

Rep. Betsy Coffia, House District 103

1. Why are you interested in serving the people, families, and businesses in northern Michigan?

I am in public service because I love my community and want my neighbors to thrive. This is my home. I grew up in northern Michigan and have direct experience as a young adult and now adult in my 40s making a go of it here. We live in an amazing part of the world AND it is increasingly challenging for working and middle class people to survive and thrive here, which also has ramifications for our region's economic well being and the future of our small businesses, agriculture and much more. I have been excited to work with my colleagues in the legislature from both parties to be 'team northern Michigan' and to shape policy and bring funding and resources to our region so it can be a vibrant, welcoming place where people of all ages and backgrounds can thrive long into the future.

2. Describe three statewide strategies/policies that you would support to enhance economic growth in the region.

Bringing key investments to our region.

Along with my Senate colleague John Damoose, I was proud to help shepherd what is believed to be the largest non education related appropriation to Leelanau County in decades, a \$15 million allocation to build a Freshwater Research and Innovation Center in Elmwood Township. This is a partnership with NMC, Michigan Tech, and other partners and will make us a global hub for freshwater research and will bring hundreds of well paying jobs to our region. These are the kind of investments I will continue to champion along with Traverse Connect and other partners, to enhance economic growth in the region.

Office of Rural Prosperity

I strongly support continued and increased funding of the Office of Rural Prosperity, a critical initiative championed by the NMCA so that statewide policies didn't gloss over or neglect our region and regions outside the urban

and suburban hubs of Michigan. The last two budget cycles I've been in the State House, I have advocated that the state continue funding it and will keep pushing for increased funding in future budget cycles. Among other key functions of ORP, the Rural Readiness Grant program which the NMCA also strongly championed, is a critical tool to support our rural communities in pursuing community development initiatives whether around site prep for development, place making, housing and more. All of these enhance the economic well being of rural Michigan.

Housing policy and funding

Economic growth and the success of our businesses is directly tied to Michigan workers' ability to access housing in or near the communities where they work/want to work. I am in strong support of the statewide Housing Plan and northwest Michigan's role in shaping our regional response. I voted for critical changes to state statute that posed unnecessary barriers in addressing our housing needs - in 2023 I voted to expand the Brownfield Redevelopment program to add housing as an allowable use and I am excited that our region is already seeing several projects make use of this expanded tool. I also voted in 2023 to create a permanent line item in the state budget to support our state's housing needs, and secured a \$300,000 one time appropriation to support Housing North's Housing Readiness program to expand trained technical support staff to work with smaller rural units of local government which often lack full time staff to seek state and federal funds for housing, reevaluate and rewrite zoning to be more housing inclusive and more. And Sen. John Damoose and I collaborated closely with NMCA and other partners to get a \$5 million allocation in the 2024 budget to support an innovative approach to developing housing for educators in the Grand Traverse region, as new hire teachers and support staff are increasingly struggling to afford housing.

Childcare and preschool

A major issue for employers and workers along with housing is access to childcare and preschool. This has had measurable negative impact on our talent attraction and retention.

I was supportive of the Governor's push to expand 4-year old PreK to more families in this year's budget and will keep working with colleagues and stakeholders for a sustainable way to get this to a universal offering to save families an estimated \$10,000 a year in preschool costs. And, lesser seen in the budget process this year - original budget drafts proposed to move us away from the mixed delivery model for childcare toward a school based model. I engaged the House School Aid Fund approps chair directly in many meetings and advocated strenuously in the 2024-25 budget process to protect

the mixed delivery model for childcare that our region depends on, especially as we struggle with the loss of a third of our childcares over the last few years. School based preschool is important and I support it. And, mixed delivery includes an all of the above system of home based, center based and school based childcare and preschool. Our region depends on mixed delivery much more than more urban and suburban parts of our state. From several round tables with small business owners who provide the critical service of childcare, and many discussions with our business leaders, I understand that the mixed delivery model is crucial in rural Michigan and northern Michigan specifically. Ultimately we succeeded in advocating in the budget boilerplate language changes, and support for the mixed delivery childcare and preschool model was preserved. There is significantly more to do to support and expand access to childcare and quality preschool but this was an important intervention to preserve our mixed delivery childcare and pre k model.

3. Describe the policies that you see being the most effective/ineffective at addressing the housing shortage in our region?

Our region enjoys both national and global visitors and the pressure on available housing stock is a byproduct of our region's attractiveness. We live in a special place, lots of people want to live, visit and have second homes here. This means there are no magic wand fixes to our housing crisis. That said, I believe policy makers have a responsibility to turn over every rock, chase every lead and be a partner in putting more tools on the table to help address the housing crisis. A few measures I believe are important -- I support giving local communities more tools to regulate and generate revenue from the visitors who use short term rentals which are impacting available housing stock for year round workers and other local residents. As a Grand Traverse County Commissioner in 2018-2022, I opposed removal of communities' ability to locally regulate short term rentals and I stand by that opposition.

I support and have brought funding to the region (\$300k to Housing North to support Housing Ready technical staff) to assist local governments examining and updating zoning requirements as meets their community's individual needs, to allow more flexible options for building, infilling and retrofitting housing options.

While I will always support reasonable safety standards, I also support streamlining unnecessary, inefficient and costly red tape in the process of prep and building housing.

That's why as a County Commissioner, I voted to modernize our construction codes department and transition permitting to digital – a major shift from the decades-old paper system. This allowed developers and homeowners to apply for building, electrical, mechanical, and plumbing permits online and electronically track the progress of their applications and inspections.

4. What statewide policies best support talent retention and attraction in Northern Michigan?

I've spoken above to the critical workforce issues of housing and childcare. More to do on those fronts and in general.

And, here are a few actions to support talent retention and attraction that we've gotten done this term. I voted to lower the age of Michigan Reconnect from 25 to 21 years old, to offer tuition free trade school and associates degrees to in district residents attending community college. This builds a direct pipeline of talent into our region's businesses and increases earnings for workers and their families.

As a member of the House Economic Development and Small Business Committee, and again on the full House floor, I voted to approve the Research and Development Tax Credit. Most states already had this R&D Tax Credit and Michigan was being left behind so this was an important vote.

The nonrefundable tax credit is available as of Jan. 1, 2024 for qualified research in the state of Michigan. Employee headcount and financial thresholds will apply as follows:

- Businesses with 250 or more employees are eligible for 10 percent of its qualified research expenditures (QRE) exceeding its base amount up to \$2,000,000
- Businesses with less than 250 employees are eligible for up to 15 percent of its QRE exceeding its base amount up to \$250,000
- An additional five percent is available for businesses that partner with a research university within the state to perform QRE
- A business's base amount is calculated by determining the annual QRE for the three years preceding the year the credit is utilized.

Qualifications for the credit

The activities defined under QRE must meet the requirements of IRC section 41 and must pass [the IRS four-part test](#). The expenditures for activities conducted at a Michigan facility that qualify for the credit include:

- Employee wages for conducting research activities
- Employee wages for the direct supervision or support of an employee performing research activities
- Supplies used or consumed while performing research activities
- Portion of third-party research

5. How will you work to increase access to affordable and quality childcare?

See my answer to question #2. In addition, our childcare providers took a significant hit with the sunset of federal pandemic relief money that had been there to stabilize them. So, it was an easy YES vote in this year's 2024-25 State Budget, to include \$65.1 million to increase child care provider pay rates by 15% and to provide bonuses for childcare workers.

I continue to meet with small business owner childcare providers, parents, business owners and community leaders on this topic and am looking at models other states are trying, including covering childcare workers' daycare costs, building out pools to ensure providers have health insurance and otherwise making this small business which often runs on very thin profit margins, more sustainable and attractive for providers to start and keep their childcare business open. I have been gathering feedback from childcare providers on ways to streamline the regulatory environment they have to navigate to get and stay in business, again never compromising children's safety, but pushing for common sense changes to make it less difficult. I am also pushing for more consistency in interpretation of rules and support for providers in adhering to the rules.

Childcare needs to be a continued focus and I intend to keep working and monitoring this need closely as a State Representative given its importance to my region's economic future and overall well being.

6. What are your solutions for supporting businesses being affected directly by inflation and supply chain costs?

As a state lawmaker, I will continue to urge accountability at the federal level where there is clear price gouging occurring.