



Friday, August 28, 2009

MANAGEMENT

Nell Kuhnmuench

Michael D. Hawks

Stephen E. Young

Kirk A. Profit

Kenneth Cole

Centerpiece

On Thursday, GCSIntel sat down with Sen. Jason Allen (R- Traverse City) to talk about the budget and some of the issues impacting his district. The following are excerpts from that conversation.

Q. You'll have to tell me, when is the budget going to get done?

A. I think we are probably looking late in September and the real question will be how well the negotiations go on in the next 10 days through Labor Day. The key is targets [being set by legislative leaders].

Q. How optimistic are you that after those 10 days we'll walk out with some targets?

A. The question gets into how is our [revenue] modeling going to work? With the bankruptcy of General Motors and Chrysler it continues to be very difficult to come up with accurate numbers on future revenues.

House Fiscal and Senate Fiscal do very good jobs, but when you look at the multipliers -- every worker at General Motors, Ford and Chrysler are supporting 14 other workers -- that makes it more difficult.

The second component gets into how do we restructure government in these challenging times?

Q. Do you think that the governor is trying to angle for a bigger tax increase than what we've heard about?

A. I don't know. I don't have the privilege of being at those meetings -- she has promised no tax increases.

Q. So at this point you said Labor Day to late September -- so you don't think we're looking at another shutdown?

A. Let me clarify this -- we've got to find out where the next 10 days go.

A Service of GCSI ... Voted Michigan's #1 Lobby Firm

Donald Van Singel

William Zaagman

Erik Hingst

Adrian Hemond

James Miller

Barbara Farrah

Patrick Laughlin

Gary M. Owen

Q. And if they don't go so well . . .

A. Right [laughs].

Q. What are the main issues that your constituents are interested in for Traverse City?

A. First of all, let's go to the Traverse City Chamber of Commerce which covers Antrim, Kalkaska, Grand Traverse and Leelanau Counties -- I represent two of those counties. The issues are how the Chamber's going to implement the Smart Growth Plan laid out by the Rotary and Chamber of Commerce because we know that northwest Michigan will continue to be one of the bright spots.

Next we have tourism -- how are we going to come up with sustainable funding for tourism? Our area has been able to get these sort of marquee events -- this weekend is the Beer Festival --- they had Horses By The Bay, the Cherry Festival and the Film Festival.

Then we have the area of agriculture and what is going to be happening under niche marketing? Rep. Ed Clemente (D-Lincoln Park) and I had a really good hearing out in Traverse City on Friday, hosted by the Chamber.

The next area is what we need to be doing in manufacturing and helping our auto-supply chain and the niche manufacturers. So how do you help specialty manufacturers whether they be people doing homeland security such as the testimony we took with the people from Salamander Technologies or what they're doing with Traverse City Products with cold pour metal products.

Another area we're working on is how to help with entrepreneurs. On that topic, the question is how to take care of these people that are moving to Traverse City to retire and have a significant amount of intellectual knowledge. The other is how you keep attracting people -- the younger people.

The positive things are the downtown, that's going well and we're able to keep our neighborhoods and quality of life as well as the quality of the water -- in that regard we're doing pretty good. If you would have asked me that five years ago -- the environment is very important and we've made great strides in terms of water quality -- we still have a long way to go.

GCSEye On The Capitol

Senate Rejects Governor's HAL Executive Order

On Thursday, the Michigan Senate voted to shoot down an executive order issued earlier this year by Gov. Jennifer Granholm that essentially transfers the Michigan Library to the Department of Education and dismantles the Department of History Arts and Libraries (HAL).

To stop the Order by Sept. 11, the House would also have to pass a resolution under the state's Constitution -- something that's not likely to happen with the governor's party in the majority in the lower chamber. The legislative package sponsored by Sen. Cameron Brown (R-Sturgis) would transfer the HAL components to the Department of State.

Finance Committee Moves MEGA Extension Measure

The Senate Finance Committee Wednesday voted to give more Michigan Economic Growth Authority (MEGA) tax credits this year, but the panel reduced the number for next year.

[SB 0773](#) would allow for a one-time addition of 85 tax credits for 2009, as MEGA has run out. [SB 0774](#) would cap the year-to-year growth in the amount of MEGA credits that can be approved beginning in 2010 at \$95 or \$75 million, depending on the growth of state revenues. MEGA credits would go down from 400 to 300 with an additional 85 credits as long as prior credits from years past have been cancelled at a rate of 1.5 to 1. Both measures moved unanimously.

"We believe it's important for taxpayers who fund MEDC," said Senate Finance Committee Chair Nancy [Cassis](#) (R-Novi).

Cassis said she expected legislation to be taken up on the floor next month.

[SB 0773](#) includes transparency language from [SB 0071](#) that would require the Michigan Economic Development Corporation (MEDC) to include in its annual report actual amounts for the number of jobs created or retained and the actual value of the MEGA tax credits claimed.

MEDC president and CEO Greg Main said he'd like the issue resolved by Sept. 22, when the next MEGA board meeting is scheduled.

"I want to thank you for working as diligently with us to reach an agreement on the expansion of the program. We think it's vital to Michigan's future. We have a large number of companies that are in our cue. Suffice it to say we don't want to be out of the hunt for new jobs and investment in Michigan," said Main, who said he and Cassis are 95 percent in agreement.

Lawmaker Faces Recall Over Bridge Stance

The Wayne County Clerk's Office confirmed that three recall petitions were filed today on Rep. Rashida Tlaib for her stance on two Detroit River crossings in her district.

Detroit resident Robert Cartwright is listed as the official filer of the petitions, which now must go before the Wayne County Election Commission for a clarity hearing within the next 20 days. Wayne County Clerk Cathy Garrett, Wayne County Treasurer Raymond Wojtowicz and Wayne County Chief Probate Judge Milton Mack sit on the commission.

Detroit political consultant Adolph Mongo told MIRS two weeks ago he was looking into putting together a recall effort against Tlaib for her opposition to the "double span" proposal being advanced by the Detroit International Bridge Company and its owner Matty Mouroun. The bridge company is one of Mongo's clients, but he claims he's pursuing the recall on his own.

The Week Ahead

The Michigan Senate is recessed through the Labor Day weekend with the House expected to make a cameo appearance Wednesday that may or may not result in voting. With Friday being a state employee furlough day next week will likely be a slow week in Lansing.

MICHIGAN FACTOID:
LEGENDARY THOROUGHBRED SEABISCUIT WAS CONSIDERED A MEDIOCRE RACEHORSE UNTIL WINNING HIS FIRST MAJOR STAKES RACE, THE GOVERNOR'S HANDICAP, AT THE MICHIGAN STATE FAIRGROUNDS IN SEPTEMBER 1936. A STATUE OF THE HORSE, WHO TRIUMPHED IN 1938 OVER TRIPLE CROWN WINNER WAR ADMIRAL, STANDS AT THE FAIRGROUNDS.
-- MICHIGAN TRIVIA AND TIDBITS, THE AMERICAN PROFILE

A Service of GCSI ... Voted Michigan's #1 Lobby Firm

Disclaimer

This newsletter is a client service provided by GCSI. The news and views contained in this newsletter are based on the research and reporting of Michigan Information & Research Service, Inc (MIRS, www.mirsnews.com) and do not necessarily represent the views, opinions or strategic advice of GCSI. This newsletter is presented to you as one more resource for inside information and insights into state government happenings. For specific questions about politics, personalities, legislation, policy and strategies please always contact your GCSI lobbyist.