

December 21, 2009

RTTT BILLS READY FOR GRANHOLM

It wasn't pretty. There was a stall on Wednesday. They hit the wall on Thursday. But early on Friday (4 a.m.), legislative leaders and the administration announced a deal in concept on a five-bill education reform package of legislation that would put Michigan in the running for some \$400 million in competitive federal "Race To The Top" money.

Then in a rare Saturday session, the House and Senate shoved the bills (HBs 4787, 4788 and 5596 along with SBs 0926 and 0981) through final passage and toward the desk of Gov. Jennifer Granholm who says she will sign them.

The major reforms allow for intervention in poor-performing schools, require students to attend school until age 18, create a student to teacher performance database, require basic instructional supplies to be made available to teachers, provide for the establishment of Schools of Excellence that would be charter-like schools, allow for a limited number of charter-like schools, and require the Superintendent of Public Instruction to establish an alternate path to teacher certification.

The measures also allow for merit pay for teachers and the removal of poor performing teachers despite tenure.

Lawmakers had to cross the finish line in time for Granholm to sign the bills into law and meet the Jan. 19 federal application deadline.

SMOKING BAN BECOMES LAW

Mark Michigan down as the 38th state to adopt a statewide smoking ban with a few exceptions. Detroit casinos, cigar bars and home offices and motor vehicles are exempt. However, smoking will be banned in the casinos, bars, restaurants and hotels.

The House and Senate took surprisingly quick action earlier this month considering the issue has been a burning one around the Legislature for some time. The Senate approved a ban with no exceptions last year but failed in the House which wanted exceptions for Detroit casinos.

After working out a compromise, the Senate adopted the bill (HB 4377) passed in the House last May.

Gov. Jennifer Granholm has already signed the bill into law. It takes effect next May.

In addition, on Jan. 1, a new state law with the intent of reducing fire hazards posed by smoldering cigarettes takes effect in Michigan. The law requires all cigarettes sold in the state to automatically extinguish when left unattended.

SCHOOL PRO-RATA CUT DELAYED

Thanks to some unexpected money leftover from FY 2009, Gov. Jennifer Granholm has delayed ó at least temporarily ó that \$127-per-pupil cut to K-12 education she ordered in October.

With the \$100 million of found money the cut is not being made in the December monthly check sent to schools. As a result, public schools will only see the \$165-per-pupil cut made in the FY 2010 budget and the \$51.5 million cut to the state's 39,200 schools.

Granholm said the future of the pro-ration cut will not be determined until after the state's revenue estimating conference in mid-January.

HOUSE PASSES SOME, BUT NOT ALL AUTO INSURANCE BILLS

The House, during a long Thursday session, passed five of the least controversial nine bills in the House Democrats' auto insurance reform legislation. Votes-short bills that give the Insurance Commissioner the power to approve rates and create a low-cost insurance pilot program have been left for another day.

TOURISM FUNDING PLAN CLEARS HOUSE

A plan that would inject up to \$40 million a year on a long-term basis for the state's award-winning Pure Michigan advertising campaign cleared the House on Thursday.

The three-bill package would create a fund to be managed by the Michigan Strategic Fund, set aside a portion of the Michigan's use tax collection and sales tax revenues on certain tourism-related business to the fund the Michigan Promotion Fund, require a return-on-investment study and require the fund to promote annual motor sports events and the Michigan International Speedway.

The package now goes to the Senate.

AD BOARD APPROVES HEADQUARTERS PURCHASE

It's official now. With the approval of the State Administrative Board this week, the state can now purchase rather than lease the new State Police Headquarters Building in 2011.

The state will lease the building in 2010 before DMB and the developers come to an agreement on the price which must be less than \$52 million in bonded money. When the interest costs are added to the final purchase price, the total cost is likely to well exceed the \$52 million figure.

WHAT DIDN'T GET DONE

Efforts to restore about one-third of the current \$314.5 million cut to K-12 public schools has been put off until January as Senate Republicans said no to proposal offered by House Speaker Andy Dillon (D-Redford Twp.) that used about \$120 million previously passed in the House.

The "parks passport" plan that would allow Michigan residents to use their license plate for entry in the state parks has been put off until spring with the current funding system extended for three months.

And, final action on air quality fees and power plant applications in the Department of Environmental Quality's (DEQ) new alternative energy-based reviews has been put on hold until January.

RECALL STATUTE DECLARED UNCONSTITUTIONAL

A Michigan law requiring recall petitions circulators to be residents and registered voters of the recall district has been declared unconstitutional by the U.S. District Court for the Western District of Michigan.

The ruling affirms an earlier injunction issued by the court in the recall election process involving House Speaker Andy Dillon (D-Redford Twp.).

The ruling sets up a showdown if Secretary of State Terri Lynn Land decides to enforce a similar statute regarding petition circulation for ballot proposals in 2010.

WHITE NAMES TO MPSC

Greg White, a 22-year Michigan Public Service Commission (MPSC) staffer has been appointed by Gov. Jennifer Granholm to the serve on the Commission. Most recently the MPSC's legislative liaison,

White replaces Steven Transeth whose term has expired.

White, an independent, was appointed to a term expiring July 2, 2015. White is now the second MPSC staffer serving on the three-member Commission.

THANK YOU

The Michigan Legislature will not return to session until late January. Karoub Associates would like to wish you and your families a safe and joyous holiday season. It was both an honor and a pleasure to serve your interests before the Michigan Legislature this past year and we look forward to a continued success in 2010.