

STANDING STRONG FOR NORTHERN MICHIGAN DURING BUDGET DEBATE

In the early hours of the morning on Friday, October 3, the state legislature passed a balanced budget for the 2026 fiscal year. This budget is the first in recent history to reduce the State of Michigan's overall spending from previous years.

Throughout the extended negotiations, the Northern Michigan Chamber Alliance remained focused on protecting the vitality of rural economies and northern Michigan communities.

In a letter to state leaders, the Alliance emphasized that

northern Michigan communities generate billions in economic activity, drive key industries from manufacturing to tourism, and provide a year-round foundation for residents, employers, and entrepreneurs alike.

This budget focuses on allocating state dollars towards road funding and education, while making significant cuts to corporate incentives and economic development programs. Key takeaways in key areas are highlighted here.

ROADS PLAN

- **\$1.85 billion** allocated directly to **local road agencies**, rather than MDOT
- Funding increases: **+33.4% for cities/villages**, **+35.5% for counties**
- **Sales tax on gas is eliminated**, offset by an **equal increase in the gas tax** to fund roads
- Recognition to **Rep. Tom Kunse** for ensuring equitable county-level road funding

EDUCATION IMPACT

- Per-pupil funding increased to **\$10,050/student** (+\$442, or 4.6%)
- Boosts to **At-Risk, Great Start Readiness, Special Education, and Bilingual Education** programs
- Continued funding for **free school meals** for all and **virtual charter schools**
- **\$321 million** allocated for school mental health and safety grants
- Concerns: Funding **removed for Great Start Collaborative**; **MPSERS cost offset eliminated**, increasing district employee retirement costs



Budget updates continue on page 2.

ECONOMIC DEVELOPMENT IMPACT

Increases to education and infrastructure funded by cuts and tax changes:

- **Marijuana wholesale tax** raised to **24%**
- **Decoupling from H.R.1** removes some federal business tax breaks
- **Going PRO Talent Fund** cut by **\$22.3M** (now ~\$32M)
- **SOAR Fund**: no funding
- **Business Attraction & Community Revitalization**: cut by **\$40.7M**
- **Pure Michigan**: cut by **\$9M** (now ~\$17M)
- **RAP Program & Site Readiness**: **eliminated**
- **21st Century Jobs Trust Fund**: reallocated **\$59M**
- **Employer-Assisted Housing Fund**: **removed**
- **Michigan Reconnect**: down **\$10M** (now \$42M)
- **Michigan Growth Office**: no appropriation
- **Office of Rural Prosperity**: ~\$1M total + eligibility for **\$1.6M** federal grants

OTHER HIGHLIGHTS

- **\$14M** for northern Michigan **ice storm recovery**
- **Temporary tax relief** on tipped wages, overtime, and Social Security income (3 years)
- **Copperwood Mine** (\$50M proposal): **not funded**
- **\$35M** for **domestic violence prevention** statewide.
- **Tri-Share Child Care**: **\$3.4M** to continue operations; expanded to Wisconsin residents working in Michigan

While the Alliance is disappointed with the reduction in support for economic development and Michigan business in this budget, we thank the legislators of the Northern Caucus who worked closely with us to secure resources for our region during this difficult budget negotiation.

ADVOCACY IN ACTION

One of our member businesses, Grand Traverse Industries (GTI), faced a significant challenge during this year's budget process. The House-passed version included a steep reduction in Direct Care Agency rates that would have severely impacted providers like GTI. Cindy Evans contacted the Alliance for support in removing the cut before the final bill was passed.

"Working with Dakota from the Northern Michigan Chamber Alliance and Representative John Roth was incredibly impactful. Their collaboration helped shine a spotlight on the potential consequences of the proposed wage cuts for direct care workers that were being proposed in the state FY26 budget," says Cindy Evans, Executive Director of Grand Traverse Industries. "By highlighting the critical role agencies like Grand Traverse Industries play in serving our most vulnerable populations and advocating together, we were able to prevent harmful budget changes that could have led to agency closures and reduced wages for the dedicated staff who provide essential care. This partnership truly demonstrates how coordinated advocacy can protect both the workforce and

the people they serve."

Representative Roth, chair of the Appropriations Subcommittee on Human Services, quickly advocated for GTI and similar businesses alongside the Alliance. His efforts succeeded in removing the reduction from the final budget, ensuring GTI could continue operations without



the devastating financial hit. "I am grateful for the partnership my office has with the Northern

Michigan Chamber Alliance and for their assistance with issues that allow me to stand up directly for the businesses that make up the backbone of the communities in northern Michigan," says Rep. John Roth. "Developing strong relationships with organizations like Grand Traverse Industries is critical, and when the good services that they provide are threatened, it is my responsibility and my pleasure to help keep government out of their way."

WELCOME, DAKOTA BAKER

In early September, Dakota Baker joined the organization as the new Director of the Northern Michigan Chamber Alliance. Dakota brings extensive experience in public policy, having held prior roles in state government, congressional campaigns, and as the district liaison for Congressman Bergman. Most recently, Dakota was the Deputy Chief of Staff for State Senator John Damoose.

"The Northern Chamber Alliance just got a tremendous boost by hiring Dakota Baker to be its new Director," said Senator Damoose. "I'm not sure how we can even fill his shoes in our office, and he will be sorely missed. But, under his leadership, the Alliance will definitely reach new heights in its influence and impact."

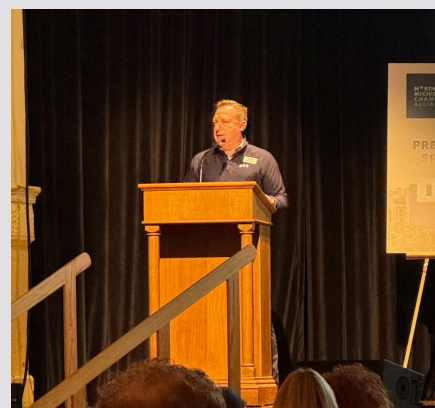
Dakota has spent his career in political and public policy work in Michigan. He obtained a bachelor's in political science from Lake Superior State University and has been living in Traverse City since 2020.



DYNAMIC DIALOGUE AT THE ANNUAL BULLY PULPIT EVENT

The Alliance once again welcomed two of Michigan's top political strategists for an engaging and insightful discussion on the evolving state and federal political landscape at this year's Bully Pulpit event in Traverse City.


John Sellek, founder and CEO of Harbor Strategic, and Adrian Hemond, CEO of Grassroots Midwest, shared candid perspectives and sharp analysis during a lively, fast-paced conversation moderated by Kyle Melinn, editor and vice president of the Michigan Information & Research Service (MIRS).



Attendees walked away with fresh insights and actionable takeaways on how shifting political dynamics may influence policy and business in the year ahead.

NOV. 6 BUSINESS WEBINAR

This webinar will break down the impact of H.R. 1, also known as the "One Big Beautiful Bill Act," highlighting its major tax provisions affecting businesses.

**NOVEMBER 6
9 - 10 AM**
**H.R. 1's Impact:
How New U.S.
Tax Provisions
Will Affect Your Business**
Presented by
Rehmann
EMPOWER YOUR PURPOSE

ALLIANCE WELCOMES 20TH NEW MEMBER CHAMBER

The Northern Michigan Chamber Alliance is pleased to welcome its 20th new member, the Houghton Lake Chamber of Commerce.

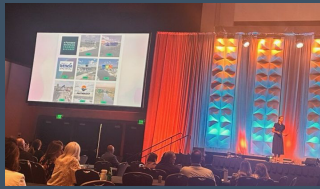


The Houghton Lake Chamber of Commerce serves the Houghton Lake & Prudenville Area. Its mission is to form

relationships to further the interests of small businesses,

community members, and organizations. The Chamber unites business and professional firms within the community to create a central agency working to increase prosperity by encouraging the growth of existing businesses and fostering new business development. Their services include promoting retail opportunities and tourism, as well as providing a broad spectrum of information and services for residents, visitors, community agencies, and organizations.

RECOGNITION ON A NATIONAL STAGE



The Alliance received national accolades when we were featured at the national convention of the Association of Chamber of Commerce Executives, highlighting our policy impact and collaborative structure as an example for other chambers and EDOs to follow.

During the keynote presentation by Sheree Anne Kelly, president and CEO of the ACCE, the Alliance was cited as an example of how chambers are responding to navigating advocacy using a united voice for impact. This highlight took place in front of 1,000 people at the annual convention.

SAVE THE DATE

With a pivotal election year ahead, the Northern Michigan Chamber Alliance is preparing for one of its most timely and impactful events of the year — the Northern Michigan Policy Conference.

Each year, this conference brings together business, government, and community leaders for a collaborative, solutions-focused experience designed to spark action and shape the future of our region. This year's program will take an even deeper dive into the state and federal policy changes on the horizon and where candidates stand on the Alliance's core priorities, from workforce and housing to infrastructure, and regional competitiveness.

Save the date to connect, learn, and influence the policies shaping Northern Michigan's economic future.



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