



CAPITOL REPORT

September 5, 2003

The Michigan Legislature is slowly gearing up for return to a Fall session scheduled to begin September 16 in the Senate and September 23 in the House. The two chambers expect to meet weekly between now and Christmas, with two weeks off for the traditional Hunting Season – Thanksgiving break.

What will be on the legislative “to do” list remains to be seen. House Republicans will meet in a special caucus in Port Huron on September 9 to set an agenda and Senate Republicans will do the same in Lansing in September 16. Since they’re in the majority, the GOP caucus decisions will pretty much determine what’s taken up and what’s not.

Governor Granholm, meantime, has revealed only a partial wish list for the Fall. On it are: restrictions on trash importation, anti-sprawl land use legislation, and modest re-organization in the State Department of Education (mainly removing MEAP from the Department of Treasury). Longer range, the Governor wants to put a “new focus” on manufacturing, study possible changes in the state’s single business tax and the possible (but increasingly less likely) reunification of the Departments of Natural Resources and Environmental Quality.

Still largely ignored by all players is the existing imbalance in the recently adopted 2003-2004 state budget. State employees show no signs of giving up a quarter billion dollars in wages and benefits, a major premise on which the new budget was balanced. That, plus lagging state revenues, suggest that the final word has certainly not been written on the state’s 2003-2004 spending blueprint. Executive orders reducing budgeted spending are a distinct possibility though we think heaven and earth will be moved to avoid further cuts to education.

Although the major legislative players have yet to announce their priorities, here are some of the issue areas we think will get attention this Fall:

Land Use – Thirty (30) bills or more are in the drafting stage, while some changes will be accomplished through administrative change. Although there is steam in the effort, it remains to be seen whether narrow, special interests will sidetrack meaningful reforms.

Charter Schools – Governor Granholm and GOP legislators remain at loggerheads over a benefactor's offer to fund construction of 15 new charter schools in Detroit. This one may result in a compromise whereby the Governor gets her desired oversight and plugging of the "Bay Mills" loophole in exchange, but recent talks aimed at that ended on a sour note.

Horse Racing – The so-called "Agricultural Enhancement" package having passed the House this Spring, awaits Senate action. It will be important for advocates to show the solid backing of the farm community and that significant new revenue to the State can be had thru allowing VLTs at the tracks.

Corporate Governance – The so-called Simon-Taubman battle over re-writing the state law on corporate takeovers remains locked in a Senate committee. Whether legislators wait for expected judicial action or plunge ahead on their own remains to be seen. This has been one of the most intense legislative battles of the year.

Health Care – A new poll commissioned by the Michigan Manufacturers Association says rising health care costs are the biggest concern of Michigan business. That will spur efforts to "fix" the Detroit Medical Center, give greater flexibility in assisted living beds, and re-locate existing Detroit hospital beds. New mammography legislation may also get a hearing, while Certificate of Need issues generally are looming.

Great Lakes – Now that lawmakers from all seven Great Lakes states have formed a caucus to coordinate basin-wide legislation and policies, look for new proposals on beach closings, water diversion and invasive species. The new group's next meeting is in Pittsburgh this October.

Intermediate Schools – Rep. Ruth Johnson will conduct a series of hearings statewide on the role and activities of ISDs. Her intense activity after media scrutiny of the Oakland ISD seems certain to make this a hot issue this Fall.

Information Technology – The new Administration and its Department of Information Technology director are looking to partially decentralize and to also provide greater assistance to local governments and create greater over-all coordination of governmental IT networks.

Energy – Sen. Bruce Patterson is conducting hearings on the recent electrical blackouts, held simultaneously with similar hearings in Washington. This and other electric service issues (particularly regarding customer “choice”) may gain momentum as the session progresses.

School Elections – Consolidation of school election dates and administration has been stalled for several years but with new compromises to allow retention of May or June board elections the package may make it through final passage.

Water Pollution – SB 252, setting NPDES fees, stalled in the Legislature in late Spring but now looks poised to go forward and be set on to the House.

And This – A study by the American Society of Civil Engineers has rated roads as the most serious of a laundry list of infrastructure challenges facing Michigan. Others included aging schools and sewage treatment systems in desperate need of repair. About one of every five major roads in Michigan is disfigured by potholes and broken pavement, according to the analysis.

Political Notes: Jockeying has already begun in House Republican ranks over who’ll succeed term-limited Rick Johnson as Speaker, all assuming the GOP retains its majority in 2005-2006. . . House Dems are hosting a major Detroit fundraiser on September 15. . . 1,500 State Republicans will head to Mackinac Island September 18-20 for the party’s biennial blast.

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