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To: Council About Parochiaid  
From: Cara Spagnuolo  
Date: June 4, 2010  
Re: Legislative Update

### **Constitutional Convention 2011?**

Most state government insiders say they believe that Michigan voters will shoot down a 2010 ballot question that would call for a 2011 constitutional convention, while 55 percent said they don't believe a con-con is needed. Michigan's Constitution requires that voters be given a chance every 16 years to rewrite the state's governing document. If it is approved in 2011, 148 delegates representing each state house and senate district would be elected to come to Lansing to review and propose changes to the Constitution.

It's looking more and more likely that the proposed constitutional convention will be the only initiative on the ballot. Most regular election years see a minimum of two ballot questions. Since the Michigan Constitution of 1963 was approved, there were only two years when there was one initiative on the ballot -- 1964 and 1966. The Citizens Research Council (CRC) has been publishing a series of articles analyzing the proposed con-con. According to CRC's latest article that analyzes the Executive Branch, at the same time Michigan voters will be asked whether or not to call a constitutional convention, voters will be asked to elect a new chief executive for state government. In addition to Governor Granholm, three other statewide executive branch officials (lieutenant governor, secretary of state and attorney general) will be required to exit their respective offices due to the term limitation provisions.

This complete turnover would usher in new officials that will be responsible for executing state laws and delivering services to Michigan residents. Michigan state government has operated under a constitutional framework for 47 years that centralizes executive power in a single office and provides for a strong governor. Despite this consistency, a number of issues might be considered by a potential constitutional convention charged with looking at Article V dealing with: executive reorganization powers, single versus plural executive, filling legislative vacancies of executive officials, the governor's role in the state budget process and the governor's appointment process. While it is likely that a con-con would examine these and other issues related to Article V of the 1963 Constitution, Craig Thiel of CRC added in his report, "Nothing in Article V has prevented the executive branch from governing effectively since its enactment nearly 50 years ago and no issues have risen to the level of a crisis that would suggest immediate modifications necessary."

As we have discussed previously, voters may or may not vote in November to approve a Constitutional Convention. Sen. Tom George (R-Texas Township) said he wants to be ready if they do. George, who is running for governor and who backs a con-con, sponsored a six-bill package on June 1<sup>st</sup> that would set up a framework for a con-con. George said, "Those arguing against a con-con say it's unaffordable and will be dominated by special interests. This package would set up campaign finance reporting requirements for candidate campaign committees, establish limits on contributions to delegate candidates and prohibit an independent or political committee from contributing to a candidate."

When asked by *MIRS* if he thought the bills would be taken up, George said, "I don't know, but it's meant to prompt a discussion." The package would also make sure delegates are reimbursed for mileage, eligibility requirements and election dates are set for delegates and that candidates disclose income received during the preceding year over \$10,000.

Henry Woloson of Clarkston, a guest speaker at CAP's December meeting, had a hand in the past attempts to make the Legislature part time. Woloson will be supporting a constitutional change at the convention to require the Legislature to conclude its regular session by June 1. Woloson is a strong proponent of moving the fiscal year from October to July 1.

He began his presentation by giving members a brief background on the Constitution and providing a chart of both full time and part time legislatures from various states comparing the average job time, compensation and staff size. Woloson pointed out that the major issue of a constitutional convention is a divide of the left and right; one side is always worrying about the other. He offered that instead, why not open the process and discuss it? Woloson noted that even if people don't feel comfortable with the process, they should still have good delegates in place and ready to run if the process becomes a "yes."

There was some discussion of this perspective after Woloson's presentation. It was concluded that this notion was something that CAP members had not considered in past discussions. It was noted that finding ways to be prepared and proactive would be in everyone's best interest.

According to Ed Sarpolus, Director of MEA Government Affairs, the average voter does not realize that if the Michigan Constitution were opened up, it becomes a blank sheet of paper in the sense that nothing would have to be carried over from the current constitution. The estimated cost of opening the constitution is \$40 million, including room, board, salaries and elections for the 148 people to run as delegates. Sarpolus also cautioned that spending millions of dollars for the election opens the door for out of state influence to pay the cost for changing our constitution.

U.S. Rep. Pete Hoekstra (R-Holland), a Republican gubernatorial candidate, opposes the ballot proposal, claiming that the uncertainty would damage Michigan's already-hurting business community.

The Michigan Catholic Conference also came out in opposition to the proposed constitutional convention. According to a September 3 [Gongwer News Service](#) article, the organization's board of directors released a statement saying that it worried that the costs associated with a constitutional convention would further add damage to the state's financial ability to help the poor. The board went on to add that the Constitution isn't perfect and that amendments are needed, especially in terms of providing financial aid to non-public schools.

### **Michigan Ready to Make the Grade on Second Round of RTTT**

On May 27<sup>th</sup>, *MIRS* reported that Michigan has applied for the second round of federal Race to the Top (RTTT) funds, and has in its plan for how it will use the \$400 million in funds if awarded. According to the Michigan Board of Education, 87 percent of local school districts have signed on to the applications, while 737 school districts and Public School Academies have signed Memoranda of Understanding (MOU) for participation. Local school districts superintendents have signed on along with 83 percent of teacher union presidents of the district that signed MOU's. A key difference in this go around is that the Michigan Education Association (MEA) and the America Federation of Teachers (AFT) are both on board.

Mike Flanagan, Superintendent of Public Instruction, said, "We have broad consensus from all interest groups, who really helped develop this application. With more time, we have been able to prepare an application that will make Michigan more competitive for the federal funds." The focus of Michigan's application in round two is on improving student achievement, closing the achievement gap and providing better teacher development. The theme of the application is "Accelerate Michigan." Governor Granholm, commenting on the application, said, "We are committed to ensuring all Michigan children receive the first-class, 21<sup>st</sup> Century education they need to compete and succeed in a global economy. The plan outlined in this application establishes a clear path to help us meet that goal."

According to the Department of Education, Michigan's application will be made available to the public after June 1<sup>st</sup>, when all applications from all states have been officially submitted.

### **Schools Could Receive \$65 More Per Pupil Up Front**

On May 26<sup>th</sup> the House passed a version of a FY 2011 School Aid budget (SB 1163) that would provide \$65 more per pupil in spending for both 2010 and 2011. That's \$65 more than the current level ended up being after the \$165 per pupil *pro rata* cut. The budget would provide an additional \$65 per pupil in the current FY 2010 budget and another \$65 per pupil for the 2011 budget. Instead of giving schools an additional \$130 per pupil in 2011, the budget is designed to give schools half of that \$130 total almost immediately. Rep. Terry Brown (D-Pigeon), Chair of the House Appropriations School Aid Committee explained, "This will hopefully prevent some districts from having to borrow money this year." It's expected that

SB1163 will end up in a conference committee. The 64-42 vote on Wednesday was primarily along party lines.

### **SFA: GF Slides \$750M in FY 2010 and 2011**

School Aid Fund (SAF) revenue is up \$527 million this fiscal year and next, but the General Fund is down about \$750 million for both years, including a \$452.6 million hole this year, according to the Senate Fiscal Agency (SFA). Gary Olson, SFA Director, said, "It's not as bad as it could have been, but it's not as good as it could have been." The good news is the "fairly large" surplus in the SAF-\$225 million for FY 2010 and \$565 million for FY 2011. That leaves a balance of \$349 million in FY 2010 and \$565 million in FY 2011. That's boosted by an uptick in sales tax revenue.

### **Report: Results of Audit Question Michigan Department of Education's Effectiveness in Assisting Troubled High Schools**

The State's Auditor General has indicated that the Michigan Department of Education (MDE) has done a satisfactory job in its assistance of low performing elementary and middle schools. However according to an Auditor General report released May 7th 2010 of its Assistance to High Priority Schools program, the MDE has not been effective in helping troubled high schools meet federal improvement standards. The audit showed that elementary and middle schools receiving Title I funds improved more rapidly over two full schools years than did non-Title I recipients; Title I high schools improved at a substantially lower rate. Despite the lack of improvement in federal Annual Yearly Progress scores, the MDE did not alter its approach. Department officials responded by stating that the positive outcomes in many high priority schools would not been seen for several years.

Auditor General Thomas McTavish was especially concerned with the lack of program evaluation and oversight by the MDE. The audit charges that the department was not distributing grants in a timely manner nor monitoring its recipients' compliance with federal guidelines. Improper purchasing procedures in awarding \$17.5 million to the Michigan Association of Intermediate School Administrators (MAISA) and certain subcontractors were also of concern. While the MDE believes auditors are seeking too many changes given limited resources, they have implemented new procedures to ensure MAISA compliance. Proper purchasing procedures to ensure best vendor price and quality are also in order for the MDE's future changes. The department is also working to distribute regional grants rapidly to ensure reasonable budgeting time for local school districts.

### **Rep. Alma Smith Out, Filing Deadline Now Passed**

Early in the morning of May 10, Rep. Alma Wheeler Smith announced that she plans to withdraw from the Democratic primary for the Governor's race. Just one day before she is

required to submit 15,000 petition signatures, Rep. Smith expressed concerns that her staying in the race would split the progressive vote and hurt Democrats in the Fall. Said Rep. Smith in a prepared statement: "Democrats need to unify behind a candidate and I have come to believe that my continued candidacy would only serve to divide us further."

That leaves House Speaker Andy Dillon and Lansing Mayor Virg Bernero as the last two to face-off in the August Primary. The Republicans still include U.S. Congressman Pete Hoekstra (R – MI 2), Attorney General Mike Cox, Oakland County Sheriff Mike Bouchard and former Gateway Chief Rick Snyder.

The mid-April Democratic convention put Genesee County Prosecutor David Leyton, a Labor favorite, as the Democratic nominee for Attorney, narrowly defeating attorney and disability rights advocate Richard Bernstein. The Democrats will face either Appellate Judge Bill Schuette or Senate Majority Leader Mike Bishop (R – Rochester), whomever comes out of the August Republican convention. Senator Bruce Patterson (R – Canton) previously dropped out of the running.

The Democratic convention also made Jocelyn Benson the nominee for Secretary of State, defeating Detroit Clerk Janice Winfrey by a massive margin. Benson, a professor at Wayne State and a voting and civil rights attorney, will face Calhoun County Clerk Anne Norlander, State Senator Michelle McManus (R – Lake Leelanau) or State Senator Cameron Brown (R – Fawn River Twp), whomever comes out of the Republican convention.

U.S. Congressman Bart Stupak's (D – MI 1) recent withdrawal from his reelection campaign caused a stir in the Upper Peninsula for his successor. Ultimately, it appears that State Representative Gary McDowell (D – Rudyard) will enter the race, and will most likely face State Senator Jason Allen (R – Traverse City) in November. McDowell's entry in the race, however, leaves Democrats without who was considered their strongest candidate to win the State Senate seat being vacated by current Senator Jason Allen, who is leaving due to term limits.

In another interesting development, Rep. Marc Corriveau (D – Northville) also withdrew his name from the race for the 7<sup>th</sup> State Senate district, currently held by Bruce Patterson (R – Canton) who is term-limited. This leaves former State Rep. Kathleen Law as the Democratic challenger.

Carly Todd, Capitol Services Intern, has put together a spreadsheet of all 2010 Official Michigan House and Senate Primary Candidates. I have one copy available for review. If anyone would like an electronic copy before the August 3<sup>rd</sup> primary, please let me know.

### **Bills Introduced of Interest to CAP**

**HB 4609**, introduced by Rep. Kim Meltzer (R-Clinton Township), would require expenditure reporting requirements for school districts and public school academies including:

- amount of the school district's or PSA's total budget
- number of full time equated pupils served by the school district or PSA
- number of employees
- names and positions of the board or board of directors
- each member of the school board of directors or school administrator of the school district of PSA who have travel expenses during the school fiscal year totaling more than \$3,000 paid for with school district or PSA funds

This bill has been referred to the House Committee on Education.

**SB 564**, introduced by Sen. Gerald Van Woerkom (R-Norton Shores), would allow charter school enrollment priority to the following pupils: a sibling of a pupil enrolled in the PSA or a pupil who transfers to the PSA from another PSA pursuant to an agreement between the PSAs that provides for this enrollment priority. This bill has been referred to the Senate Committee on Education.

**SJR A**, introduced by Sen. Mike Bishop (R-Rochester) would provide for limitation of legislative session and repeal of term limits for legislators first serving in 2011 or later.

**HJR W**, introduced by Rep. Tim Moore (R-Farwell) proposes an amendment to the Constitution to provide for a part-time legislature, revise the session calendar, reduce legislative salaries, and limit extraordinary sessions.

#### **House Public Employee Healthcare Reform Committee Members 2009-2010**

Chair, Pam Byrnes (D-Chelsea)  
 Vice Chair Tim Melton (D-Auburn Hills)  
 Harold Haugh (D-Roseville)  
 Bert Johnson (D-Highland Park)  
 Michael Lahti (D-Hancock)  
 Dan Scripps (D-Leland)  
 Kate Segal (D-Battle Creek)  
 Woodrow Stanley (D-Flint)  
 Minority Vice Chair Phil Pavlov (R-St. Clair)  
 James Bolger (R-Marshall)  
 Bob Genetski (R-Saugatuck)  
 Matt Lori (R-Constantine)  
 Bill Rogers (R-Brighton)