

Government Relations Advisory Committee (GRAC) Agenda

December 8, 2020

1:00 - 2:30 pm

1-2 p.m. with Vice-President Wilbanks

Zoom - NOTE THIS IS A NEW ZOOM LINK. The GCalendar invite was update but for those who do not use this, you will want to us this link

In attendance:

Kara Charbarneau, Michigan Medicine
Marisa Conte, University Library
Vincent Glud, ITS
Justin Hodge, School of Social Work
Erin Kahle, Nursing
Andrea Lewis, Government Relations (Staff)
Daniil Manaekov, LSA
John Mansfield, Engineering
Renee Nguyen, ISR
Alexandra Rivera, UM Library, Chair
Michael (Mike) Thompson, Michigan Medicine
Cynthia Wilbanks, Vice President for Government Relations

Absent:

MaryJo Banasik, Director, Faculty Senate Office
Morgan Beeler, SEAS
Anna Ceballos, General Studies
Jacob Pearlman, Michigan Law
Kentaro Toyama, SACUA Liaison

VPGR Search Update

It is expected that President Schlissel will be making a recommendation for a new VP of Government Relations to the Board of Regents in about ten days. VP Wilbanks expects to be available to assist with the transition in at least the first several weeks of January. The new VP should be full-time on the job by mid-January. Transition documents are being prepared for VP Wilbanks' successor to help provide a better understanding going into the job, including information regarding GRAC and its committee membership.

In response to the topic of continuity, VP Wilbanks assures there will continue to be deeper conversations with her successor that will carry into January. Additionally, there is a fairly predictable cycle of work for the Government Relations Office – state budget, state outreach, etc. – and the Government Relations team has a lot of expertise to assist the new VP. It's also expected that the executive officers will support new members of the team.

Budget Update

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VP Wilbanks provided some insight on the state budget. The Governor's current proposal for the legislature to dispense with during the lame duck session is a \$400 million supplemental appropriations bill that would cover COVID-related expenses (i.e. support for businesses and unemployment relief). About \$100 million of that would go to support businesses and individuals. The balance largely supports COVID-related expenditures, including testing, contact tracing, vaccine distribution, and some support for education and childcare. There will likely be some debate amongst legislators about the specific dollar amounts or categories for the expenditures, but it would be surprising if the supplemental wasn't adopted largely intact. A secondary issue is that the state is holding on to funds provided by the CARES act that must be appropriated and spent and by the end of the month.

In terms of the federal budget, there are talks of a third stimulus package of around just under a trillion dollars but negotiations are ongoing. With the president-elect's encouragement, there's anticipation of some movement on these negotiations this week. December 11 is the deadline for the budget resolution. It's expected that another continuing resolution will need to be adopted to continue spending at the Fiscal Year 2020 levels which would extend through January 2021. A budget resolution will likely be approved at the eleventh hour.

Member Manaekov stated the bigger issue is when will the federal government appropriate funds for the state and local government. He does not expect a large amount of this money passed until next round, in February or March. The state will likely have to plan a budget for next fiscal year when federal funds are still uncertain. He does expect some help with renewing unemployment benefit extensions and paycheck protection. If there is state aid appropriated by March/April, there would still probably be time to adjust appropriations upward.

VP Wilbanks agreed and added that one of the sticking points is state and local governments have been actively trying to persuade congress to provide support to state and local governments. There is some additional support that will come related to COVID, but not to fill budget holes. The next revenue estimating conference committee meeting is in the second week of January which will help to inform the state's budget proposal to the legislature in early February. If the federal government doesn't take action to support local or state governments before that time, the state budget will look very challenging.

VP Wilbanks discussed the budget in the context of the university. The university continues cost containment measures introduced last spring. These measures will persist through the academic year. In the budget letter to the state, the university is clear to point out that while we have made cost containment efforts, there are costs that continue to rise such as those related to COVID response. There are big budgetary impacts from largely de-densifying campus housing and the Athletics department is also experiencing a pretty severe financial gap.

VP Wilbanks commented that the WISE committee has been working for the past 4-5 months looking at the future of the work environment and flexibility. Remote work carries with it opportunities and challenges.

Member Nguyen commented on the revenue conference, specifically the argument for deficit spending, and the flexibility of working from home. One of the speakers spoke about the last economic downturn and how the economy was more negatively impacted by businesses coming into the community. Working from home means you don't necessarily have to recruit employees locally.

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Member Manaekov hopes the WISE committee will try to evaluate how these potential changes will impact the local economy.

Further discussion ensued regarding possible impacts, negative and positive, of more long-term remote work and how people are disproportionately impacted. VP Wilbanks will provide feedback to the WISE committee, especially as it relates to impact on the local economy.

Meeting Schedule – Push this off to an online discussion.

Projects for Winter Semester – Pushed to a later date.

Chair Rivera took a moment to allow the committee to reflect on VP Wilbanks' impact on the committee. Committee members commented on their experience working with VP Wilbanks, her expertise and diplomacy, and thanked her for her support to them and their units.

NEXT MEETING: Thursday, February 11, 12:00-1:30 PM