



Friday, February 5, 2010

MANAGEMENT

Nell Kuhnmuench

Michael D. Hawks

Stephen E. Young

Kirk A. Profit

Kenneth Cole

Donald Van Singel

William Zaagman

Erik Hingst

Adrian Hemond

James Miller

Barbara Farrah

Patrick Laughlin

Gary M. Owen

Centerpiece

This week, *GCSIntel* caught up with Attorney General Mike Cox following Gov. Jennifer Granholm's final State of the State Address Wednesday night.

Cox, who is seeking the Republican nomination for governor, commented on the speech overall and talked about some of the specific proposals that the Governor offered.

**Q. What did you think of the Governor's address?**

A. I would give it an 8 on style; and on substance, you know, the Governor talked about urgency and a sense of courage, but I don't know that we heard anything. What was interesting was when she was talking about the steps to our new economy, the very first steps she talked about was lobbying Washington D.C.

We cannot count on Washington D.C. anymore. We have to come up with our own solutions if we're going to make Michigan stand out from 49 other states and truly get Michigan back on its feet.

**Q. During the course of the speech, since you're a candidate, did it occur to you that you could be up there giving that speech next year?**

A. No, I was just taking notes and listening to what she had to say.

There's a long way to go before I entertain that thought.

**Q. Tell me one thing you liked about the speech?**

A. I will say she seems to be starting to embrace some reform, some sense that we're going to tackle the problems. But, of course, we didn't hear what that would be, but I'm hoping it won't be a slow walk to mediocre reform but a sprint to true reform to put Michigan ahead of Indiana, to put Michigan ahead of Ohio.

We can talk about jobs going to Mexico and Indonesia, but the reality is our border states are our biggest competitors right now. They are the ones getting new companies and new jobs, and we are not.

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One disappointing part is I didn't hear one thing about relief for our current employers. There wasn't one thing that was said about helping out companies that are Michigan employers right now. The first rule of sales is to keep your current customers happy.

**Q. What about talk of a constitutional amendment to require the budget be passed by July 1?**

A. You know if it happens, great. But I treat it as a gimmick right now. To pretend we're engaged in reforms -- the July 1 budget doesn't address our bloated benefits package which cost \$700 million a year. The July 1 penalty won't address things that are holding back Michigan right now that are in the Governor's control right now.

***GCSEye On The Capitol***

*Polling Suggests Dem Control In House Not A Given*

Polling shared during last week's House Democratic retreat suggests there is a real chance Republicans could win control of the lower chamber in 2010.

Democrats such as Rep. Mark Meadows (D-East Lansing) are quick to dismiss the findings as only a "snapshot" of the political landscape. Nonetheless the data suggests that if the election was held today, Democrats could lose 15-17 seats. Some House Democrats believe the number of seats in jeopardy is closer to 10.

Either way, it does suggest that Democrats could be in trouble this November, despite having a 66-43 advantage at the moment.

The Democrats only have a 12-seat cushion to play with this year, and it's not out of the realm of possibility that they'll need every one of them.

*Budget Woes Expected To Drag Into FY '12*

After the Governor and the Legislature figure out next year's \$1.7 billion budget hole, next year's batch of players will have their own big deficit to worry about.

State Budget Director Bob Emerson Thursday morning told a state administrative board that he fully expects at least a \$1 billion budget shortfall for Fiscal Year (FY) 2012.

"We think there is a significant problem in 2012 because while everybody will say they don't want to use one-time solutions, we're going to get some more additional federal money [this year]. And since we used \$1.5 billion in federal money last year I've got to assume we'll use it this year too," Emerson said.

That being said, Emerson said the Legislature does have to deal with a \$1.7 billion budget deficit this year and they'll "have to make some either revenue or cut decisions to close the gap."

*SOS Stresses Jobs/New Michigan*

Gov. Jennifer Granholm used her final State of the State address Wednesday night to urge lawmakers to make some last-minute fixes to state government while reassuring citizens that Michigan's evolving high-technology economy is taking off.

For the Legislature, her to-do list was relatively small. She wants legislative leaders to "prove the pundits wrong" by getting her a Fiscal Year (FY) 2011 budget passed by July 1. She wants to protect funding for tourism advertising and education.

The Michigan Promise Scholarship that lawmakers carved out of this year's budget needs to be returned in a revamped form that encourages participants to stay in Michigan. And she called for more revenue for the roads so Michigan doesn't lose \$2 billion in federal money.

Beyond the creation of three new Michigan Economic Development Corp. (MEDC) initiatives for job training, small business loans and revamping abandoned old auto plants, Granholm didn't propose any specific job creation plans. In fact, her accompanying white sheets listed only a little more than 100,000 jobs these programs would create.

Granholm used the last 20 minutes of her speech as a chance to legacy-build. For all of her talk these last seven years about diversifying the economy from its Rust Belt roots, Granholm wanted to share tangible examples across the state of how the seeds of change are starting to sprout.

**Michigan Factoid:**

The Cherry Hut has been serving hunks of homemade cherry pie since 1922, when James and Dorothy Kraker opened a roadside pie stand as an outlet for cherries from their orchard. Today, the hut in Beulah (pop. 363) is a full-blown restaurant famous for its cherry pie.

-- Michigan Trivia and Tidbits  
([www.americanprofile.com](http://www.americanprofile.com))

"I find nothing but hope for the new Michigan on the other side," Granholm said.

**The Week Ahead**

The Governor's proposed budget for Fiscal Year 2011 detailing how she hopes to resolve a \$1.7 billion budget deficit will be offered up before a joint meeting of the House and Senate Appropriations Committees Thursday at 11 a.m.

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