



Friday, September 25, 2009

MANAGEMENT

Nell Kuhnmuench

Michael D. Hawks

Stephen E. Young

Kirk A. Profit

Kenneth Cole

**Centerpiece**

As uncertainty about the budget continued into midday Friday, *GCSintel* sat down with Rep. Joan Bauer (D-Lansing) to talk about her work on the higher education budget. This week, Bauer as chair of the higher education budget conference committee, took the unusual step of voting against her own conference report.

The following are excerpts from that conversation.

**Q. How does this year's budget process compare to that of 2007 when the state actually shut down for lack of an agreement?**

A. There are a lot of similarities in that there is a big divide in terms of the possible differences. That's a change. We're going down to the wire; I'm sure we will. The sense of that is the same -- I'd hoped it would not be that way this year, but again, the differences are so great.

They deal with how do you patch a hole. Do you use revenue, do you use cuts? The big difference for me is that I have two more years of experience under my belt.

**Q. So, it's not as scary as it was two years ago?**

A. No, it's not.

The first time through, I just didn't understand how we could be in that situation. It was just kind of overwhelming I didn't know exactly how the caucus would work, how this all would happen. This time, I'm not as panicked at this point in the process as I was two years ago.

The downside of having two-years of experience -- having lived through 2007 -- I worry that at the very last minute, what kind of concocted deal might come through. The other part for me is, in reflecting my values, I still have grave concerns that there will be no movement by the Senate to raise any revenue at all, which will mean we end up with an all-cuts budget -- which I think could be devastating for our state.

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Donald Van Singel

William Zaagman

Erik Hingst

Adrian Hemond

James Miller

Barbara Farrah

Patrick Laughlin

Gary M. Owen

**Q. In terms of voting against the higher education budget conference committee report, was that difficult -- was it one of your more difficult moments as a legislator?**

A. No. It was very easy.

Chairing Higher Education Appropriations [subcommittee], it's an honor, and I love the job. I'm a former teacher, and I feel strongly and believe strongly in education at all levels. I've met with everyone from students to faculty to college presidents, and I feel very strongly about funding higher education, and this budget was so bad. If we fully funded Promise Grants and all the other financial aid, it would have been about \$280 million and the target was at \$80 million.

If we are following with our promise to our students -- and we're so late in the promise and kids are in school -- I knew I could not vote -- there would be no way I would be able to support a budget that cut that deeply.

**Q. The reaction you've gotten since -- are you more optimistic you'll be able to get more money into that budget?**

A. I have heard from my colleagues both Republican and Democrat, their e-mails and calls on this issue are greater than on any other. I know that Western Michigan has contacted 6,000 students and families. I'm hopeful we'll be able to get support, but we'll have to find revenue to do it.

**Q. Is your sense from the traffic you're hearing from constituents that the public is beginning to pick up on what an all-cuts budget means?**

A. Yes. The last week and especially the last two days our e-mails have just skyrocketed. I just talked to my office this morning, and they said we have 200 more e-mails.

School districts understand, higher education -- college students understand. And revenue sharing, they've seen also with the targets, if we don't get more revenue in, there are more cuts coming. I think it took awhile for people to believe this was actually going to happen.

### ***GCSEye On The Capitol***

#### ***Budget Uncertainty Continues***

Little progress was made by midday Friday on putting together a complete state budget as state lawmakers appeared unable to reach agreement on some of the state's largest and most difficult budgets.

Friday morning, conferees couldn't reach an agreement in time for a conference report to be pushed out on either the Transportation, General Government or Human Services budgets. With the weekend looming along with its biennial GOP Mackinac Policy Conference, it was uncertain how long either the House or Senate would continue on in working for agreement on conference committees.

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### Senate Preserves State Wetlands Control

The state's wetlands oversight and permitting program, which had been slated for elimination under Gov. Jennifer Granholm's budget proposal, would be saved under legislation that passed the Senate this morning on a party-line vote.

Sen. Patty Birkholz (R-Saugatuck) said the legislation "indirectly" solves the hiccup in the combined Department of Environmental Quality (DEQ)/Department of Natural Resources (DNR) budget in which the program exists on paper but without full-year funding.

The DNR/DEQ conference report funded the wetlands program at \$1.85 million via user fees, which would only last six months tops. Conference Chair Mike Lahti (D-Hancock) said he thought there was a three-year funding arrangement in the deal. Senate DNR/DEQ Appropriations Subcommittee Chair Michelle McManus (R-Lake Leelanau) said the report is signed and funding can be taken care of through separate legislation.

This bill is tied to the budget and has to be signed by Oct. 1 or the program reverts to the feds.

### Pappageorge Eyes 12% Cut For Cities

The Senate point-person on the budget that dishes out state money to local municipalities said today he is crafting a spending plan for next year that only cuts cities 12 percent as opposed to the previously planned 13.4 percent.

Sen. John Pappageorge (R-Troy), chair of the Senate General Government Appropriations Subcommittee, also said he's prepared to raise the cut to counties to 14.3 percent because they've received annual cost of living increases through a special funding mechanism they agreed to in 2004.

The arrangement isn't making anyone happy. Michigan Municipal League lobbyist Samantha Harkins said she appreciates what Pappageorge is doing but a 12 percent cut is not a significant change from 13.4 percent and is still "unacceptable."

#### **Michigan Factoid:**

The name Michigan is derived from Michigama, a Chippewa word meaning "great lake."

Meanwhile, Michigan Association of Counties lobbyist Tom Hickson said the counties walked the plank for the state in 2004 when they agreed to live off the revenue generated by collecting their property taxes early. Known in town as the "shift-shaft," counties were allegedly told that if they agreed not to take revenue sharing dollars from the state until this pool of money dried up, they could collect a cost of living increase.

### **Week Ahead**

Wednesday night at 11:59 p.m. marks the last possible minute that state lawmakers can either pass a complete budget and have it signed by Gov. Jennifer Granholm, pass a continuation budget and have it signed, or face a state government shutdown. Expect talk of budget cuts and or revenue increases to dominate the week.

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