply every six months rather than annually. MDHHS Director Elizabeth Hertel has estimated that hundreds of thousands of Michigan residents could lose coverage over the next several years as a result.
- The House Republican FY 2027 budget assumes \$300 million in Medicaid savings from the new federal rules — a figure that remains contested and could shift significantly depending on implementation timelines and legal challenges.
- Health care providers, particularly in rural areas, have flagged serious concerns about sustainability if coverage losses materialize at the projected scale.

Healthcare Workforce & Access

Workforce shortages—especially in behavioral health and direct care—continue to drive policy conversations.

Why it matters:

- Potential for targeted funding or policy fixes
- Strong overlap with budget (rates, reimbursement, workforce pipelines)
- High stakeholder engagement and advocacy pressure

Bottom Line

While the budget dominates headlines, a number of policy issues are steadily advancing in the background—many of which could move quickly once budget negotiations stabilize.