



Friday, October 16, 2009

MANAGEMENT

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Centerpiece

Today, we take you into the ceremonial office of Gov. Jennifer Granholm, who fielded questions from reporters this week regarding the ongoing rift between the administration and the Republican majority in the Senate, led by Senate Majority Leader Mike Bishop (R-Rochester).

Bishop is, through a procedural motion, holding onto six departmental budgets for Fiscal Year 2010 that must be signed by Oct. 31 to prevent a shutdown of those departments and services. The Senate Majority Leader is holding the bills out of fear the Governor is going to veto large sections of the bills, which she doesn't support, as a way to force the Republicans back to the bargaining table to discuss raising more state revenues, which they don't support.

By waiting to give her the budgets, they are trying to compound the pressure on her to either sign the budgets as presented or shut down government. The budgets involved include the spending documents for the Department of Community Health, Department of Human Services, general government, State Police, higher education and the Department of Energy, Labor and Economic Growth.

The following is a never-before-printed excerpt of the exchange between Granholm and the reporters:

Q. What adjective would you use to describe Mr. Bishop's behavior?

A. It's perplexing. I don't know anybody who can ever remember the Senate passing bills -- which they asked for -- giving them immediate effect and then not passing them along to the Governor.

Q. Doesn't he have a right to do that?

A. The Constitution says that the budgets do not become law until the Governor acts. The Constitution doesn't say they have to be turned over in a certain amount of days, but obviously there has to be a reasonable amount of time to transmit and that time has long past.

Q. There is a belief that Sen. Bishop will not give you the remaining budgets until Oct. 31.

A. And why would he do that? Why would anyone be so foolish as to want a shutdown of state government when the message of those seeking to invest in Michigan is one of clarity and certainty? That would be a terrible message ...

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I will tell him in private the same thing I'm telling you in public. I intend to protect those things that are important for Michigan's future and those four priorities are K-12, education scholarships, revenue sharing that funds police and fire, and health care in the form of Medicaid. Those are things that I expect, and the House, frankly, expects him to fund through a supplemental budget.

Q. How do you use your veto pen to get those priorities funded?

A. If the priorities that are important for Michigan's future are not funded through this budget, then clearly we don't have enough money to fund all of the things that are in those budgets. There will have to be some things that will have to come out ... but I will not veto entire budgets.

Q. What end do you have in mind with that?

A. Because there is not enough money to go around to fund these priorities, it is critical that we try to save where we can. So, I will veto the things that I think are not as important as the four priorities that I identified.

Q. Is this a game of chicken that he's playing?

A. I don't know how to characterize it. You should ask him. I don't understand it. It's not good for Michigan. It's not good for the institution that has, for decades, done things a certain way. It's not good for certainty. It's not good for business. It's not a good strategy.

Q. Do you have the authority to redirect money in line items that you veto to the things you think are important?

A. The Governor cannot veto in money. There is an administrative transfer process.

GCSEye On The Capitol

Discontent Growing On MDA Change

A growing number of agricultural industry groups are urging the Legislature to reject a recently released executive order that would allow the governor, as opposed to the state's Agriculture Commission, to pick the director of the Department of Agriculture.

This week, the Pigeon-based Cooperative Elevator Company and Michigan Agricultural Commodities each asked the E.O. be bounced within the 60-day window. Also, former MDA directors Mitch Irwin and Dan Wyant, both of whom served under Gov. Jennifer Granholm, criticized the decision.

Sen. Wayne Kuipers (R-Holland) and Sen. Michelle McManus (R-Lake Leelanau) each have resolutions in the Senate that would reject the E.O., the main purpose of which was to combine the departments of Natural Resources and Environmental Quality.

Granholm OK With Preserving State Wetlands Control

State environmental officials will continue to regulate wetlands permitting and enforcement, at least until 2012 due to legislation passed Thursday.

SB 785, sponsored by Sen. Patty Birkholz (R-Saugatuck) received bipartisan support in both the House and Senate after Gov. Jennifer Granholm had proposed turning the wetlands protections program over to the U.S. Army Corps of Engineers (USACE), as its done in most states, as a money-saving move.

Under this bill, the Department of Environmental Quality (DEQ) would be required to work on restoring wetlands, regulating permits for wetland use by local government, and establishing a Wetlands Advisory Council.

State Employees Approached On New Concessions

As a way to make good on \$50 million in state employee concessions Gov. Jennifer Granholm asked for in her Fiscal Year (FY) 2010 budget proposal, the Office of State Employer is asking the state's six employee bargaining units to consider a menu of cuts or risk layoffs.

The unions have been approached about a suspension in employees' longevity payments, their scheduled 1 percent raises and "step increases" employees receive as a condition of hiring. More furlough days, which the state used this summer to save \$21 million, also were floated for consideration.

The reaction from the state's labor unions is split. The Michigan State Employers Association, among others, are striking back negatively, saying they're tired of the "mismanaged government" continually balancing the budget on the backs of state employees.

Others aren't necessarily ready to jump back into contract negotiations, but realize that the state is broke and is holding all the cards, per se, since state officials can issue layoffs at any point according to the labor contract.

Week Ahead

Senate Majority Leader Mike Bishop told the media late this week that he plans on forwarding the Governor on Tuesday or Wednesday the six Fiscal Year 2010 budgets he's been holding onto for strategy reasons. Once that is done, the Governor could present line-item veto letters on the three budgets as soon as late next week or early in the week following.

The continuation budget the state is operating under until the end of the month expires Oct. 31 and anything that isn't funded in any signed full-year budget or supplemental cannot continue to operate.

Michigan Factoid:

The original mascot for athletic teams at Michigan State University, formerly Michigan Agricultural College, was the Aggies. The name was changed shortly after a sports reporter described the pre-game presence of the school's football team as being like "Spartans." The name stuck and has been used ever since.

Also, House Speaker Andy Dillon is continuing to wait for word on his taskforce he charged with looking at a public employee health care pooling plan. The scheduled meeting for this week, chaired by Rep. Pam Byrnes, was canceled.

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