

SOTS 2024

Good evening, Michigan! How about them Lions?

I am excited to be here tonight between two leaders who have gotten a lot done over the past year: Speaker Joe Tate and Majority Leader Winnie Brinks.

I want to acknowledge Minority Leaders Matt Hall and Aric Nesbitt. We delivered a balanced budget focused on the kitchen-table issues in 2023, and I know we will this year too.

Now, I want to thank productive partners in governance... Lieutenant Governor Garlin Gilchrist... Attorney General Dana Nessel... and Secretary of State Jocelyn Benson.

Please join me in thanking Major General Paul Rogers, Colonel James Grady, and those who serve in our State Police and National Guard.

To our state employees, my cabinet and executive office staff—thank you for your tireless efforts on behalf of the people of Michigan.

Like some of you, I am a product of the '80s. I love big hair and bold leather jackets. Classic movies and of course, classic rock.

All great albums from the '80s have some things in common. Chart-topping hits that everyone loves... Deep cuts for the fans... and a few experimental tracks. At their best, these are timeless records whose impact transcends a single year or artist.

At our best, that's what we aspire to do, too. Get things done that outlast us. Make policy for future generations. Over the past year, our record, like any great album, had something in it for everyone, and all the tracks—or policies—were bound by a common theme: making a real difference in people's lives.

We composed this record thanks to the people in this room and every Michigander at home. Groups only succeed when all its members are thriving, and lately, Michigan has been playing in harmony.

Let's go through the set list.

A lot of people had faith we would roll back the retirement tax on our seniors. We got it done to save half a million senior households an average of **\$1,000** a year.

We rolled back this tax, and I want to thank Representative Angela Witwer for her leadership.

We quintupled the Working Families Tax Credit so people working 9 to 5 or second or third shift get **hundreds** more dollars back in their pockets. Let's acknowledge Senator Kristen McDonald Rivet for getting it done.

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This year, the Democratic legislative majority delivered **\$1 billion** in tax relief. This year, seniors will keep more of what they earned and **hundreds of thousands** of working families will get refund checks, putting money back in their pockets to help with groceries, gas, or home repairs.

We know that *girls just wanna have fun... and pay down debt...* so we did. Since I took office, we paid down **\$18 billion** of debt. We brought our rainy day fund to an all-time high of nearly **\$2 billion**. We even created a new rainy fund for our schools and put nearly **\$500 million** in it.

We *won't back down* in our fight to protect reproductive freedom. We passed Prop 3 to protect abortion rights and repealed our extreme 1931 abortion ban with Representative Pohutsky and Senator Geiss.

For every *sweet child of ours* in Michigan, we made school breakfast and lunch free.

All 1.4 million public school students get 2 meals a day so they can focus on learning and parents save **\$850 a year** on groceries, per child. I want to thank Senator Darrin Camilleri and Representative Regina Weiss who led this effort. When I introduce my next budget, we're going to keep feeding students and lowering grocery bills.

We put cost-saving pieces of the Affordable Care Act into state law. You might be wondering—*what's cost got to do, got to do with it?* Now, young people can stay on their parent's insurance until they turn 26 and you can't be charged more for having a preexisting condition. No one should be *running up that bill* to get better when they're sick.

While some folks in Washington are trying to repeal the ACA and strip away health care for kids, seniors, and working families, we got your back *like a rock* in Michigan. We will protect your care—no matter what. I want to thank Representative Matt Koleszar and Senator Kevin Hertel for their work on this issue.

While other states restrict your freedom to be who you are and love who you love, we heed the words of Ms. Diana Ross and say *we're coming out* to protect equal rights for the LGBTQ+ community! Thank you, Senator Moss and Representative Hoskins, for your leadership.

We also ended natural hair discrimination by passing the CROWN Act! Thank you, Senator Sarah Anthony.

Finally, to protect *every breath you take* and our Great Lakes, we enacted a historic clean energy package. Together, we:

- will reach 100% clean energy by 2040,
- lower the cost of household utilities by an average of **\$145** a year,
- and create thousands of good-paying jobs, backed by the strongest labor standards in the country.

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- We will make more American energy employing American workers.

I want to acknowledge Senators Singh, Geiss, and Shink, and Representatives Aiyash, Puri, and Coffia for making Michigan a national leader on climate action.

We have a heck of a record and we are starting 2024 fired up. My fellow Michiganders, the state of our state is ready to rock!

We got *into the groove last year*, but great bands do not rest on their laurels—they make the next record better than the last one. There's more to do, and *nothing is gonna stop us now*.

Let's talk about the challenges Michiganders face today. Top of mind is costs. It's hard to buy a house, afford a car, or save for retirement while keeping up with bills. People put things off to make ends meet: replacing old tires... fixing busted gutters... buying your child a warmer coat.

No matter who you are or where you come from, if you work hard, you should be able to provide for your family and have a fair shot at a better future. You should have the freedom to live the way you want. That's the American Dream. You should be able to chase it in Michigan. At our best, that's what we are—a home of opportunity for people seeking a great life at a good cost of living.

Tonight, that's what I'll focus on—how we can keep lowering costs... improve education to set up our children for success... make more stuff right here in Michigan... and compete with the world.

First, costs. No one likes paying **\$6** for a box of cereal or more for an oil change than they did last year. But I want to be upfront with you: I cannot solve global inflation alone. No one person can—not even the President. If you meet someone who says they have a secret plan to fix inflation—run!

What we can do is make life more affordable by lowering costs on the biggest items in your monthly budget. When your paycheck hits your bank account, you know your largest and most important expenses: housing, child care, transportation, education, utilities, and food.

From axing the retirement tax and free school meals... to the Michigan Achievement Scholarship and Reconnect which lower the cost of college by thousands... to programs like Tri-Share that slash the cost of child care by **66%**... we are taking action.

Things are headed in the right direction. Inflation is slowing down... unemployment remains low... and take home pay is up. It's a great time to find a good-paying job, with unions fighting successfully for better pay and benefits. President Biden's policies are bringing jobs and supply chains home to Michigan from China.

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Still, Michiganders need more breathing room. This year, we will continue our work to lower costs on the biggest items in your budget. So, let's get into it.

A few weeks ago, I rolled out the Michigan Vehicle Rebate, a plan to lower the cost of buying a new car with a **\$1,000** rebate off any car and **\$2,000** for electric vehicles. If it was assembled by a union, you get an extra \$500 bucks—that's **up to \$2,500** off. The MI Vehicle Rebate would be offered at the point of sale—so you save money as you walk out of the dealership.

Michigan's auto industry has been the backbone of our economy for a century, powered by the men and women of the UAW, who negotiated and ratified a record contract last year. We want our auto workers and our auto industry to thrive right here in Michigan.

Let's help them both do what they do best—make the world's best cars and trucks. With the MI Vehicle Rebate we can lower costs and support the ongoing transition to an all-electric, union-made future.

Next, housing, usually the largest expense in everyone's budget. Right now, too many families spend more than half their income on their rent or mortgage... Our housing stock is old—nearly half of all units in Michigan were built before 1970... Young people cite housing affordability as one of their top concerns.

These are statewide challenges. In Traverse City, school districts need housing for teachers who have nowhere else to go. On the Westside and in the UP, there just aren't enough homes for growing families. Detroiters see higher rates when they re-sign.

In other words, the rent is too damn high and we don't have enough damn housing!

Our response will be simple: build, baby, build!

Our target is clear: in Michigan's first-ever statewide housing plan that I commissioned last year, we set a goal of **75,000 new or refurbished units in 5 years**.

We are headed in the right direction. In the 5 years since I took office, we've invested double what we did in the previous **8 years** to build or rehabilitate **34,000 housing units**, supporting **20,000 good-paying construction jobs**.

Our local partners are getting it done too. From November 2022 to November 2023, our 4 largest counties—Wayne, Oakland, Macomb, and Kent—permitted **over 8,000 units**.

In 2024, let's keep going.

In 2024, let's build more of every kind of housing—single family homes, apartments, and mixed-use buildings.

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In 2024, we will make the *largest* investment to build housing in Michigan history.

We will invest almost **\$1.4 billion** to build or rehabilitate nearly **10,000 homes**. That's **10 times** what we put into housing just 10 years ago. Getting this done will support **thousands** of good-paying, middle-class jobs in the skilled trades—from pipefitters and carpenters to bricklayers and roofers.

Housing is a serious challenge, so we are making a serious investment. It's about so much more than just a roof over your head. Housing builds generational wealth and forms the foundation for success in school, work, and life. Let's work together to build more housing so every Michigander has an affordable place to call home.

Finally, I'm calling for a new caregiver tax credit, that will put money back in the pockets of Michiganders who care for an aging or sick relative.

I know how tiring caregiving can be, especially when you're juggling a career and kids of your own. When I was sandwiched between my newborn daughter and my mom who was dying from brain cancer, I was pushed to my limit despite having resources and help.

I know a lot of people are concerned about how much it'll take—or is taking—to care for aging parents, financially and emotionally. Maybe you're concerned about how your kids will take care of you while living their own lives.

The new Caring for MI Family Tax Credit could save thousands of Michigan families up to \$5,000 on their taxes.

By allowing people to write off caregiving expenses including counseling, transportation, and nursing or respite services, we can save them money. We can help more seniors age-in-place at home instead of a costlier long-term care facility. We can support parents of children with long-term care needs by saving them money.

We know the burden of caregiving falls disproportionately on women and *especially women of color*. While the caregiving work they do is often invisible, it is invaluable. According to the AARP, family members provide **\$522 billion** in uncompensated care every year.

Let's support them by getting this done.

Next, let's talk about education. This is a priority *all* parents share. Whether you're in a small town or big city... a Republican, Democrat, or Independent... getting ahead or getting by... you want your child to succeed.

I am proud of the record bipartisan investments we've made since I took office. Republicans and Democrats came together to raise per-pupil funding by **22%** in 5 years. That's **hundreds** more dollars for your child invested directly into your local

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school to lower class sizes and upgrade shop classrooms and computer labs. We also invested in campus safety and mental health and made breakfast and lunch free. When kids are unsafe... struggling... or starving, they cannot reach their full potential.

Every parent knows that the person standing at the front of the classroom matters. In some states, educators are being undermined, micromanaged, and even criminalized just for doing their jobs. In Florida, teachers are disrespected and book bans are rampant—heck, just 2 weeks ago, a district banned the dictionary! In Texas, nearly 1 in 3 teachers aren't even certified.

That's not how you improve education. In Michigan, we're forging a different path.

We're sending a message LOUD and CLEAR: we support our teachers.

We walk the walk. We fund scholarships for future educators, pay student teachers, and help full-time teachers with their student loans so they stay in Michigan. We accept out-of-state certificates, so if you have experience, you can enter the classroom without jumping through bureaucratic hoops. As a result, enrollment rates in Michigan's teacher prep programs are beating other states. If you want to teach, we want you here.

We let teachers focus on doing what they do best: teaching!

But we know education in Michigan needs work. We want student outcomes to exceed expectations. We need to better prepare students for success after they graduate, whether they enter the workforce, community college, trade school, or a 4-year university. There is no "correct" path. It all depends on the person. What we *can* do is get them ready.

A big part of that is starting education earlier and continuing later.

4-year-olds who go to pre-K arrive at kindergarten better prepared to learn. They are more likely to graduate, go to college, and earn more. And we know higher education or skills training leads to higher incomes.

If you get an associates degree you can earn \$23,000 more a year. The best-paying jobs today and in our future economy require some education after high school.

We must support our kids from pre-K... through postsecondary... to prosperity.

Last year, I proposed Pre-K for All by the end of 2026, saving families **\$10,000 a year** and giving every child a solid academic foundation. Together, we are changing our definition of education to include pre-K, and last year, we expanded free pre-K to **5,600 more kids**.

And you know what? This year we're going to go a heck of a lot further.

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In our next budget, let's deliver pre-K for every single 4-year-old in Michigan... 2 years ahead of schedule.

When we get this done, no matter who you are, where you come from, or how much you make, *your* child can enroll in pre-K and be set up for success. Let this be a message to parents in other states—come to Michigan. We got your back every step of the way... and we'll save you 10 grand on your child's education.

We know that education does not end after high school graduation. That's why we lowered the cost of college with the Michigan Achievement Scholarship, saving students **thousands** every year. We made community college—and job training for medical techs and electricians—tuition-free for anyone 21 and older with Michigan Reconnect.

Today, let's go further.

In our next budget, let's make the first 2 years of community college in Michigan tuition-free for every high school graduate.

As Michiganders pursue an associates degree or skills certificate at a community college, they can save an average of \$4,000 on tuition. This is a transformational opportunity for graduating seniors and will help us achieve our Sixty by 30 goal to have 60% of adults earn a post-secondary degree or skills training by 2030. We're broadening our vision of education beyond K through 12.

Every single Michigander can count on a free public education from pre-K through community college. That's the Michigan guarantee. Let's get it done!

Finally, let's talk about making it in Michigan.

Over the last few years, we have seen a manufacturing renaissance, driven by President Biden's investments in American workers and industry. It's happening nationwide, with **800,000 manufacturing jobs** added since 2021. Companies are investing in America and especially in Michigan in a big way. We are competing and winning the future of the auto industry, making cars, semiconductors, and batteries here instead of China.

You may have heard about expansions by the Big Three in Detroit, Lansing, and Flint... but there are so many businesses from other states and nations expanding or moving to Michigan.

- Calumet Electronics in the Keweenaw Peninsula...
- Nel Hydrogen's gigafactory in Plymouth Charter Township...
- Scout Motors' R&D hub in Novi...
- Fortescue's battery plant in Detroit...
- Hydro's aluminum recycling facility in Cassopolis...
- and SK Siltron's semiconductor wafer plant in Bay City...

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We're showing the world that we make a lot more than just cars. In the decades ahead, we will dominate the manufacturing of batteries, chips, and clean energy too.

To *keep* winning, we must upgrade our economic development toolkit. We can and must outcompete our neighbors. Tonight, I want to talk about some new tools.

We know Michigan is home to a lot of research and development—or R&D—thanks to our leading universities and businesses. Unfortunately, we are one of just a handful of states without a tax credit to incentivize R&D. Every other Midwestern state has one. An R&D tax credit will unleash innovation while lowering costs for businesses. Let's get it done.

Our current toolkit limits our ability to attract small and second stage businesses. Let's start the HIRE Michigan Fund to lower overall payroll taxes for these firms. The value here is simple: the more you hire in Michigan, the more you should save in Michigan. We had a similar, bipartisan program years ago that worked well. So, let's bring it back—because everyone loves a throwback.

We also need to uplift regions that have too often been left out or left behind. Renaissance Zones are strategically selected areas with lower taxes for businesses and entrepreneurs so we can drive investment and create local jobs. We already have several of these statewide, but there are strict categories that define eligible projects within them. Let's simplify these into a single, flexible category to incentivize growth.

Finally, let's establish an Innovation Fund to invest in high-growth startups that will create the future, right here in Michigan. Right now, we have no state-level mechanism to attract and retain promising young companies. With the new Innovation Fund, we can launch **hundreds** of new Michigan-based startups and create **thousands** of jobs. Together, we're going to build the infrastructure for innovation so founders can start and build their companies here in Michigan.

As we win all these projects, our infrastructure must keep up. The Growing Michigan Together Council identified infrastructure as one of the keys to growing our population. That's why we are fixing the damn roads, bridges, pipes, and everything in between.

Since I took office, we have fixed **20,000 lane miles of road** and **1,400 bridges**, supporting **118,000 good-paying jobs**. I know you saw it last year. Our state flower—the orange barrel—was in full bloom. And the hardworking men and women who fix our roads were out in force, getting the job done.

4 years ago, I stood at this rostrum and rolled out the Rebuilding Michigan Plan, a **\$3.5 billion investment** to fix our roads while supporting over **45,000 jobs** without raising taxes by a dime. It focused on vital economic corridors including 96 and 275 in Metro Detroit... the 475-69 interchange in Flint... 94 in Jackson... 196 between Holland and Saugatuck... and 496 a few blocks away. We made progress on them all.

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Tonight, I'm calling on the Michigan Department of Transportation to authorize the final \$700 million of the Rebuilding Michigan Plan.

This final round of projects includes 94 along the Metro Airport, 696 from Southfield through Warren, and a bridge in Erie Township. The Rebuilding Michigan Plan is making commutes safer, saving drivers time and money, and allowing businesses to ship products more easily across Michigan. Let's keep fixing the damn roads!

Every Michigander deserves a classic Michigan story—you work hard, follow your dreams, and build a great life. When you get knocked down, you get up again. You keep fighting. That's what makes us special.

Hell, just look at our Lions. Once a punchline, now a powerhouse. They've dominated by centering the grit that defines every Michigander. On the way up, they turned naysayers and cynics into dreamers. And I don't know if you recall, but our Wolverines are national champions. Both these incredible teams are showing the country what Michigan is all about.

That story—our story—can be seen in our people's stories. Tonight, I want to tell you one, about a woman named Elaine, who is here with us today. Elaine, please stand.

Elaine was born in Saginaw in the wake of WWII. She was 1 of 7 kids and grew up poor. After graduating from Saginaw High, she worked odd jobs, got married, and moved to Chicago. After her divorce, she came home to Michigan with her sons.

Elaine struggled as a single mom. One day, over dinner in the parking lot of a fast-food joint, she made her sons a promise. One day, she said, they would be able to eat at the Olive Garden across the street—a sit-down restaurant with metal forks and waiters who refill your glass without you even asking.

Elaine worked hard, using food stamps to put groceries in the fridge and housing assistance to keep a roof over her son's heads. She was a secretary for years, but wanted to chase her dream and get a job that gave her purpose. She never thought she could do it. Elaine, I'm glad you proved yourself wrong.

She went back to Wayne State with a Pell Grant, earning 2 degrees. After graduating with her master's in social work at 45, she had a successful career in Saginaw. In retirement, she volunteers at local shelters and even wrote a book: *My grandchildren make me laugh*. I am the proud owner of a signed copy.

What Elaine is most proud of, however, is who her sons have become. She calls them: "fine young men," who care for themselves and their families. One works at the same clinic Elaine did. The other heads back to college soon, following in her footsteps.

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Elaine and my mom were born 6 years apart. They both worked hard, faced adversity, and persevered. They're both strong, proud women from Michigan—that's a badge of honor. Elaine reminds me of my mom.

Elaine's story is Michigan's story. She had simple dreams for her kids. She wanted them to get a great education and eat at a restaurant occasionally. She wanted them to have hope and be good people. Congratulations Elaine—you did it!

Tonight's proposals are crafted so we can make more stories like Elaine's possible in Michigan. We will build a Michigan where if you get knocked down, you have the support you need to get back up. Lowering costs on the biggest items in your budget... Improving education so your kids can thrive... Ensuring you can 'make it' no matter who you are or what you've been through. We will deliver real change for people right now and for Michiganders generations from now.

That's what our work is about—getting things done for people we never meet—moms just like Elaine.

A mom who can afford a nicer place to live in new housing we're building... get her associates degree tuition-free with Michigan Reconnect... and make more time to study in the mornings because she doesn't have to pack a lunch for her kids. She can drive them to school on safe roads, where she knows that they will be taught by a skilled educator and receive a public education from pre-K through community college for free.

We are a state of humble, hardworking people with big dreams for our children. This year, let's keep rocking so everyone can have their own classic Michigan story. Thank you all for being here. Drive safe... Go Lions!.. and goodnight!