



THE QUARTERLY REPORT January 2026

Message from the President

Happy new year! From all of us at MAGE, we hope that you all had a great holiday season and are having an excellent start to the new year!

In December, we attended the final meeting of the Coordinated Compensation Process, the Civil Service Commission Meeting. The Commission approved a base wage increase of 3% and to continue funding the Professional Development Fund at \$225,000. While in our proposal, we asked for additional special raises to address ongoing pay compression. The Employment Relations Board and Commission did not find that these additional special raises should be approved. We will continue to advocate for these special raises.

This year the Department of Treasury submitted a proposed change to rule 5-6. This rule was originally approved in 2024 to provide Treasury field auditors with a 20% pay premium to address recruitment and retention. The Department proposed a change that would allow them to have the discretion on when to provide this premium. We were happy to see the full commission reject this proposal. Due to their decision, the field auditors will not lose their 20% pay premium.

Our membership numbers have been on the incline since the start of our fiscal year in July 2025. We hope to see that trend continue. Thank you to those who call to set up an informational meeting and to those of you who go out of your way to share information about MAGE and what we offer to you colleagues. The more we grow, the more we will be able to do to help make sure our State of Michigan NEREs receive the compensation, benefits, and representation they deserve.

Don't forget to watch your emails in January and June for notification of scholarship application periods being open! As always, if you have any questions or concerns, please reach out to the MAGE office. Have a wonderful start to your 2026.

Labor Relations Team in Action

The MAGE labor staff had a busy fall and winter with member meetings! We had the opportunity to speak at 3 Corrections Trainings to speak with new supervisors. Our team also meet with members at the Center for Forensic Psychiatry, and multiple DHHS offices. Our team is always happy for the chance to speak with members and potential members!

Labor Relations Tip: Political Party Activities

With the upcoming election in November. Many are likely to get involved to volunteer politically. Rule 1-12.4 states employee's may "A. Become a member or officer of a political party committee formed or permitted under the election laws of Michigan or the United States." "B. Be a delegate to any convention held by a political party." "C. Engage in political activities on behalf of a candidate or issue in a partisan or nonpartisan election. **It is important to note that employees may not participate in these activities during actual duty time** (Rule 1-12.6) Please review the full rule 1-12 for detailed Political Activity information.

Benefit Spotlight

Don't forget! MAGE members have access to numerous benefits!

It is again time to highlight the OPEIU Howard Coughlin Memorial and the John Kelly Labor Studies scholarships! Make sure you watch your email or the MAGE website for the announcement of the application period being open.

Both scholarships are available to members and their families. Detailed information regarding eligibility will be provided when the application period notices are posted.

LEGISLATIVE UPDATE

HIGHLIGHTS

(Provided by MAGE Lobbyist Todd Tennis)

Michigan House Stuns Lansing with Budget Move

In early December, the House Appropriations Committee held a hearing to receive reports from the House Fiscal Agency regarding budget spending items. It was a routine event where annually the House and Senate Appropriations Committees review spending items from the previous year that were not completely spent before the September 30 end of the fiscal year. This is especially common for construction and infrastructure projects that often take over a year to complete. Normally, the Appropriations Committees accept the report and the spending is allowed to continue into a new fiscal year until the total appropriation amount is exhausted.

Appropriations that last beyond a single fiscal year are called "work projects," and they are very common in state budgeting. In some cases, when a budget bill is passed, language is inserted identifying particular spending as a multi-year work project. In many instances, however, for a multitude of reasons, single-year appropriations are not able to be fully expended before the end of the fiscal year. In those cases, Michigan law specifies that the state automatically make those items "work projects" and allow them to be expended over multiple fiscal years, provided that a report is made to the House and Senate Appropriations Committees. The law allows either of those committees to reject specific items from becoming "work projects" should they feel them to be no longer necessary or relevant.

Prior to December 2025, rejection of work projects has only happened once in recent memory, and it was for a specific project that was unanimously agreed upon as being no longer necessary. What the House Appropriations Committee did in December, however, went well beyond a targeted rescission of state spending. Instead, the House Appropriations Committee voted to reject the entirety of potential work projects, cancelling up to \$645 million in state spending.

Speaker of the House Matt Hall (R-Richland Twp.) held a press conference after the hearing proclaiming that the move was saving Michigan taxpayers from "waste, fraud and abuse" that was rampant in the budget. He stated that worthy projects could be funded again in a supplemental budget bill. However, many of the projects were time dependent, and a delay in spending of potentially several months could put an end to many of them. The projects spanned most of the state and included a broad array of programs and infrastructure grants ranging from road and bridge projects to health care and social programs.

Senate leaders immediately expressed their horror at the House action and responded by passing a bill restoring the entirety of the slashed funding. However, for the funding to be restored, the House must also agree to do it, and since they were the ones who instigated the funding cuts, there is no likelihood of them relenting. Instead, it is possible that a new mid-year budget supplemental bill could be used as the House identifies funding they deem "worthy" to be restored.

Another possibility is that of legal or executive action. Several recipients of the lost funding, including a number of local units of government, are contemplating legal action against the House for the loss of the funds. Although Michigan law grants the authority of either House or Senate Appropriations committee to deny work project status to state funding, there is a growing question of whether that law is in itself constitutional. Michigan courts could possibly strike down the law as a violation of the separation of powers clause of the Michigan Constitution.

Governor Whitmer has been relatively silent on the issue so far, but the Governor's office could also take some action on restoring the funding. It is possible that the Governor or Attorney General Nessel could rule that the action taken by the House is unconstitutional and continue to expend funds as originally intended. If this were to happen, it would provoke a very hostile response from the Michigan House and possibly provoke litigation to defend the actions of the House.

Visit the MAGE website for the full legislative report.

Announcements:

- Would you like a MAGE informational meeting to be held at your office or in your local area? If you would like to set up a lunch meeting for members and potential members to speak with MAGE Labor Representatives, call the MAGE Office today! 1-800-477-6243.