



Friday, December 18, 2009

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During the long session day Thursday, GCSIntel pulled aside Rep. Andy Coulouris (D-Saginaw) to talk about his recent decision to remove himself from the race to be the next Speaker of the Michigan House of Representatives and issues before the Banking & Financial Services Committee that he chairs.

Centerpiece

Q. Talk a little bit about your decision not to seek the office of Speaker -- what led to that?

A. It was in large part about the quality of life that my family would have, that my two young daughters would have. As the year was going on, I was getting a better idea of the time suck of that job, and I grew increasingly concerned. I didn't want to give away two years of my life.

I have a 3 ½-year-old and a 6-year-old now, and they're very important to me.

Q. As you look at the role a Speaker plays and what's happening with the state, what kind of challenges will the next Speaker face?

A. I think the public is increasingly impatient for results. But the challenges that leadership in Lansing faces is dealing largely with systemic changes. Systemic changes don't often produce immediate results, so I think that's a political problem for everyone. But the next Speaker is going to have to face questions about how willing they are to take their caucus in a direction that maybe their caucus doesn't want to go. You saw that this year; that was a flashpoint.

I think the next Speaker is going to be operating in an even more charged political environment than we have now. (That is) because the years between 2010 and 2012 – when we're gearing up for another presidential election – are going to be even uglier than right now. So I think that's going to be something to contend with.

The challenges of the next Speaker will also be dictated by how much we're able to get done with the budget this year. The current Speaker is going to be presiding over the

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worst budget we've ever seen in the history of this state. We don't know how that's going to be resolved yet.

If that's resolved in a way that gives us some longer-term systemic fixes, then maybe it won't be as difficult a job getting a budget in, say, 2011. If we don't make those changes now, it's going to be more difficult. So I think a lot remains to be seen.

Q. The Lt. Governor recently said that he believes this Legislature is incapable of accomplishing systemic tax reform or tax modernization. Do you agree with that?

A. I don't think that's true.

We have already a very charged political environment. There is a strategy that seems to be in play by some folks in Lansing that they really just want to delay and allow things to crumble. They would rather just see us stumble. Hopefully that changes when you have a Senate that's not all about to be termed-out; that, I think, will change a lot.

I think Lansing will be populated almost entirely after next cycle by people that came in under crisis. Right now a lot of Lansing didn't come in under crisis, but they're leaving under crisis. When that changes, I think maybe the will to do "the big fix" will be there.

Q. You're out for Speaker, but are you going to run for anything else? Any leadership slots? The Senate?

A. I'm not running for Senate. That doesn't interest me.

Q. But you have one more term. Are going to run for the House again?

A. I'm deciding that right now.

Q. So that's still in question?

A. Yeah, it's an open question.

Q. What would you like to tackle next year with your committee?

A. We need to do some clean up on the foreclosure reform that we did last year. We're finding some things that aren't working as well as we'd like. Other ideas have come along. A lot of them are pretty minor, technical things. I've been running them by industry groups to make sure we're not doing anything crazy. I think I'd like that to be ready in the first quarter of next year.

I'm continuing to work with the Speaker on helping to shed light on the unique problems that Michigan community-based banks are having lending and how it's causing real problems in our economy right now.

A lot of that is because of federal policy and FDIC policy. Their capital requirements have never been higher, and their FDIC insurance is higher than ever. You put that all together, and there are a lot of bankable small businesses that cannot get their line of credit that they've enjoyed in years past. Not because their business is doing badly, but because the banks can't lend. That's bad for our economy.

We want to assist our delegation in Washington to right that wrong, and they've been active and helpful so far.

Q. But there's not a lot from this Legislature's position that you can do right?

A. I have asked community bank leaders. I've asked the Michigan Bankers Association and the Michigan Credit Union League what we can do from a state perspective, and there's nothing that they've come up with.

We already did some things to alleviate pressure on their bad debt. We've done that.

There's some talk that we may take up predatory lending again. That took a lot of work last session. We worked workshops and voted out a very bipartisan package of bills that went and died in the Senate. I've begun asking committee members to get ready to begin working on that.

Q. Is there any indication it would be received any differently in the Senate?

A. I have no indication of that yet, but it's not an issue that I've spent much time working on yet.

Q. Halfway through your second term, knowing what you know, if you could wave a wand and change one thing about this place what would it be?

A. You know, I think one thing that we're lacking is we don't have that many seats in the House that are meaningfully competitive. Because that's true we don't have many seats occupied by people that have a genuine understanding of where the other side is coming from. That makes compromise difficult. That makes pragmatic politics difficult. I'd like to see that change.

GCSEye On The News

Deal Reached On Race To The Top

At 4 a.m. Friday (December 18th), House, Senate and administrative leaders emerged from a Capitol conference room with a "deal in concept" on broad-sweeping changes to

the state's education system that officials hope will qualify Michigan for \$400 to \$600 million in federal "Race To The Top" (RTTT) grants.

Under the deal, the state will allow an additional 30-some charter schools (including "a couple" Internet-based "cyber-schools") based on different classifications, allow schools to terminate ineffective teachers regardless of tenure and create a merit pay system for effective teachers.

As part of the compromise that was reached, the Republican-led Senate agreed to extend the state's minimum dropout age to 18 starting with the current 6th-grade class. The Democratic-led House and administration agreed to drop demands that the state's mandatory Labor Day start day be adjusted.

Also, as part of the agreement, the state Superintendent will be able to create "turnaround schools" out of the state's most underachieving schools. That would mean hiring a chief academic officer to take control of the school's curriculum.

House Insurance Bills Stalled

A package of bills pushed by the Democratic majority in the House didn't pass this week, apparently because they couldn't come up with enough votes for the more stringent components of the package.

After a seven-hour session, which included a lengthy Democratic caucus, the House Democrats managed to pass five of the least controversial bills out of the nine-bill package, leaving legislation that gives the Insurance Commissioner the power to approve rates and creates a low-cost insurance pilot program on the shelf.

Reporters asked caucus spokesperson Abby Rubley why the whole package hadn't been run.

"These were the only ones that were ready to go today," explained Rubley.

House Passes Tourism Promotion Funding Plan

Under legislation passed by the House Thursday, the state's award-winning Pure Michigan advertising campaign could be funded on a long-term basis at up to \$40 million a year.

The plan moves forward on an earlier proposal to fund the program, leaving behind a controversial \$2.50 per day rental car tax for cars rented near airports. Under the package taken up by the House, a portion of tourism-related use tax and sales tax revenues would be set aside in a Michigan Promotion Fund. That fund would then go to support the Pure Michigan advertising campaign.

The House Fiscal Agency (HFA) noted that all of the state's sales tax revenue is already earmarked. That means the percentage of sales tax revenue set aside for the General Fund would need to be reduced.

The bills also specify that the Michigan Economic Development Corporation (MEDC) would promote events at the Michigan International Speedway, although a dollar amount wasn't designated for Speedway events.

The Week Ahead

There remains a slim chance of legislative action Tuesday if the House and Senate cannot pass Race To The Top conference committee agreements late Friday.

Michigan Factoid:

In 1985, the Detroit shopping Enclave know as Trappers Alley opened.

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