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To: Council About Parochial Aid  
From: Cara Spagnuolo and Ellen Hoekstra  
Date: Legislative Report  
Re: June 6, 2008

### **Revenue Estimating Conference Shows Impact of Economy**

The Revenue Estimating Conference was held in mid May to determine the status of current revenue and estimate future revenue to base the FY 2008-2009 budgets on. The good news is that the numbers for the current fiscal year were not too far off the mark, with the School Aid Fund actually exceeding estimates with a \$21.9 million in additional revenues and the General Fund at an \$82.4 million shortfall from the January projections. However, projections for next year are not as positive, with both the School Aid Fund and the General Fund projecting declines from January's projections of \$163.2 million for the SAF and \$309.1 million in the General Fund.

Variables contributing to the decline include:

- The refundable film credits for the recently passed film incentive package at a cost to the state of GF \$117 million in FY 2009;
- The slowing economy, with a GF cost of another \$85 million;
- The federal stimulus package, by reducing business taxable income, at a price to the state of \$97 million in GF; and
- Declining property values and a stagnating real estate market, at a cost to the School Aid Fund (SAF) of between \$135 to \$140 million.

A number of organizations have urged the legislature to reconsider some tax expenditures as a means of avoiding further reductions in public services. They offered a list of 22 tax loopholes that would raise as much as \$425 million, including bad-debt exemptions for retailers and tobacco wholesalers. They proposed that the various tax loopholes be reviewed as part of the regular budget process. It is clear that the budget proposals for next year, with all budget bills more than halfway through the process, will be affected.

### **Senate Bill Introduced, Would Allow Critique of Evolution**

SB 1361, sponsored by Sen. Bill Hardiman (R-Kentwood), encourages school officials to educate students how to question evolution and other controversial theories. This

Senate bill joins HB 6027, introduced in April by Rep. John Moolenaar (R-Midland). The bills, essentially identical, represent the latest attempt to allow challenges to teaching of evolution. The legislation calls for “academic freedom to teach evidence regarding controversial scientific subjects.”

SB 1361 and HB 6027 both say that the “Legislature understands that an important purpose of science education is to inform students about scientific evidence and to help students develop critical thinking skills they need in order to become intelligent, productive and scientifically informed students...” “This section is intended to provide clarification in these matters.”

The bill says that beginning with the next school year the state board, local school boards, charter school boards of directors and school principals have to “create an environment” that allows for students to develop critical thinking skills and “respond appropriately and respectfully to differences of opinion and controversial issues.”

SB 1361 has been referred to the Committee on Education. Copies of the bill in its entirety are available in your packets for further review.

### **Shared Time Instruction**

SB 836, sponsored by Sen. Gerald Van Woerkom (R-Norton Shores), would amend the State School Aid Act to insert a 60 day timeline into the terms under which a district may receive State school aid for a nonpublic school student or home schooled student enrolled in certain curricular offerings provided by the district.

Under this act, a parent or legal guardian of a minor who is enrolled in a nonpublic school within a district, or who is being home schooled but resides in the district may enroll the minor in a curriculum offering that is provided by the district at the nonpublic school site.

State school aid may be provided for a minor under these provisions only if the following conditions are met: the nonpublic school is located, or the nonpublic students is educated, within the geographic boundaries of either the district or a contiguous district operating under a cooperative program for which the district is a member and that is established for the purpose of providing nonessential elective courses to nonpublic students. The instruction must be scheduled during the hours of a regular school day and the instruction must be provided by an employee of the district or of an ISD.

The current law requires that the nonpublic school be located, or the nonpublic students be educated within the geographic boundaries of the district, or if the district could not provide all or some of the instruction, the portion that the district could not

provide would instead be provided by a contiguous district. The bill indicates that districts must indicate their willingness or unwillingness to provide instruction by May 1 of the previous school year. In cases which the request is made after March 1, the district has 60 days to respond. Nonresponse within these time frames would permit a nonpublic school to go to a contiguous district.

The bill passed the Senate and has been referred to the House Committee on Education. We also expect an amendment to the school aid bill on the House floor, sponsored by Rep. Bruce Caswell (R-Hillsdale), which has a similar goal. However, it is our understanding that Rep. Caswell's amendment would not give the "home" district the right of first refusal.

### **Challengers to Some Incumbents**

The Michigan House of Representatives has 110 seats, all of which turn over every two years. Under term limits, a representative may hold office in the state for three terms. This year, there are 44 vacant seats due to term limitation, and one non-term limited representative has decided to run for another position. Forty-five vacancies constitute the largest amount of open seats in the past three terms.

In order for a party to have a majority in the House of Representatives, 56 of the 110 seats must be held by members of the same party, one more than half. Right now, the Democrats have a majority with 58 seats to 52 and are looking to increase their majority, while the Republicans hope to return to the majority that they had last session. The party that has the majority gets to have the powerful position of House Speaker, chair all committees and subcommittees, and have the majority of members on all committees and subcommittees. Out of the 45 seats left vacant, Republicans currently hold 29 of them, while Democrats hold 16. Thus, more incumbent Democrats will be running this November. Other factors in the quest for a legislative majority include what proportion of incumbents are in what are considered "marginal" seats—i.e., districts having about as many members of both parties, and what is occurring elsewhere on the ballot, including both ballot proposals and elected offices higher up on the ballot.

Some incumbent House members will have a challenge in the general election, and in some cases they will be serious ones. Facing challenges will be Rep. Pam Byrnes (D-Chelsea), whose GOP opponent is Eric Lielbriedas, a Saline resident who works in real estate; Rep. Mary Valentine (D-Muskegon), whose Republican challenger is Republican committeewoman Holly Hughes; Rep. Marc Corriveau (D-Northville), whose opponent is Jerry Vorva, a former legislator.

The Republicans do not have candidates in eight of the Detroit House districts or in Rep. Lee Gonzales's (D-Flint) seat. However, some incumbents who were already facing

primary challenges will have more competitors since additional names were added to the filing list. Rep. Bettie Scott (D-Detroit) got two more challengers, Carol Banks and Terrance Kimbrough. Rep. Coleman Young Jr. (D-Detroit) got one more, Willie Burton. Three Democrats are running in the open House 11<sup>th</sup> District seat including: Barry Blackwell, Jeanean Bryant and Anthony DeRamus.

The deadline to withdraw, May 16, has now passed and a few shakeups occurred. First, Kerry Morgan, a Redford Township attorney, dropped out of the House 17<sup>th</sup> District race against House Speaker Andy Dillon. This leaves former Police Chief David Parker and Redford Township resident Frank Tomcsik running against Speaker Dillon.

Another shakeup took place in the House 20<sup>th</sup> District where Rep. Marc Corriveau (D-Northville) was facing one of three Republicans in the general election, but both Abe Munfakh and Joe Van Esley dropped out of the primary, leaving only former Rep. Jerry Vorva in the race, as mentioned above. In other news former Rep. Jerry VanderRoest withdrew his candidacy for the 63<sup>rd</sup> House seat which is being vacated by his two-time rival Rep. Lorence Wenke (R-Richland).

Term limited Rep. Matt Gillard's (D-Alpena) seat is expected to be a battleground between the two parties. Republican Allan Berg dropped out leaving three Republicans and two Democrats left in the race, including Andy Neumann, a former state representative. As usual, in many districts, the primary is effectively the election. In the general election, ultimately only ten or twelve districts will end up being "battleground" races.

CAP may wish to consider a pre-election questionnaire to primary or general election candidates on issues related to spending public dollars on private education. At the same time, we would caution you that contacting all filed candidates and getting them to respond to a questionnaire (especially from an organization that does not have a PAC) can be challenging.

### **Recall Update: Focus Now on State**

The Department of State will now be dealing with the matter of fraud and forgery regarding the recall attempt against House Speaker Andy Dillon. With the recall process now over, the state is reviewing the petition signatures, which appear to be well under the number needed to qualify for a recall to be placed on the ballot.

Mary Ellen Gurewitz, attorney for Speaker Dillon, said that the department would then refer any matters to the Department of the Attorney General for consideration. She also said that she has filed and plans to continue to file evidence showing that names were forged or fraudulently collected. Leon Drolet, executive director of the Michigan Taxpayers Alliance, which headed the recall effort, said that the group was still

preparing its rebuttal to a preliminary state review that showed the group did not have the required number of valid signatures to put the recall on the ballot.

### **Senate and House Committees of Interest to CAP**

**Senate Education:** Chair Sen. Wayne Kuipers (R), Vice Chair Sen. Gerald Van Woerkom (R), Sen. Nancy Cassis (R), Minority Vice Chair Sen. Gretchen Whitmer (D), Sen. John Gleason (D).

**Senate Appropriations K-12 School Aid and Department of Education Subcommittee:** Chair Sen. Ron Jelinek (R), Vice Chair Sen. Cameron Brown (R), Sen. Valde Garcia (R), Minority Vice Chair Sen. Liz Brater (D)

**Senate Appropriations Community Colleges Subcommittee:** Chair Sen. Bill Hardiman (R), Vice Chair Michelle McManus (R), Minority Vice Chair Sen. Irma Clark- Coleman (D)

**Senate Appropriations Higher Education Subcommittee:** Chair Sen. Tony Stamas (R), Vice Chair Sen. Tom George (R), Sen. Bill Hardiman (R), Sen. Michelle McManus (R), Minority Vice Chair Sen. Jim Barcia (D), Sen. Glenn Anderson (D), Sen. Liz Brater (D)

**House Education:** Chair Rep. Tim Melton (D), Vice Chair Rep. Mary Valentine (D), Rep. Kathy Angerer (D), Rep. Terry Brown (D), Rep. Barb Byrum (D), Rep. Brenda Clack (D), Rep. Marc Corriveau (D), Rep. Robert Dean (D), Rep. Hoon-Yung Hopgood (D), Rep. Steven Lindberg (D), Rep. Andy Meisner (D), Rep. Fred Miller (D), Rep. Gino Polidori (D), Rep. Bettie Scott (D), Minority Vice Chair Rep. John Moolenaar (R), Rep. Judy Emmons (R), Rep. David Hildenbrand (R), Rep. Jack Hoogendyk (R), Rep. Marty Knollenberg (R), Rep. Paul Opsommer (R), Rep. Tom Pearce (R), Rep. Tanya Schuitmaker (R), Rep. Glenn Steil (R)

**House Appropriations K-12 School Aid and Department of Education Subcommittee:** Chair Rep. Matthew Gillard (D), Vice Chair Rep. Aldo Vagnozzi (D), Rep. Marsha Cheeks (D), Rep. Dudley Spade (D), Minority Vice Chair Rep. Bruce Caswell (R), Rep. Chuck Moss (R)

**House Appropriations Community College Subcommittee:** Chair Rep. Michael Sak (D), Vice Chair Joan Bauer (D), Minority Vice Chair Darwin Booher (R)

**House Appropriations Higher Education Subcommittee:** Chair Rep. Pam Byrnes (D), Vice Chair Lee Gonzales (D), Rep. Joan Bauer (D), Rep. Shanelle Jackson (D), Rep. Gary Mc Dowell (D), Rep. Alma Wheeler Smith (D), Minority Vice Chair Bill Caul (R), Rep. David Agema (R), Rep. Fran Amos (R)

### **House Standing Committee on Judiciary**

Chair Rep. Pail Condino (D), Vice Chair Rep. Andy Coulouris (D), Rep. Steve Bieda (D), Rep. Marc Corriveau (D), Rep. mark Meadows (D), Rep. Andy Meisner (D), Rep. Bettie Scott (D), Rep. Virgil Smith (D), Rep. Rebekah Warren (D), Rep. Tonya Schuitmaker (R), Rep. David Law (R), Rep. Kevin Elsenheimer (R), Rep. John Stakoe (R), Rep. Rick Jones (R), Rep. Tory Rocca (R)

**Senate Standing Committee on Judiciary**

Chair Sen. Wayne Kuipers (R), Sen. Alan Cropsey (R), Sen. Alan Sanborn (R), Sen. Bruce Patterson (R), Sen. Gretchen Whitmer (D), Sen. Hansen Clarke (D), Sen. Mike Prusi (D)