



Capitol Briefs

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2010: Lots of Elections- Not Much Money

Current challenges and continued unpredictability will go on into the new year. Between elections and unresolved budget crises, it is difficult to predict what kinds of policy issues will successfully move ahead.

The November elections will definitely be the focus this year, and the politics surrounding these elections will permeate the Capitol. The Governor, Secretary of State, Attorney General, all 38 State Senators, all 110 State Representatives, two Supreme Court Justices and all 15 members of Michigan's Congressional delegation are up for election. 31 of Michigan's 38 Senators are term-limited, and many of the 110 Representatives will be running for those open spots. 35 House members are term-limited, but again, some of the non-term-limited members will be looking at running for open Senate seats, thus opening even more spots in the House of Representatives. As many as half of the 148 state legislative seats may change hands.

In Congress, while most current members seem to be running mostly unopposed for the spots again, Second District

Congressman Pete Hoekstra (R- Holland) is running for the GOP nod for Governor. This opens his Congressional seat, with the frontrunners both term-limited GOP state legislators. The two Michigan districts recently picked up by Democrats (Congressmen Peters and Schauer) will also be targets for Republicans, eager to regain their strength now that President Obama's grace period is over.

The Republican primary for Governor includes Congressman Pete Hoekstra, referenced above, as well as Oakland County Sheriff Mike Bouchard, Ann Arbor businessperson Rick Snyder, and current Attorney General Mike Cox. Conventional wisdom around Lansing lists the top two contenders as Congressman Hoekstra and Attorney General Cox, with Oakland County Sheriff Bouchard running a close third. However, it is far too early to assume anything about who the eventual winner will be in what promises to be a brutal primary election.



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Democratic front-runner and current Lieutenant Governor John Cherry announced on January 5 that he would *not* seek the Democratic nomination. This cleared the way for Virg Bernero, Mayor of Lansing, into the race for Democratic nomination. Mayor Bernero formed an exploratory committee before the traditional holiday break in 2009, and Cherry's resignation occurred—ironically—on the same date Bernero was re-inaugurated as mayor. His name will be added along with State Representative Alma Wheeler Smith (D-Ypsilanti), who is the only candidate that has filed officially.

Another prospective candidate is current Speaker of the House Andy Dillon (D – Redford Twp.). Speaker Dillon is facing term limits, and has formed an exploratory



committee for the governor's race – usually a precursor to formally announcing a candidacy. Due to Speaker Dillon's centrist politics, there have been rumors that Speaker Dillon could run as an independent. Since Lt. Governor Cherry's withdrawal, though, it is increasingly likely that Dillon will run as a Democrat.

Other names have cropped up including U of M Regent Denise Illich, who has the advantages of being able to say she is an “outsider” at a time when elected state policymakers aren't popular with the public and being able to contribute significant finances to her own campaign.

At this point, it looks as though both primaries may be lively events.

Budget Outlook Remains Grim

The budget will yet again dominate discussion in Lansing. The Governor's final State of the State address is set for February 3, 2010. Executive budget recommendations will be released the week afterwards, Feb. 11. Each department has been asked to provide recommendations that remove an additional 20% General Funds from each of their budgets, in light of estimated budget problems in FY 2011.

At the January revenue estimating conference, the final agreement reached by Treasury and the two fiscal agencies was that there would be a one percent increase in the general fund and a 0.2 percent decrease for the School Aid Fund.

More of the same ideas as last year will again be circulated to help stave off these drastic reductions: extending the sales tax to additional services, income tax modifications, fights over business tax rates and so-called “luxury” taxes just to name a few of the more popular revenue-generating proposals. However, the political nature of this year described in our previous article will make any agreement on revenues event more difficult than just the economic realities themselves.

Senate GOP Reforms

Senate republicans unveiled 10 government reforms that could potentially erase the 2011 fiscal year budget deficit. According to Senate Leadership, the reforms could save approximately \$2 billion this year and \$2.2-2.6 billion in the long run. For these to be implemented, the following three constitutional amendments need to happen.

- a 5% pay cut for all public employees, including lawmakers, and cut the civil service pay scale by 10% for new hires
- require lawmakers to budget at 96% of the CREC
- require public employees to pay 20% of health care costs, or 15% and establish a health savings account

The Senate also wants to reduce costs for retiree health care which could save the state \$1.75 billion. Eliminating benefits for lawmakers not vested by January 2010 would save \$5 million. The Senate Republicans' plan also includes reducing the number of state departments to 11, but they haven't specified which departments would remain in operation.

Both Governor Granholm and Speaker Dillon have been skeptical of the Republicans' new stance on budget cuts. Dillon claimed that the Senators were asking too much from the public and not taking enough away from themselves. Senate Minority Leader Mike Prusi coolly acknowledged the effort put forth by the Senate Republicans, and stated that he "looks forward to discussing these proposals in greater depth in the coming days." He also insisted that other proposals need to be acted on to help Michigan residents now, and not to focus solely on the reforms to just save money down the road.

Senator Mickey Switalski (D) was more critical of the Senate Republicans than others, saying that through studying the proposed reforms he's not sure how the numbers add up. He claims the reforms simply will not balance the state budget. Most of the potential savings offered by the reforms will be for school districts and local governments.

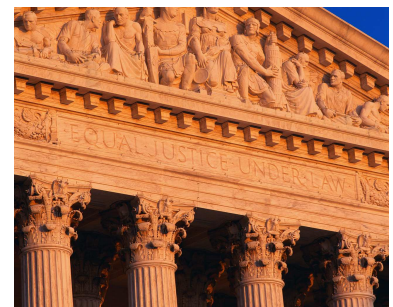
Human Trafficking

A new bill package passed in the House on Wednesday spearheaded by Representative Dudley Spear (D- Franklin Township), HB's 5575, 5576, 5577, 5578, 5579 would allow prosecutors to go after the financial system of individuals who support human trafficking, including seizing and selling any assets or property.

The purpose of the new policy is to "go after those who bankroll these kidnappers by cutting their funding off at the source," according to Rep. Spade. The bills would also provide restitution for victims of human trafficking. The bills are now before the Senate Judiciary Committee.

US Supreme Court Rules in Favor of MI Chamber of Commerce

The MI Chamber of Commerce came out victorious when its 25 year old case was heard by the US Supreme Court on Thursday, January 21st. The case originated due to a ban on the organization from buying an ad in a newspaper to support a Republican candidate. The ruling will allow corporations the power to spend money supporting or opposing particular candidates in the media.



House Majority Floor Leader Kathy Angerer was displeased with the court's decision, arguing that the ruling gives too much power to wealthy corporations at a crucial time when elections should be about a

candidate's views, not whose payroll he/she may be on.

Others disagree with that, stating the fact that corporations and the Chamber have been spending money on political campaigns for years. The only difference this ruling will make is the message of the ads can now change from issue advocacy to candidate advocacy.