

No. 48
STATE OF MICHIGAN
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REGULAR SESSION OF 2012

Senate Chamber, Lansing, Thursday, May 17, 2012.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Brian N. Calley.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Anderson—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Caswell—present
Colbeck—present
Emmons—present
Gleason—present
Green—present
Gregory—present
Hansen—present
Hildenbrand—present

Hood—present
Hopgood—present
Hune—present
Hunter—present
Jansen—present
Johnson—present
Jones—present
Kahn—present
Kowall—present
Marleau—present
Meekhof—present
Moolenaar—present
Nofs—present

Pappageorge—present
Pavlov—present
Proos—present
Richardville—present
Robertson—present
Rocca—present
Schuitmaker—present
Smith—present
Walker—present
Warren—present
Whitmer—present
Young—present

Pastor Bart Beebe of Christ Lutheran Church of Sterling Heights offered the following invocation:

God of all people and of all creation, when You provide for us a beautiful day like today, we rarely want to spend it inside in a business meeting. Be with those who gathered here this day to carry on the business of government, and remind them that the work and authority of their office is a trust from You to be used for the service of all the people. Free their work from the influences of prejudice, favoritism, and inequity.

Open their ears to hear, their minds to think, and their hearts to feel. Give them visions of healthier communities and a more prosperous state, which can help them to persevere in the midst of the challenges they face as elected leaders. Guide them that in this chamber they may model the behavior and attitudes and love for others and the dedication to community that You desire all people to exhibit in this great state of Michigan. This we pray in Your holy name. Amen.

The President, Lieutenant Governor Calley, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senator Proos entered the Senate Chamber.

Senator Bieda moved that Senators Hunter and Johnson be temporarily excused from today's session. The motion prevailed.

The following communication was received and read:
Office of the Auditor General

May 15, 2012

Enclosed is a copy of the following audit report:
Performance audit of the Bureau of Elections, Department of State.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The audit report was referred to the Committee on Government Operations.

The Secretary announced that the following official bills were printed on Wednesday, May 16, and are available at the legislative website:

Senate Bill Nos.	1123	1124	1125	1126	1127	1128	1129	1130						
House Bill Nos.	5624	5625	5626	5627	5628	5629	5630	5631	5632	5633	5634	5635	5636	5637
	5638	5639	5640											

Senator Meekhof moved that rule 3.902 be suspended to allow the guests of Senator Hopgood admittance to the Senate floor, including the center aisle.

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that rule 3.901 be suspended to allow photographs to be taken from the Senate floor. The motion prevailed, a majority of the members serving voting therefor.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:06 a.m.

10:20 a.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

During the recess, Senator Hopgood introduced the Southgate Anderson High School Cheerleading Team, Michigan High School Athletic Association Division 1 State Champions, Head Coach Colette Norscia, and team member Morgan Farrah. Ms. Farrah responded briefly.

Senator Meekhof moved that rule 3.902 be suspended to allow the guests of Senators Richardville and Emmons admittance to the Senate floor.

The motion prevailed, a majority of the members serving voting therefor.

The President of the Senate made a statement and requested that it be printed in the Journal.

The President's statement is as follows:

Senator Emmons and I have with us today from the beautiful community of Portland, which is located just over this way about 30 miles, a member of the Portland High School Cheerleading Team and also the coach. The reason this group is being honored today is because last year this remarkable group of young ladies partnered with the community to offer Julia Sullivan of Omaha, Nebraska, a spot on the cheerleading team.

Julia was born without arms or legs, but with the encouragement and support from the Portland High School Cheerleading Team, her cheerleading dreams came true when she cheered for the Portland Raiders at their 2011 homecoming game. In addition, when teammates Bree Murphy and Alyssa Zoll, who is here with me today—the one on crutches—recently were involved in a serious car accident, the Portland High School Cheerleading Team pulled together to encourage and support their recovering teammates.

We are recognizing them today after a very successful cheer season. Joining me on the podium, in addition to Senator Emmons, are mom Amy and Coach Fox. If members could please congratulate them on a successful season and on their endeavors with getting Julia here from Omaha to make her dreams come true.

Senator Meekhof moved that rule 2.106 be suspended to allow committees to meet during Senate session.

The motion prevailed, a majority of the members serving voting therefor.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 10:29 a.m.

11:47 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

During the recess, Senator Hunter entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Moolenaar as Chairperson.

After some time spent therein, the Committee arose; and the President pro tempore, Senator Schuitmaker, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 1040, entitled

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending sections 3a, 4, 43a, 43e, 84, and 91 (MCL 38.1303a, 38.1304, 38.1343a, 38.1343e, 38.1384, and 38.1391), section 3a as added by 1996 PA 268, sections 4 and 91 as amended and section 43e as added by 2010 PA 75, section 43a as amended by 2007 PA 111, and section 84 as amended by 1989 PA 194, and by adding sections 43g, 59, 84b, 91a, and 92b; and to repeal acts and parts of acts.

Substitute (S-2).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 10, following line 13, by inserting:

“(7) “**TIER 3**” MEANS THE RETIREMENT PLAN ESTABLISHED AND ADMINISTERED UNDER ARTICLE 8.” and renumbering the remaining subsection.

2. Amend page 11, following line 9, by inserting:

“Sec. 25. (1) The board shall have only the rights, authority, and discretion in the proper discharge of its duties provided in this act and former 1945 PA 136.

(2) The retirement board may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, for the implementation and administration of this act. The retirement board shall not promulgate rules for the establishment, implementation, administration, operation, investment, or distribution of a Tier 2 retirement plan.

(3) BEGINNING JULY 1, 2012, THE BOARD SHALL COMMENCE A 12-MONTH STUDY PERIOD UNDER THIS SUBSECTION. AS SOON AS POSSIBLE DURING THE STUDY PERIOD, THE BOARD SHALL PROVIDE TO CENTRAL MICHIGAN UNIVERSITY, FERRIS STATE UNIVERSITY, LAKE SUPERIOR STATE UNIVERSITY, MICHIGAN TECHNOLOGICAL UNIVERSITY, NORTHERN MICHIGAN UNIVERSITY, WESTERN MICHIGAN UNIVERSITY, AND EASTERN MICHIGAN UNIVERSITY ALL INFORMATION AND COOPERATION REQUESTED BY EACH UNIVERSITY FOR THE PURPOSE OF ALLOWING THE UNIVERSITY TO STUDY AND PREPARE FOR THE IMPLEMENTATION OF NEW RETIREE HEALTH CARE COVERAGE BENEFIT DESIGN OPTIONS FOR MEMBERS WHO RETIRE FROM THE UNIVERSITY AS ALLOWED UNDER SUBSECTION (4). THE INFORMATION TO BE PROVIDED BY THE BOARD TO EACH UNIVERSITY SHALL ALSO INCLUDE INFORMATION SUFFICIENT TO ALLOW THE UNIVERSITY TO DO ALL OF THE FOLLOWING:

(A) REVIEW THE ANNUAL COST TO THE RETIREMENT SYSTEM OVER EACH OF THE PAST 5 YEARS OF THE HEALTH CARE COVERAGE BENEFITS PROVIDED BY THE RETIREMENT SYSTEM TO THE UNIVERSITY'S RETIRED MEMBERS, CALCULATED ON A CASH DISBURSEMENT METHOD.

(B) COMPARE THE UNIVERSITY'S COST UNDER SUBDIVISION (A) WITH THAT OF THE AGGREGATE COST OF ALL REPORTING UNITS DURING THE PAST 5 YEARS, CALCULATED ON A CASH DISBURSEMENT BASIS.

(4) ON AND AFTER JULY 1, 2013, THE BOARD'S AUTHORITY TO DETERMINE THE SCOPE AND DESIGN OF THE HEALTH CARE COVERAGE BENEFITS AVAILABLE THROUGH THE RETIREMENT SYSTEM TO MEMBERS WHO RETIRE FROM CENTRAL MICHIGAN UNIVERSITY, FERRIS STATE UNIVERSITY, LAKE SUPERIOR STATE UNIVERSITY, MICHIGAN TECHNOLOGICAL UNIVERSITY, NORTHERN MICHIGAN UNIVERSITY, WESTERN MICHIGAN UNIVERSITY, AND EASTERN MICHIGAN UNIVERSITY IS TRANSFERRED TO THOSE UNIVERSITIES. ON AND AFTER JULY 1, 2013, THE UNIVERSITIES DESCRIBED IN THIS SUBSECTION SHALL DETERMINE, ON A COLLECTIVE BASIS, ALL MATTERS OF SCOPE AND DESIGN FOR HEALTH CARE COVERAGE BENEFITS AVAILABLE THROUGH THE RETIREMENT SYSTEM TO MEMBERS WHO RETIRE FROM THOSE UNIVERSITIES. AS USED IN THIS SUBSECTION, "MATTERS OF SCOPE AND DESIGN" INCLUDES, BUT IS NOT LIMITED TO, ESTABLISHING MEMBER PREMIUMS, COPAYMENT AMOUNTS, DEDUCTIBLES, OTHER COST-SHARING FEATURES, OTHER FUNDING STRUCTURES AND MECHANISMS, OPTIONAL FORMS OF COVERAGES, AND THE TERMS AND CONDITIONS OF THE HEALTH CARE COVERAGE BENEFITS TO BE MADE AVAILABLE TO MEMBERS WHO RETIRE FROM THE UNIVERSITIES. THE BOARD'S RIGHTS, AUTHORITY, DISCRETION, AND RESPONSIBILITY REGARDING THE ADMINISTRATION OF THE HEALTH CARE COVERAGE BENEFITS MADE AVAILABLE TO MEMBERS WHO RETIRE FROM A UNIVERSITY DESCRIBED IN THIS SUBSECTION ARE OTHERWISE UNCHANGED.

Sec. 26. (1) This section does not apply to Tier 2 **OR TIER 3**.

(2) The state treasurer shall be treasurer of the retirement system and shall have investment authority, including the custodianship of the funds of the retirement system, and shall have fiduciary responsibility with regard to the investment of funds of the retirement system.

(3) The state treasurer shall deposit the funds of the retirement system in the same manner and subject to the law governing the deposit of state funds by the treasurer. Income earned by the retirement system's funds shall be credited to the respective reserves under this act that earned the income.

Sec. 28. (1) By April 15 of each year, the department shall furnish to the governor, the legislature, each retirement allowance recipient, and each member ~~upon request~~ a summary of the fiscal transactions of the retirement system for the last completed fiscal year. The summary shall contain at least the following information from the financial and actuarial statements:

(a) A statement of assets and liabilities.

(b) A statement of investments by, and amount earned in, each category.

(c) A statement of revenues and expenditures.

(D) IN ADDITION TO OTHER DISCLOSURES REQUIRED UNDER THIS ACT THAT ARE BASED ON EXPECTED RETURNS ON ASSETS, A DISCLOSURE OF THE MARKET-VALUE DISCOUNT RATE THAT IS USED IN CALCULATING SYSTEM LIABILITIES AND FUNDED STATUS OF THE SYSTEM. THE RETIREMENT SYSTEM SHALL USE THE INDIVIDUAL PROJECTED BENEFIT ENTRY AGE NORMAL COST METHOD OF VALUATION WHEN MAKING THE DISCLOSURE REQUIRED IN THIS SUBDIVISION.

(E) A DISCLOSURE OF THE FUNDED STATUS OF THE SYSTEM THAT IS BASED ON THE MARKET VALUE OF ASSETS WITH NO SMOOTHING. THE RETIREMENT SYSTEM SHALL USE THE INDIVIDUAL

PROJECTED BENEFIT ENTRY AGE NORMAL COST METHOD OF VALUATION WHEN MAKING THE DISCLOSURE REQUIRED IN THIS SUBDIVISION.

(F) A 5-YEAR PROJECTION OF THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE REQUIRED OF REPORTING UNITS UNDER THIS ACT.

(G) USING THE MARKET-VALUE DISCOUNT RATE DISCLOSED UNDER SUBDIVISION (D), A DISCLOSURE OF THE NORMAL COST CONTRIBUTION RATE.

(H) ~~(d)~~Other information the department or the retirement board considers necessary.

(2) The department shall furnish sufficient copies of a description of retirement benefits under this act to each reporting unit for the purpose of distribution to each of its employees as often as the department considers necessary, but not less than once every 3 years. The description shall contain the information the department considers necessary.

(3) BY APRIL 15 OF EACH YEAR, THE DEPARTMENT SHALL POST ON ITS INTERNET WEBSITE THE INFORMATION REQUIRED UNDER SUBSECTION (1) AND SHALL SEND THE INFORMATION VIA ELECTRONIC MAIL TO EACH RETIREMENT ALLOWANCE RECIPIENT AND EACH MEMBER FOR WHICH THEY HAVE AN ELECTRONIC MAIL ADDRESS.

(4) THE DEPARTMENT SHALL COLLECT AND MAINTAIN AN ELECTRONIC MAIL ADDRESS FOR RETIREMENT ALLOWANCE RECIPIENTS AND MEMBERS UNDER THIS ACT. IN CONJUNCTION WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION IN THE STATE BUDGET OFFICE, THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A DATABASE OF ELECTRONIC MAIL ADDRESSES FOR RETIREMENT ALLOWANCE RECIPIENTS AND MEMBERS UNDER THIS ACT. THE DEPARTMENT SHALL ALLOW THE DEPARTMENT OF EDUCATION TO ACCESS THE ELECTRONIC MAIL DATABASE DEVELOPED AND MAINTAINED UNDER THIS SUBSECTION ON AN AS-NEEDED BASIS. THE ELECTRONIC MAIL ADDRESSES OF INDIVIDUALS IN THE DATABASE UNDER THIS SUBSECTION ARE CONFIDENTIAL AND ARE NOT SUBJECT TO THE DISCLOSURE REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

Sec. 41b. (1) Beginning July 1, 2010, the retirement system may determine a separate employer contribution rate for members who first became a member on or after July 1, 2010. Except as provided in this section, the retirement system shall determine the separate employer contribution rate in the manner prescribed in section 41.

(2) To the extent and upon approval by the internal revenue service, the retirement system for ~~the Tier 1 plan~~ and the plan administrator for ~~the Tier 2 plan~~ **OR TIER 3** may also determine the extent to which some or all of the individuals performing services for an entity not participating in the retirement system that receives any funding from the state school aid fund established in section 11 of article IX of the state constitution of 1963 may participate in ~~the Tier 1, and Tier 2, plans.~~ **AND TIER 3.**”.

3. Amend page 22, following line 16, by inserting:

“SEC. 81D. EXCEPT AS OTHERWISE PROVIDED IN ARTICLE 8, SECTIONS 81, 86, AND 87 DO NOT APPLY TO A QUALIFIED PARTICIPANT UNDER TIER 3.”.

4. Amend page 45, following line 14, by inserting:

“Sec. 120. (1) Notwithstanding any other provision of this act, the Tier 2 plan under this article will be implemented by the department as soon as administratively feasible but not later than January 1, 2011.

(2) THE DEPARTMENT SHALL ADMINISTER TIER 2 WITH TIER 3 SO THAT AN INDIVIDUAL WHO IS FIRST EMPLOYED AND ENTERED UPON THE PAYROLL OF HIS OR HER EMPLOYER ON OR AFTER JANUARY 1, 2013 IS A QUALIFIED PARTICIPANT OF TIER 3.

Sec. 124. (1) “Plan document” means the document that contains the provisions and procedures of Tier 2 in conformity with this act and the internal revenue code.

(2) “Qualified participant” means an individual who is a participant of Tier 2 and who is first employed and entered upon the payroll of his or her employer on or after July 1, 2010 **AND BEFORE JANUARY 1, 2013**, and who also qualifies to be a member of Tier 1.”.

5. Amend page 46, following line 9, by inserting:

“ARTICLE 8

SEC. 151. (1) FOR THE PURPOSES OF THIS ARTICLE, THE WORDS AND PHRASES DEFINED IN SECTIONS 152 TO 154 HAVE THE MEANINGS ASCRIBED TO THEM IN THOSE SECTIONS.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE DEPARTMENT SHALL IMPLEMENT TIER 3 UNDER THIS ARTICLE AS SOON AS ADMINISTRATIVELY FEASIBLE BUT NOT LATER THAN JANUARY 1, 2013.

SEC. 152. (1) “ACCUMULATED BALANCE” MEANS THE TOTAL BALANCE IN A QUALIFIED PARTICIPANT’S, FORMER QUALIFIED PARTICIPANT’S, OR REFUND BENEFICIARY’S INDIVIDUAL ACCOUNT IN TIER 3.

(2) "COMPENSATION" MEANS THE REMUNERATION PAID A QUALIFIED PARTICIPANT ON ACCOUNT OF THE QUALIFIED PARTICIPANT'S SERVICES RENDERED TO HIS OR HER EMPLOYER EQUAL TO THE SUM OF THE FOLLOWING:

(A) A PARTICIPANT'S W-2 EARNINGS FOR SERVICES PERFORMED FOR THE EMPLOYER.

(B) ANY AMOUNT CONTRIBUTED OR DEFERRED AT THE ELECTION OF THE PARTICIPANT THAT IS EXCLUDED FROM GROSS INCOME UNDER SECTION 125, 132(F)(4), 401(K), 403(B), OR 457 OF THE INTERNAL REVENUE CODE, 26 USC 125, 132, 401, 403, AND 457.

(3) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER DESIGNEE.

SEC. 153. (1) "EMPLOYER" MEANS A REPORTING UNIT.

(2) "FORMER QUALIFIED PARTICIPANT" MEANS AN INDIVIDUAL WHO WAS A QUALIFIED PARTICIPANT OF TIER 3 AND WHO TERMINATES THE EMPLOYMENT UPON WHICH HIS OR HER PARTICIPATION IS BASED FOR ANY REASON.

(3) "HEALTH BENEFIT DEPENDENT" MEANS AN INDIVIDUAL WHO WOULD HAVE BEEN ELIGIBLE FOR HEALTH INSURANCE COVERAGE AS A HEALTH INSURANCE DEPENDENT UNDER SECTION 91(16)(A) IF THE FORMER QUALIFIED PARTICIPANT HAD BECOME A RETIRANT OF TIER 1.

SEC. 154. (1) "PLAN DOCUMENT" MEANS THE DOCUMENT THAT CONTAINS THE PROVISIONS AND PROCEDURES OF TIER 3 IN CONFORMITY WITH THIS ACT AND THE INTERNAL REVENUE CODE.

(2) "QUALIFIED PARTICIPANT" MEANS AN INDIVIDUAL WHO IS A PARTICIPANT OF TIER 3 AND WHO IS FIRST EMPLOYED AND ENTERED UPON THE PAYROLL OF A REPORTING UNIT ON OR AFTER JANUARY 1, 2013.

(3) "REFUND BENEFICIARY" MEANS AN INDIVIDUAL NOMINATED BY A QUALIFIED PARTICIPANT OR A FORMER QUALIFIED PARTICIPANT UNDER SECTION 164 TO RECEIVE A DISTRIBUTION OF THE PARTICIPANT'S ACCUMULATED BALANCE IN THE MANNER PRESCRIBED IN SECTION 165.

(4) "STATE TREASURER" MEANS THE TREASURER OF THIS STATE.

SEC. 155. (1) THE DEPARTMENT SHALL DESIGNATE 3 OR MORE TIER 3 CONTRACTS OR ACCOUNT PLANS PROVIDED BY AT LEAST 3 DIFFERENT ENTITIES, TO BE OFFERED TO PARTICIPANTS IN TIER 3. NO TIER 3 PLAN OPTION SHALL BE DESIGNATED UNDER THIS SECTION UNLESS THE ENTITY MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(A) IT IS AUTHORIZED TO CONDUCT BUSINESS IN THIS STATE WITH REGARD TO ANY ANNUITY CONTRACTS OR CERTIFICATES TO BE OFFERED UNDER THE PLAN.

(B) IT PROVIDES A DEFINED CONTRIBUTION PENSION PLAN AND ASSOCIATED PLAN SERVICES TO PUBLIC SECTOR EMPLOYEES IN AT LEAST 10 OTHER STATES.

(C) IT PROVIDES A TIER 3 OPTION THAT IS AN ANNUITY CONTRACT OR CUSTODIAL ACCOUNT THAT IS NOT REQUIRED TO BE HELD BY A SEPARATE PLAN TRUSTEE.

(2) IN DESIGNATING TIER 3 PLANS UNDER THIS SECTION, THE DEPARTMENT SHALL CONSIDER ALL OF THE FOLLOWING:

(A) THE EXPERIENCE OF THE ENTITY IN PROVIDING THE PLAN IN OTHER STATES.

(B) THE POTENTIAL EFFECTIVENESS OF THE PLAN IN THE RECRUITMENT AND RETENTION OF ACADEMIC OR ADMINISTRATIVE EMPLOYEES.

(C) THE NATURE AND EXTENT OF THE RIGHTS AND BENEFITS TO BE PROVIDED UNDER THE PLAN.

(D) THE RELATIONSHIP BETWEEN THE RIGHTS AND BENEFITS UNDER THE PLAN AND THE AMOUNT OF THE CONTRIBUTIONS MADE UNDER THAT PLAN.

(E) THE SUITABILITY OF THE RIGHTS AND BENEFITS UNDER THE PLAN TO THE NEEDS AND INTERESTS OF ACADEMIC OR ADMINISTRATIVE EMPLOYEES.

(F) THE CAPABILITY OF THE ENTITY OFFERING THE PLAN TO PROVIDE THE RIGHTS AND BENEFITS UNDER THE PLAN, AND TO MONITOR COMPLIANCE UNDER THE CONTRACT OR ACCOUNT WITH APPLICABLE FEDERAL TAX REQUIREMENTS INCORPORATED INTO THE CONTRACT OR ACCOUNT.

(G) ANY OTHER SUPPLEMENTAL MATTERS IT CONSIDERS RELEVANT.

(3) THE DEPARTMENT SHALL CONSULT WITH THE STATE TREASURER IN DETERMINING APPROPRIATE INVESTMENT VEHICLES OFFERED WITHIN THE DESIGNATED TIER 3 OPTION PLANS. THE DEPARTMENT IN CONSULTATION WITH THE STATE TREASURER SHALL PERIODICALLY REVIEW EACH TIER 3 PLAN DESIGNATED UNDER THIS SECTION AND THE ENTITY OFFERING THE PLAN TO ENSURE THAT THE REQUIREMENTS AND PURPOSES OF THIS ARTICLE ARE BEING MET. IF THE DEPARTMENT FINDS THAT THE ENTITY OFFERING A TIER 3 PLAN IS NOT IN COMPLIANCE WITH ANY REQUIREMENT OF THIS SECTION OR THE PLAN IS NOT SATISFACTORILY MEETING THE PURPOSES OF THIS ARTICLE, IT MAY RESCIND ITS DESIGNATION OF THE PLAN.

(4) THE DEPARTMENT SHALL DETERMINE THE PROVISIONS AND PROCEDURES OF TIER 3 IN CONFORMITY WITH THIS ARTICLE AND THE REQUIREMENTS OF THE INTERNAL REVENUE CODE.

(5) THE DIRECTOR SHALL USE A COMPETITIVE BIDDING PROCESS TO SELECT ANY MANAGERIAL, PROFESSIONAL, OR ADMINISTRATIVE SERVICES FOR THE PROPER ADMINISTRATION AND INVESTMENT OF ASSETS OF TIER 3.

(6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, A REPORTING UNIT MAY DESIGNATE ITS OWN TIER 3 CONTRACTS OR ACCOUNT PLANS BY AN ALTERNATE PROVIDER TO OFFER TO ITS EMPLOYEES WHO ARE QUALIFIED PARTICIPANTS OF TIER 3. A REPORTING UNIT SHALL SUBSTANTIALLY COMPLY WITH THIS SECTION IN DESIGNATING TIER 3 CONTRACTS OR ACCOUNT PLANS UNDER THIS SUBSECTION. A REPORTING UNIT SHALL NOT OFFER A DEFINED BENEFIT OPTION UNDER THIS SUBSECTION AND SHALL OFFER BENEFITS THAT DO NOT EXCEED THOSE OTHERWISE AVAILABLE TO TIER 3 QUALIFIED PARTICIPANTS UNDER THIS ARTICLE.

SEC. 156. (1) A QUALIFIED PARTICIPANT, FORMER QUALIFIED PARTICIPANT, HEALTH BENEFIT DEPENDENT, OR REFUND BENEFICIARY MAY REQUEST A HEARING ON A CLAIM INVOLVING HIS OR HER RIGHTS UNDER TIER 3. UPON WRITTEN REQUEST, THE DEPARTMENT SHALL PROVIDE FOR A HEARING THAT SHALL BE CONDUCTED PURSUANT TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287. AN INDIVIDUAL MAY BE REPRESENTED BY COUNSEL OR OTHER AUTHORIZED AGENT AT A HEARING CONDUCTED UNDER THIS SECTION.

(2) CHAPTERS 2, 3, AND 5 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.224 TO 24.228, 24.231 TO 24.264, AND 24.291 TO 24.292, DO NOT APPLY TO THE ESTABLISHMENT, IMPLEMENTATION, ADMINISTRATION, OPERATION, INVESTMENT, OR DISTRIBUTION OF TIER 3.

SEC. 157. EACH QUALIFIED PARTICIPANT, FORMER QUALIFIED PARTICIPANT, AND REFUND BENEFICIARY SHALL DIRECT THE INVESTMENT OF THE INDIVIDUAL'S ACCUMULATED EMPLOYER AND EMPLOYEE CONTRIBUTIONS AND EARNINGS TO 1 OR MORE INVESTMENT CHOICES WITHIN AVAILABLE CATEGORIES OF INVESTMENT PROVIDED BY THE STATE TREASURER OR ALTERNATE PROVIDER UNDER SECTION 155(6). THE LIMITATIONS ON THE PERCENTAGE OF TOTAL ASSETS FOR INVESTMENTS PROVIDED IN THE PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT, 1965 PA 314, MCL 38.1132 TO 38.1140M, DO NOT APPLY TO TIER 3.

SEC. 158. THE ADMINISTRATIVE EXPENSES OF TIER 3 SHALL BE PAID BY THE QUALIFIED PARTICIPANTS, FORMER QUALIFIED PARTICIPANTS, AND REFUND BENEFICIARIES WHO HAVE NOT CLOSED THEIR ACCOUNTS IN A MANNER DETERMINED BY THE DEPARTMENT.

SEC. 159. A QUALIFIED PARTICIPANT SHALL NOT PARTICIPATE IN ANY OTHER PUBLIC SECTOR RETIREMENT BENEFITS PLAN FOR SIMULTANEOUS SERVICE RENDERED TO THE SAME PUBLIC SECTOR EMPLOYER. EXCEPT AS OTHERWISE PROVIDED IN THIS ACT OR BY THE DEPARTMENT, THIS SECTION DOES NOT PROHIBIT A QUALIFIED PARTICIPANT FROM PARTICIPATING IN A RETIREMENT PLAN ESTABLISHED BY A PUBLIC SECTOR EMPLOYER UNDER THE INTERNAL REVENUE CODE. FOR THE PURPOSES OF THIS SECTION, PUBLIC SECTOR EMPLOYER INCLUDES, BUT IS NOT LIMITED TO, A REPORTING UNIT.

SEC. 161. (1) THIS SECTION IS SUBJECT TO THE VESTING REQUIREMENTS OF SECTION 162.

(2) A QUALIFIED PARTICIPANT'S EMPLOYER SHALL CONTRIBUTE TO THE QUALIFIED PARTICIPANT'S TIER 3 ACCOUNT AN AMOUNT EQUAL TO 4% OF THE QUALIFIED PARTICIPANT'S COMPENSATION.

(3) A QUALIFIED PARTICIPANT MAY PERIODICALLY ELECT TO CONTRIBUTE UP TO 3% OF HIS OR HER COMPENSATION TO HIS OR HER TIER 3 ACCOUNT. THE QUALIFIED PARTICIPANT'S EMPLOYER SHALL MAKE AN ADDITIONAL CONTRIBUTION TO THE QUALIFIED PARTICIPANT'S TIER 3 ACCOUNT IN AN AMOUNT EQUAL TO THE CONTRIBUTION MADE BY THE QUALIFIED PARTICIPANT UNDER THIS SUBSECTION.

(4) A QUALIFIED PARTICIPANT MAY MAKE CONTRIBUTIONS IN ADDITION TO CONTRIBUTIONS MADE UNDER SUBSECTION (3) TO HIS OR HER TIER 3 ACCOUNT AS PERMITTED BY THE DEPARTMENT AND THE INTERNAL REVENUE CODE. THE QUALIFIED PARTICIPANT'S EMPLOYER SHALL NOT MATCH CONTRIBUTIONS MADE BY THE QUALIFIED PARTICIPANT UNDER THIS SUBSECTION.

SEC. 162. A QUALIFIED PARTICIPANT IS IMMEDIATELY 100% VESTED IN HIS OR HER CONTRIBUTIONS MADE TO TIER 3. A QUALIFIED PARTICIPANT SHALL VEST IN THE EMPLOYER CONTRIBUTIONS MADE ON HIS OR HER BEHALF TO TIER 3 ACCORDING TO THE FOLLOWING SCHEDULE:

(A) UPON COMPLETION OF 2 YEARS OF SERVICE, 50%.

(B) UPON COMPLETION OF 3 YEARS OF SERVICE, 75%.

(C) UPON COMPLETION OF 4 YEARS OF SERVICE, 100%.

SEC. 164. A QUALIFIED PARTICIPANT OR FORMER QUALIFIED PARTICIPANT MAY NOMINATE 1 OR MORE INDIVIDUALS AS A REFUND BENEFICIARY BY FILING WRITTEN NOTICE OF NOMINATION WITH THE DEPARTMENT. IF THE QUALIFIED PARTICIPANT OR FORMER QUALIFIED PARTICIPANT IS MARRIED AT THE TIME OF THE NOMINATION AND THE PARTICIPANT'S SPOUSE IS NOT THE REFUND BENEFICIARY FOR 100% OF THE ACCOUNT, THE NOMINATION IS NOT EFFECTIVE UNLESS THE NOMINATION IS SIGNED BY THE PARTICIPANT'S SPOUSE. HOWEVER, THE DEPARTMENT MAY WAIVE THIS REQUIREMENT IF THE SPOUSE'S SIGNATURE CANNOT BE OBTAINED BECAUSE OF EXTENUATING CIRCUMSTANCES.

SEC. 165. (1) A QUALIFIED PARTICIPANT IS ELIGIBLE TO RECEIVE DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE IN TIER 3 UPON BECOMING A FORMER QUALIFIED PARTICIPANT.

(2) UPON THE DEATH OF A QUALIFIED PARTICIPANT OR FORMER QUALIFIED PARTICIPANT, THE ACCUMULATED BALANCE OF THAT DECEASED PARTICIPANT IS CONSIDERED TO BELONG TO THE REFUND BENEFICIARY, IF ANY, OF THAT DECEASED PARTICIPANT. IF A VALID NOMINATION OF REFUND BENEFICIARY IS NOT ON FILE WITH THE DEPARTMENT, THE DEPARTMENT, IN A LUMP-SUM DISTRIBUTION, SHALL DISTRIBUTE THE ACCUMULATED BALANCE TO THE LEGAL REPRESENTATIVE, IF ANY, OF THE DECEASED PARTICIPANT OR, IF THERE IS NO LEGAL REPRESENTATIVE, TO THE DECEASED PARTICIPANT'S ESTATE.

(3) A FORMER QUALIFIED PARTICIPANT OR REFUND BENEFICIARY MAY ELECT 1 OR A COMBINATION OF SEVERAL OF THE FOLLOWING METHODS OF DISTRIBUTION OF THE ACCUMULATED BALANCE:

(A) A LUMP-SUM DISTRIBUTION TO THE RECIPIENT.

(B) A LUMP-SUM DIRECT ROLLOVER TO ANOTHER QUALIFIED PLAN, TO THE EXTENT ALLOWED BY FEDERAL LAW.

(C) PERIODIC DISTRIBUTIONS, AS AUTHORIZED BY THE DEPARTMENT.

(D) NO CURRENT DISTRIBUTION, IN WHICH CASE THE ACCUMULATED BALANCE SHALL REMAIN IN TIER 3 UNTIL THE FORMER QUALIFIED PARTICIPANT OR REFUND BENEFICIARY ELECTS A METHOD OR METHODS OF DISTRIBUTION UNDER SUBDIVISIONS (A) TO (C), TO THE EXTENT ALLOWED BY FEDERAL LAW.

SEC. 165A. (1) A QUALIFIED PARTICIPANT WHOM THE RETIREMENT BOARD FINDS TO HAVE BECOME TOTALLY AND PERMANENTLY DISABLED FROM ANY GAINFUL EMPLOYMENT BY REASON OF PERSONAL INJURY OR MENTAL OR PHYSICAL ILLNESS WHILE SERVING AS AN EMPLOYEE OF THAT REPORTING UNIT SHALL BE GRANTED A SUPPLEMENTAL BENEFIT EQUIVALENT TO THE AMOUNT PROVIDED FOR IN SECTION 84 AS IF THE FORMER QUALIFIED PARTICIPANT HAD RETIRED UNDER SECTION 87, WHICH SUPPLEMENTAL BENEFIT SHALL BE OFFSET BY THE VALUE OF THE DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE UPON BECOMING A FORMER QUALIFIED PARTICIPANT PURSUANT TO SECTION 165.

(2) IF A QUALIFIED PARTICIPANT DIES AS A RESULT OF INJURY OR ILLNESS ARISING OUT OF AND IN THE COURSE OF THE QUALIFIED PARTICIPANT'S REPORTING UNIT SERVICE FOR WHICH WORKER'S DISABILITY COMPENSATION IS PAID, OR A DUTY DISABILITY RETIRANT WHO IS IN RECEIPT OF WEEKLY WORKER'S DISABILITY COMPENSATION ON ACCOUNT OF THE RETIRANT'S REPORTING UNIT SERVICE DIES FROM THE SAME CAUSES FOR WHICH THE FORMER QUALIFIED PARTICIPANT RETIRED WITHIN 36 MONTHS AFTER THE FORMER QUALIFIED PARTICIPANT'S RETIREMENT, AND IN EITHER CASE THE DEATH OR THE ILLNESS OR INJURY RESULTING IN DEATH IS FOUND BY THE RETIREMENT BOARD TO HAVE RESULTED, WITHOUT THE QUALIFIED PARTICIPANT'S OR FORMER QUALIFIED PARTICIPANT'S WILLFUL NEGLIGENCE, FROM THE PERFORMANCE OF THE QUALIFIED PARTICIPANT'S OR FORMER QUALIFIED PARTICIPANT'S REPORTING UNIT SERVICE, A SUPPLEMENTAL BENEFIT SHALL BE GRANTED EQUIVALENT TO THE AMOUNT PROVIDED FOR IN SECTION 84 HAD THE FORMER QUALIFIED PARTICIPANT BEEN CONSIDERED RETIRED UNDER SECTION 90, WHICH SUPPLEMENTAL BENEFIT SHALL BE OFFSET BY THE VALUE OF THE DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE UPON BECOMING A FORMER QUALIFIED PARTICIPANT PURSUANT TO SECTION 165.

(3) A QUALIFIED PARTICIPANT WHO HAS AT LEAST 10 YEARS OF CREDITED SERVICE WHOM THE RETIREMENT BOARD FINDS TO HAVE BECOME TOTALLY AND PERMANENTLY DISABLED FOR PURPOSES OF EMPLOYMENT BY HIS OR HER REPORTING UNIT BY REASON OF PERSONAL INJURY OR MENTAL OR PHYSICAL ILLNESS BEFORE TERMINATION OF REPORTING UNIT SERVICE AND EMPLOYMENT SHALL BE GRANTED A SUPPLEMENTAL BENEFIT EQUIVALENT TO THE AMOUNT

PROVIDED FOR IN SECTION 84 AS IF THE FORMER QUALIFIED PARTICIPANT HAD RETIRED UNDER SECTION 86, WHICH SUPPLEMENTAL BENEFIT SHALL BE OFFSET BY THE VALUE OF THE DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE UPON BECOMING A FORMER QUALIFIED PARTICIPANT PURSUANT TO SECTION 165.

(4) IF A QUALIFIED PARTICIPANT WHO MEETS THE SERVICE REQUIREMENTS OF SECTION 89 DIES AS A RESULT OF INJURY OR ILLNESS THAT DOES NOT ARISE OUT OF AND IN THE COURSE OF THE QUALIFIED PARTICIPANT'S REPORTING UNIT SERVICE, A SUPPLEMENTAL BENEFIT SHALL BE GRANTED EQUIVALENT TO THE AMOUNT PROVIDED FOR IN SECTION 89 HAD THE FORMER QUALIFIED PARTICIPANT BEEN CONSIDERED RETIRED UNDER SECTION 89, WHICH SUPPLEMENTAL BENEFIT SHALL BE OFFSET BY THE VALUE OF THE DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE UPON BECOMING A FORMER QUALIFIED PARTICIPANT PURSUANT TO SECTION 165.

(5) A QUALIFIED PARTICIPANT, FORMER QUALIFIED PARTICIPANT, OR BENEFICIARY OF A DECEASED PARTICIPANT, WHICH PARTICIPANT IS ELIGIBLE FOR A DISABILITY RETIREMENT ALLOWANCE UNDER THIS SECTION, IS ELIGIBLE FOR HEALTH INSURANCE COVERAGE UNDER SECTION 91 IN ALL RESPECTS AND UNDER THE SAME TERMS AS A RETIRANT AND HIS OR HER BENEFICIARIES UNDER TIER 1. HOWEVER, A QUALIFIED PARTICIPANT, FORMER QUALIFIED PARTICIPANT, OR BENEFICIARY OF A DECEASED PARTICIPANT WHO IS ELIGIBLE FOR THE PAYMENT OF HEALTH INSURANCE COVERAGE PREMIUMS BY THE RETIREMENT SYSTEM AS A RESULT OF BENEFITS PROVIDED UNDER THIS SUBSECTION IS NOT VESTED IN ANY EMPLOYER CONTRIBUTIONS UNDER SECTION 91A THAT ARE PROVIDED UNDER SECTION 166 AND HE OR SHE FORFEITS THE EMPLOYER CONTRIBUTIONS AND EARNINGS ON THOSE CONTRIBUTIONS.

SEC. 166. A QUALIFIED PARTICIPANT IS ELIGIBLE FOR THE TIER 2 HEALTH REIMBURSEMENT ACCOUNT PROVISIONS OF SECTION 91A AND SHALL BE TREATED IN THE SAME MANNER AS PRESCRIBED IN SECTION 91A AS A MEMBER WHO IS FIRST EMPLOYED AND ENTERED UPON THE PAYROLL OF HIS OR HER EMPLOYER ON OR AFTER JANUARY 1, 2013.

SEC. 167. (1) THE RIGHT OF A QUALIFIED PARTICIPANT OR A FORMER QUALIFIED PARTICIPANT, OR HIS OR HER BENEFICIARIES, TO DISTRIBUTIONS FROM EMPLOYER CONTRIBUTIONS MADE PURSUANT TO SECTION 161(2) AND (3) AND EARNINGS ON THOSE EMPLOYER CONTRIBUTIONS, AND DISTRIBUTIONS FROM EMPLOYEE CONTRIBUTIONS MADE PURSUANT TO SECTION 161(3) AND (4) AND EARNINGS ON THOSE EMPLOYEE CONTRIBUTIONS, ARE SUBJECT TO FORFEITURE PURSUANT TO THE PUBLIC EMPLOYEE RETIREMENT BENEFITS FORFEITURE ACT, 1994 PA 350, MCL 38.2701 TO 38.2705.

(2) THE DIRECTOR HAS THE RIGHT OF SETOFF TO RECOVER OVERPAYMENTS MADE UNDER THIS ARTICLE AND TO SATISFY ANY CLAIMS ARISING FROM EMBEZZLEMENT OR FRAUD COMMITTED BY A QUALIFIED PARTICIPANT, FORMER QUALIFIED PARTICIPANT, REFUND BENEFICIARY, OR OTHER PERSON WHO HAS A CLAIM TO A DISTRIBUTION OR ANY OTHER BENEFIT FROM TIER 3.

(3) THE DIRECTOR SHALL CORRECT ERRORS IN THE RECORDS AND ACTIONS UNDER THIS ARTICLE, AND SHALL SEEK TO RECOVER OVERPAYMENTS AND SHALL MAKE UP UNDERPAYMENTS."

The Senate agreed to the substitute as amended recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

During the Committee of the Whole, Senator Johnson entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Meekhof moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

Senate Bill No. 1040

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

Senate Bill No. 1040, entitled

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending sections 3a, 4, 8, 9, 43a, 43e, 84, 91, and 108 (MCL 38.1303a, 38.1304, 38.1308, 38.1309, 38.1343a, 38.1343e, 38.1384, 38.1391, and 38.1408), section 3a as added by 1996 PA 268, sections 4 and 91 as amended and section 43e as added by 2010 PA 75,

section 8 as amended by 1997 PA 143, sections 9 and 84 as amended by 1989 PA 194, section 43a as amended by 2007 PA 111, and section 108 as amended by 2008 PA 354, and by adding sections 41c, 43g, 59, 84b, 91a, 92b, and 131a; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Colbeck offered the following amendments:

1. Amend page 2, line 27, after “(h)” by striking out the balance of the line through “**MERIT**” on line 1 of page 3 and inserting “Merit”.

2. Amend page 3, line 26, by striking out all of subparagraph (iii).

The amendments were adopted, a majority of the members serving voting therefor.

Senator Anderson offered the following amendments:

1. Amend page 29, line 10, after “**SECTION,**” by striking out “**BEGINNING**” and inserting “**FOR A MEMBER WHO RETIRES OR DIES ON OR AFTER**”.

2. Amend page 30, line 6, after “(4)” by striking out “**UNTIL JUNE 30, 2012,**” and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**”.

3. Amend page 30, line 12, by striking out “**BEGINNING**” and inserting “**FOR A MEMBER WHO RETIRES OR DIES ON OR AFTER**”.

4. Amend page 30, line 22, after “(5)” by striking out “**UNTIL JUNE 30, 2012,**” and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**”.

5. Amend page 31, line 1, after “(2).” by striking out “**UNTIL JUNE 30, 2012,**” and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**”.

6. Amend page 31, line 3, by striking out “**UNTIL JUNE 30, 2012,**” and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**”.

7. Amend page 31, line 7, after “(4).” by striking out “**BEGINNING**” and inserting “**FOR A MEMBER WHO RETIRES OR DIES ON OR AFTER**”.

The question being on the adoption of the amendments,

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 11:58 a.m.

12:18 p.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 344

Yeas—19

Anderson	Green	Hunter	Smith
Bieda	Gregory	Johnson	Warren
Casperson	Hansen	Jones	Whitmer
Caswell	Hood	Nofs	Young
Gleason	Hopgood	Rocca	

Nays—19

Booher	Hune	Meekhof	Richardville
Brandenburg	Jansen	Moolenaar	Robertson

Colbeck
Emmons
Hildenbrand

Kahn
Kowall
Marleau

Pappageorge
Pavlov
Proos

Schuitmaker
Walker

Excused—0

Not Voting—0

In The Chair: Schuitmaker

Senator Warren offered the following amendment:

1. Amend page 41, following line 20, by inserting:

“SEC. 92C. FOR FISCAL YEAR 2011-2012, THE BALANCE OF THE COUNTERCYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND IS APPROPRIATED AND TRANSFERRED TO THE RESERVE FOR HEALTH BENEFITS TO PREFUND HEALTH CARE COVERAGE FOR RETIRANTS, RETIREMENT ALLOWANCE BENEFICIARIES, AND HEALTH INSURANCE DEPENDENTS UNDER THIS ACT. IT IS THE INTENT OF THE LEGISLATURE THAT FISCAL YEAR 2012-2013 DEPOSITS INTO THE COUNTERCYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND SHALL ALSO BE USED FOR THE PURPOSES DESCRIBED IN THIS SECTION.”

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 345

Yeas—12

Anderson
Bieda
Gleason

Gregory
Hood
Hopgood

Hunter
Johnson
Smith

Warren
Whitmer
Young

Nays—26

Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons
Green

Hansen
Hildenbrand
Hune
Jansen
Jones
Kahn
Kowall

Marleau
Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov

Proos
Richardville
Robertson
Rocca
Schuitmaker
Walker

Excused—0

Not Voting—0

In The Chair: Schuitmaker

Senator Hopgood offered the following amendment:

1. Amend page 9, following line 21, by inserting:

“Sec. 6. (1) “Original member” means a member employed in Michigan public schools before July 1, 1945.

(2) “Out of system public education service” means service performed in public education meeting 1 or more of the following requirements:

(a) Performed in other states in the United States or its territorial possessions.

(b) Performed at the university of Michigan, Michigan state university, Wayne state university, Grand Valley state university, Oakland university, or Saginaw Valley university.

(c) Service purchased before January 31, 1991 and performed in a juvenile training school operated by a county in this state.

(d) Service purchased before January 31, 1991 and performed in a community mental health service program operated under former Act No. 54 of the Public Acts of 1963-1963 PA 54 for the severely mentally retarded in day care programs, day training programs, or day care training programs that were transferred to an intermediate school district by direction of the department of education.

(e) Service purchased before January 31, 1991 and performed as an elementary or secondary teacher at a United States armed forces military base in the United States or a foreign country.

(f) Service purchased before January 31, 1991 and performed as a teacher or administrator of American nationals in overseas public elementary or secondary schools operated by the United States department of defense.

(g) Performed by a person who first becomes employed by an institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963 on or after January 1, 1996.

(3) “Prior service” means service performed before July 1, 1945.

(4) Except as otherwise provided in this subsection, “public school academy” means a public school academy established under part 6a or 6b of the school code of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.501 to 380.507 and 380.511 to 380.518 of the Michigan Compiled Laws AS DEFINED IN THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380.1852. Public school academy does not include any of the following:

(a) A public school academy operated by a state public university that is not subject to the optional retirement act of 1967, Act No. 156 of the Public Acts of 1967, being sections 1967 PA 156, MCL 38.381 to 38.388. of the Michigan Compiled Laws.

(b) A public school academy corporation formed by a state public university that is not subject to Act No. 156 of the Public Acts of 1967-**THE OPTIONAL RETIREMENT ACT OF 1967, 1967 PA 156, MCL 38.381 TO 38.388.**

(5) Except as otherwise provided in this subsection, “public school employee” means an employee of a public local school district, intermediate school district, public school academy, tax supported community or junior college, eastern Michigan university, central Michigan university, northern Michigan university, western Michigan university, Ferris state university, Michigan technological university, Lake Superior state university, or district library as defined in section 69g if the conditions in section 69g(1) are met for that employee. Service at Michigan technological university shall be creditable only if the amount of the accumulated contributions in the state employees’ retirement system created by the state employees’ retirement act, Act No. 240 of the Public Acts of 1943, being sections 1943 PA 240, MCL 38.1 to 38.48 of the Michigan Compiled Laws **38.69**, for service is paid to the retirement system. Service at Ferris state university shall be creditable as prior service or membership service only if the employee was employed at Ferris state university on a full-time basis for 2 or more years after May 17, 1949. Until January 1, 1988, public school employee also includes a person holding a Michigan teacher certificate and serving as an employee of the Michigan high school athletic association, other than a person whose effective date of employment with the Michigan high school athletic association is on or after December 31, 1986. Public school employee includes a public school employee on an approved leave of absence. Public school employee does not include a person who first becomes employed by a university described in this subsection on or after January 1, 1996. **BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 43G, PUBLIC SCHOOL EMPLOYEE INCLUDES AN INDIVIDUAL WHO IS ASSIGNED TO REGULARLY AND CONTINUOUSLY WORK UNDER CONTRACT, AS DEFINED IN SECTION 1230 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1230, IN ANY SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.”**

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 346

Yeas—12

Anderson
Bieda
Gleason

Gregory
Hood
Hopgood

Hunter
Johnson
Smith

Warren
Whitmer
Young

Nays—26

Booher	Hansen	Marleau	Proos
Brandenburg	Hildenbrand	Meekhof	Richardville
Casperson	Hune	Moolenaar	Robertson
Caswell	Jansen	Nofs	Rocca
Colbeck	Jones	Pappageorge	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green	Kowall		

Excused—0**Not Voting—0**

In The Chair: Schuitmaker

Senator Gregory offered the following amendment:

1. Amend page 16, line 19, after “2012” by inserting “**AND WHOSE ANNUAL SCHOOL FISCAL YEAR EARNED COMPENSATION IS NOT OVER \$15,000.00, 3.6% OF COMPENSATION TO THE MEMBER INVESTMENT PLAN.**”

(C) FOR A MEMBER WHO DOES CONTRIBUTE TO THE MEMBER INVESTMENT PLAN AS OF JUNE 30, 2012 AND WHOSE ANNUAL SCHOOL FISCAL YEAR EARNED COMPENSATION IS OVER \$15,000.00”.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 347**Yeas—15**

Anderson	Gregory	Hunter	Warren
Bieda	Hansen	Johnson	Whitmer
Emmons	Hood	Jones	Young
Gleason	Hopgood	Smith	

Nays—23

Booher	Hildenbrand	Meekhof	Richardville
Brandenburg	Hune	Moolenaar	Robertson
Casperson	Jansen	Nofs	Rocca
Caswell	Kahn	Pappageorge	Schuitmaker
Colbeck	Kowall	Pavlov	Walker
Green	Marleau	Proos	

Excused—0**Not Voting—0**

In The Chair: Schuitmaker

Senator Whitmer offered the following amendments:

1. Amend page 10, following line 13, by striking out all of subsection (7) and renumbering the remaining subsection.
2. Amend page 11, following line 9, by striking out all of section 25 and inserting:

“Sec. 41. (1) The annual level percentage of payroll contribution rate to finance benefits being provided and to be provided by the retirement system shall be determined by actuarial valuation pursuant to subsection (2) upon the basis of the risk assumptions that the retirement board and the department adopt after consultation with the state treasurer and an actuary. An annual actuarial valuation shall be made of the retirement system in order to determine the actuarial condition of the retirement system and the required contribution to the retirement system. An annual actuarial gain-loss experience study of the retirement system shall be made in order to determine the financial effect of variations of actual retirement system experience from projected experience.

(2) Except as otherwise provided in this subsection, the contribution rate for benefits shall be computed using an individual projected benefit entry age normal cost method of valuation. Except as otherwise provided in this section, for the 1995-96 state fiscal year and for each subsequent fiscal year, the contribution rate for health benefits provided under section 91 shall be computed using a cash disbursement method. **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, BEGINNING WITH THE 2012-2013 STATE FISCAL YEAR AND FOR EACH SUBSEQUENT FISCAL YEAR, THE CONTRIBUTION RATE FOR HEALTH BENEFITS PROVIDED UNDER SECTION 91 SHALL BE COMPUTED USING A PREFUNDING METHOD AS PROVIDED UNDER SUBSECTION (16).** For each fiscal year after the fiscal year in which the actuarial accrued liability for health benefits under section 91 is at least 100% funded by the health advance funding subaccount created under section 34(2), the contribution rate for health benefits provided under section 91 shall be computed using an individual projected benefit entry age normal cost method of valuation. The contribution rate for service likely to be rendered in the current year, the normal cost contribution rate, shall be equal to the aggregate amount of individual projected benefit entry age normal costs divided by 1% of the aggregate amount of active members' valuation compensation. Except as otherwise provided under this subsection, the contribution rate for unfunded service rendered before the valuation date, the unfunded actuarial accrued liability contribution rate, shall be the aggregate amount of unfunded actuarial accrued liabilities divided by 1% of the actuarial present value over a period not to exceed 50 years of projected valuation compensation, where unfunded actuarial accrued liabilities are equal to the actuarial present value of benefits, reduced by the actuarial present value of future normal cost contributions and the actuarial value of assets on the valuation date.

(3) Before November 1 of each year, the executive secretary of the retirement board shall certify to the director of the department the aggregate compensation estimated to be paid public school employees for the current state fiscal year.

(4) On the basis of the estimate under subsection (3), the annual actuarial valuation, and any adjustment required under subsection (6), the director of the department shall compute the sum due and payable to the retirement system and shall certify this amount to the reporting units.

(5) The reporting units shall make payment of the amount certified under subsection (4) to the director of the department in 12 equal monthly installments.

(6) Not later than 90 days after termination of each state fiscal year, the executive secretary of the retirement board shall certify to the director of the department and each reporting unit the actual aggregate compensation paid to public school employees during the preceding state fiscal year. Upon receipt of that certification, the director of the department shall compute any adjustment required to the amount due to a difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate. The difference, if any, shall be paid as provided in subsection (9). This subsection does not apply in a fiscal year in which a deposit occurs pursuant to subsection (14).

(7) The director of the department may require evidence of correctness and may conduct an audit of the aggregate compensation that the director of the department considers necessary to establish its correctness.

(8) A reporting unit shall forward employee and employer social security contributions and reports as required by the federal old-age, survivors, disability, and hospital insurance provisions of title II of the social security act, ~~chapter 531, 49 Stat. 620, 42 USC 401 to 405, 406 to 418, 420 to 423, 424a to 426-1, and 427 to 433.~~ **42 USC 401 TO 434.**

(9) For an employer of an employee of a local public school district or an intermediate school district, for differences occurring in fiscal years beginning on or after October 1, 1993, a minimum of 20% of the difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate described in subsection (6), if any, shall be paid by that employer in the next succeeding state fiscal year and a minimum of 25% of the remaining difference shall be paid by that employer in each of the following 4 state fiscal years, or until 100% of the remaining difference is submitted, whichever first occurs. For an employer of other public school employees, for differences occurring in fiscal years beginning on or after October 1, 1991, a minimum of 20% of the difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate described in subsection (6), if any, shall be paid by that employer in the next succeeding state fiscal year and a minimum of 25% of the remaining difference shall be paid by that employer in each of the following 4 state fiscal years, or until 100% of the remaining difference is submitted, whichever first occurs. In addition, interest shall be included for each year

that a portion of the remaining difference is carried forward. The interest rate shall equal the actuarially assumed rate of investment return for the state fiscal year in which payment is made. This subsection does not apply in a fiscal year in which a deposit occurs pursuant to subsection (14).

(10) Beginning on the designated date, all assets held by the retirement system shall be reassigned their fair market value, as determined by the state treasurer, as of the designated date, and in calculating any unfunded actuarial accrued liabilities, any market gains or losses incurred before the designated date shall not be considered by the retirement system's actuaries.

(11) Except as otherwise provided in this subsection, beginning on the designated date, the actuary used by the retirement board shall assume a rate of return on investments of 8.00% per annum, as of the designated date, which rate may only be changed with the approval of the retirement board and the director of the department. Beginning on July 1, 2010, the actuary used by the retirement board shall assume a rate of return on investments of 7.00% per annum for investments associated with members who first became members on and after July 1, 2010, which rate may only be changed with the approval of the retirement board and the director of the department.

(12) Beginning on the designated date, the value of assets used shall be based on a method that spreads over a 5-year period the difference between actual and expected return occurring in each year after the designated date and such methodology may only be changed with the approval of the retirement board and the director of the department.

(13) Beginning on the designated date, the actuary used by the retirement board shall use a salary increase assumption that projects annual salary increases of 4%. In addition to the 4%, the retirement board shall use an additional percentage based upon an age-related scale to reflect merit, longevity, and promotional salary increase. The actuary shall use this assumption until a change in the assumption is approved in writing by the retirement board and the director of the department.

(14) For fiscal years that begin on or after October 1, 2001, if the actuarial valuation prepared pursuant to this section demonstrates that as of the beginning of a fiscal year, and after all credits and transfers required by this act for the previous fiscal year have been made, the sum of the actuarial value of assets and the actuarial present value of future normal cost contributions exceeds the actuarial present value of benefits, the amount based on the annual level percent of payroll contribution rate pursuant to subsections (1) and (2) may be deposited into the health advance funding subaccount created by section 34.

(15) Notwithstanding any other provision of this act, if the retirement board establishes an arrangement and fund as described in section 6 of the public employee retirement benefit protection act, **2002 PA 100, MCL 38.1686**, the benefits that are required to be paid from that fund shall be paid from a portion of the employer contributions described in this section or other eligible funds. The retirement board shall determine the amount of the employer contributions or other eligible funds that shall be allocated to that fund and deposit that amount in that fund before it deposits any remaining employer contributions or other eligible funds in the pension fund.

(16) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE CONTRIBUTION RATE FOR THE PREFUNDING METHOD UNDER SUBSECTION (2) SHALL BE EQUAL TO THE ANNUAL REQUIRED CONTRIBUTION AS USED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD. FOR PURPOSES OF THE PREFUNDING METHOD UNDER THIS SUBSECTION, AMOUNTS CONTRIBUTED UNDER SECTION 43E, REDUCED LIABILITY AS A RESULT OF CHANGES IN SECTION 91 MADE BY THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, ANY CHANGES IN AMORTIZATION UNDER SECTION 81B(5), AND OTHER PAYMENTS MADE OR USED TOWARD PREFUNDING MAY BE TAKEN INTO ACCOUNT BY THE RETIREMENT SYSTEM ACTUARY IN DETERMINING THE PREFUNDING CONTRIBUTION RATE.”

3. Amend page 22, following line 16, by striking out all of section 81d and inserting:

“Sec. 81b. (1) Notwithstanding section 81, a member may retire with a retirement allowance computed according to this section if all of the following apply:

(a) The member files a written application with the retirement board within the incentivized retirement application period stating a retirement allowance effective date that is on or after July 1, 2010 but not later than September 1, 2010. A member may withdraw a written application submitted by a member on or before June 11, 2010. A written application submitted by a member and not withdrawn on or before June 11, 2010 is irrevocable.

(b) On the last day of the month immediately preceding the retirement allowance effective date stated in the application, the member's combined age and length of credited service is equal to or greater than 80 years or the member is eligible to retire under section 81 with a retirement allowance that is not subject to reduction under section 84(2).

(c) The member was employed as a public school employee for the 6-month period ending May 1, 2010. A member who has worked in the 6-month period ending May 1, 2010 and is on layoff or on an approved leave of absence status from reporting unit employment is considered to have met the employment requirement of this subdivision.

(2) Upon his or her retirement as provided in this section, a member who retires with a retirement effective date on or before September 1, 2010 shall receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1.6% of the member's final average compensation if the final average compensation

is \$90,000.00 or less and the member is eligible to retire under section 81 with a retirement allowance that is not subject to reduction under section 84(2). If the member is eligible to retire under section 81 with a retirement allowance that is not subject to reduction under section 84(2) and has a final average compensation that is greater than \$90,000.00, the retirement allowance shall be equal to the member's number of years and fraction of a year of credited service multiplied by 1.6% of his or her final average compensation up to a final average compensation of \$90,000.00 and the remaining portion of the retirement allowance shall be equal to the member's number of years and fraction of a year of credited service multiplied by 1.5% of the portion of final average compensation over \$90,000.00. For members eligible under this section because the member's combined age and length of credited service is equal to or greater than 80 years, upon his or her retirement as provided in this section, a member who retires with a retirement effective date on or before September 1, 2010 shall receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1.55% of the member's final average compensation if the final average compensation is \$90,000.00 or less. For members eligible to retire under this section because the member's combined age and length of credited service is equal to or greater than 80 years whose final average compensation is greater than \$90,000.00, the retirement allowance shall be calculated so that the member receives a portion of his or her retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1.55% of his or her final average compensation up to a final average compensation of \$90,000.00 and the remaining portion of the retirement allowance shall be calculated as equal to the member's number of years and fraction of a year of credited service multiplied by 1.5% of the portion of final average compensation over \$90,000.00.

(3) Except as otherwise provided in this subsection, the superintendent for a reporting unit or the chief administrator for a reporting unit that does not have a superintendent may extend the effective date of retirement under subsection (1) of a member employed by that reporting unit to a date not later than September 1, 2011. Each reporting unit having a member who elects to retire under this section may extend the retirement effective date of 1 member under this section. Up to an additional 2,500 extensions shall be allotted to reporting units using a pro-rata methodology determined by the retirement system. The retirement system shall notify reporting units of any additional extension allotments by May 22, 2010. To make an extension under this subsection, the superintendent or chief administrator shall submit to the retirement system notification of members whose retirement dates the superintendent or chief administrator will extend along with the written concurrence of the member on or before June 15, 2010. The superintendent or chief administrator shall not request, and the retirement system shall not implement, the extension of a member that exceeds the number of extensions allotted to his or her reporting unit.

(4) For purposes of this section, "incentivized retirement application period" means the period beginning on the effective date of the amendatory act that added this section ~~MAY 19, 2010~~ and ending on June 11, 2010.

(5) Any additional costs to the retirement system as a result of the retirement allowance calculations under this section shall be amortized over a ~~5-year~~ **10-YEAR** period."

4. Amend page 45, following line 14, by striking out all of sections 120 and 124.

5. Amend page 46, following line 9, by striking out all of article 8.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 348

Yeas—18

Anderson	Green	Hunter	Smith
Bieda	Gregory	Johnson	Warren
Casperson	Hansen	Nofs	Whitmer
Caswell	Hood	Rocca	Young
Gleason	Hopgood		

Nays—20

Booher	Hune	Marleau	Proos
Brandenburg	Jansen	Meekhof	Richardville
Colbeck	Jones	Moolenaar	Robertson
Emmons	Kahn	Pappageorge	Schuitmaker
Hildenbrand	Kowall	Pavlov	Walker

Excused—0

Not Voting—0

In The Chair: Schuitmaker

The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 349

Yeas—20

Booher	Hildenbrand	Marleau	Proos
Brandenburg	Hune	Meekhof	Richardville
Caswell	Jansen	Moolenaar	Robertson
Colbeck	Kahn	Pappageorge	Schuitmaker
Emmons	Kowall	Pavlov	Walker

Nays—18

Anderson	Gregory	Johnson	Smith
Bieda	Hansen	Jones	Warren
Casperson	Hood	Nofs	Whitmer
Gleason	Hopgood	Rocca	Young
Green	Hunter		

Excused—0

Not Voting—0

In The Chair: Schuitmaker

Senator Jansen offered to amend the title to read as follows:

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending sections 3a, 4, 8, 9, 25, 26, 28, 41b, 43a, 43e, 84, 91, 108, 120, and 124 (MCL 38.1303a, 38.1304, 38.1308, 38.1309, 38.1325, 38.1326, 38.1328, 38.1341b, 38.1343a, 38.1343e, 38.1384, 38.1391, 38.1408, 38.1420, and 38.1424), section 3a as added by 1996 PA 268, sections 4, 25, 26, and 91 as amended and sections 41b, 43e, 120, and 124 as added by 2010 PA 75, section 8 as amended by 1997 PA 143, sections 9, 28, and 84 as amended by 1989 PA 194, section 43a as amended by 2007 PA 111, and section 108 as amended by 2008 PA 354, and by adding sections 41c, 43g, 59, 81d, 84b, 91a, 92b, and 131a, and article 8; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Protests

Senators Young, Whitmer, Hunter, Hopgood, Anderson, Gregory, Johnson, Bieda, Smith and Gleason, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1040.

Senators Young and Whitmer moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Young’s statement is as follows:

I would like to start with a quote: “People might not get what they work for in this world, but they will certainly work for all that they get.” This past weekend, we celebrated Mother’s Day, a day in which we show our appreciation to our mothers for bringing us into this world, raising us, and teaching us valuable life lessons. Just a few short days after we honored our mothers, I wish I could say that I am shocked by the actions of this body. I thought that it was a universal lesson taught by all mothers to their children that it is wrong to change the rules in the middle of the game just because you don’t like the outcome.

Unfortunately, the behavior of the majority party over the last year and a half shows me that not all mothers teach this lesson, or if they do, some children just simply ignore it. Because of the record of the majority party, I am not surprised that we are preparing to vote on a bill that will change the terms of an agreement that was made with teachers. Raiding the fixed incomes of retired individuals is nothing new for my colleagues on the other side of the aisle. They already gave Grandma a flying drop kick, and now they are trying to light Grandpa’s hair on fire with this bill. They have already placed one tax on seniors, and now they are trying to take away their pensions. This is absurd.

It does surprise me that the party of fiscal planning and personal responsibility would take the action that punishes those who took accountability and planned for their retirement. I guess the new lesson learned is that you only care about those values until they get in your way. Well, guess what? It is time for another rewrite.

When my mother taught me to play fair and respect the agreements I made with others, this is the type of behavior she was hoping I would avoid. Because I respect my mother and the values she instilled in me, I must vote “no” on this bill; this party must vote “no” on this bill; this body must vote “no” on this bill. I would ask that all my colleagues give their mothers a belated happy Mother’s Day gift by showing that they still remember those childhood lessons and vote “no” as well.

I would like to repeat a quote from Thomas Payne: “We have within us the power to start the world over again.” Let’s use that authority by junking this bill and starting a new one over again.

Senator Whitmer’s statement, in which Senators Hunter, Hopgood, Anderson, Gregory, Johnson, Bieda, Smith, and Gleason concurred, is as follows:

I rise, as do many of my Democratic colleagues here today, to ask you to simply pause and think about what you are doing here today. I offered amendment No. 6, and I was accused of partisanship, which was kind of funny because I would note that, first, my amendment was your Governor’s plan. Two, the amendment received votes from both sides of the aisle. That is the definition of bipartisanship.

Nobody in this chamber would deny there is a problem that needs to be solved in our teachers’ retirement fund, but the legislation before us here today is merely a political solution for you, not a responsible solution for our teachers. Let’s at least be honest. The reason their retirement fund is facing these problems isn’t because of anything our hardworking teachers have done. It exists because of actions that took place right here in this chamber years ago and in the last 16 months.

For more than 15 years, the Legislature has taken money out of their retirement fund to help plug holes in our state’s budget that were certainly not caused by our teachers or our education system as a whole. Yet here you are claiming you’re solving a problem that was created by our predecessors and exacerbated when you took \$1.5 billion out of the School Aid Fund the last 16 months. Now you want to shift the blame onto our educators; the people we entrust with instilling the values of hard work and honesty into our children; the same people who played by the rules, negotiated for their compensation which included retirement. What kind of a message does that send not only to our future teachers, but our own children if you create a problem and you simply blame it on someone else?

I ask you again to think long and hard about this. Our teachers have dedicated their lives to bettering our children and our state and worked every single day to earn the retirement that they were promised. They deserve better than this legislation that simply shrugs shoulders at the problem and says this is the best we can do. These are people who played by the rules, worked hard, and saved—the same type of values we say we want out of our citizenry. This is not the best we can do. We can send this legislation back to the drawing board and work together in a bipartisan way to find a long-term solution to this problem that doesn’t throw our teachers, our schools, or our students under the bus. I’ll be voting “no” on this legislation, and I encourage my colleagues to do the same.

Senators Anderson, Hopgood, Gregory, Whitmer, Jansen, Kahn and Caswell asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Anderson’s statement is as follows:

I rise today to call on all my colleagues to support my amendment that would protect current school employee retirees from having their retirement health care costs doubled. Many of these retirees are making-do with fixed and meager incomes,

budgeting carefully to make ends meet on a retirement that they worked hard for and earned, and cannot afford to have their costs increase.

Approximately 65 percent of MPSERS recipients receive pensions of \$22,000 or less. Why are we asking seniors who have already retired to bear a disproportionate burden in this bill? Health care benefits are arguably their most vital and valuable asset, as the medical needs of these individuals increase as they age. Your tax changes in 2011 already hiked seniors' taxes to pay for a \$1.8 billion cut to businesses, as well as eliminated the senior credit.

Now, with this bill, you want to raise the retirement costs and double their health care costs. This assault on seniors has got to stop. This amendment will take a step in the right direction of fairness by keeping current retirees' health care costs as-is at 10 percent instead of taking it from their retirement and asking for more money they cannot afford to give. I urge all of you to think about your parents, grandparents, and other retirees you know and what they have done for this state and the children of this state. Vote "yes" on this amendment.

Senator Hopgood's statement is as follows:

I rise to speak in support of the Hopgood amendment No. 4. With all the revisions that this bill makes to MPSERS, largely to the detriment of teachers and other public school employees, it is remarkable that it does nothing to adjust so-called stranded costs. Two main proposals have come to the front in this regard: Considering all of the Michigan public school employees as public school employees, thus participating in MPSERS, or deduct a portion of the foundation allowance from the schools that do not participate in MPSERS. Only one of these will help us address the long-term solvency issue for the system, which is facing the problem head-on. Where we stand today is due, in large measure, to actions taken at the state level.

The decision to end prefunding of retiree health care and to shift all of the MPSERS costs to the school districts are significant factors in the problem at hand. Another factor is that there are now roughly 1.23 employees for every retiree compared to almost 2.5 to 1 a decade ago. This is a result of state budget cuts, privatization efforts, and, yes, the increase in the number of school employees who don't pay into MPSERS. Bringing these employees into MPSERS is a common-sense measure to help place the system on a more stable path. I ask for your support of this amendment.

Senator Gregory's statement is as follows:

I rise today to call on my colleagues to support my amendment to the MPSERS bill that would allow current school employees who are earning less than \$15,000 to continue to stay at the same contribution rate without having the multiplier reduced. As this bill is written, current school workers will have to go from contributing 3.6 percent of their retirement to 8 percent in order to maintain the 1.5 percent retirement multiplier. This increase in retirement costs is particularly harsh for those in lower income brackets.

If I could, I would like to break it down for you. For those people who make \$15,000 a year in a 26-week period, after taxes they receive \$384 of pay every 26 weeks. Now we are asking them to take more out of that. A person making \$50,000 will receive after taxes \$1,292 of pay—\$1,292 as opposed to \$384. We are going to attack those people who are making \$384 and ask them to pay more, yet they receive so little that they are struggling to get by now taking care of their family and children. We are saying that you are forced to pay more. Eight percent is certainly more painful for workers making \$15,000 than a worker making \$50,000.

We should be helping our low-income workers make ends meet and help them prepare for their retirement in the future. Without this amendment, this bill will interfere with the ability to do both. These school employees work hard to help care for and educate our kids, and they do it for extremely modest salaries. They cannot afford to give any more. They have trusted in the state that we will work in their best interest. By passing this amendment, you can prove in one small way you still are. I ask that my colleagues support this amendment.

Senator Whitmer's statement is as follows:

I rise today in support of this amendment that is before you that would uphold the current hybrid retirement contribution system for school employees. I never thought that my fiscally-conservative colleagues on the other side of the aisle would actually push to increase state costs for school employee retirees, but that is exactly what moving all new hires to a 401(k) defined contribution system does. This proposal to move all new school employee hires to a defined contribution system is being done under the guise of saving the state money, but that assumption is entirely inaccurate. In fact, converting new hires in the Michigan Public School Employees Retirement System from defined benefits to defined contribution would cost Michigan billions of dollars over the next two decades.

One thing my colleagues across the aisle have been overlooking with MPSERS, unlike a typical defined benefit pension plan, is that MPSERS requires employees to contribute to the defined benefit retirement plan. When a defined benefit plan is ended, the defined benefit plan gets more expensive for remaining participants and, in turn, for the employers who provide it.

In fact, if the current DB/DC hybrid plan is ended or closed to eliminate the possibility of new, nonvesting participants, the cost of the plan would increase approximately 15 percent or about \$200 million per year. That is according to the Office

of Retirement Services. The increased costs would continue for 15 to 20 years resulting in \$2 billion to \$3 billion in additional costs to Michigan over the next two decades. In 2010, the House Fiscal Agency issued a memo on the cost of conversion to a 401(k) system and determined that the cost to implement a defined contribution system for new hires would run between \$234 million to \$279 million annually above the cost of running the defined benefit system for current employees.

I think we can all agree that Michigan cannot afford to make changes like this, especially when it is under the guise of saving money. As long as we are going to talk about fiscal responsibility, or lack thereof, I want to point out that my amendment before you also includes language that would prefund the MPSERS system—language you might recognize, as it mirrors the Governor’s proposal. While I may not be the obvious proponent of the Governor’s plan, it is clearly the better of the two alternatives that you have entertained.

This system was successfully prefunded before, but then-Governor Engler and the Legislature decided to change the system. It was that shortsighted tinkering that caused the so-called problems that you are now trying to remedy with the MPSERS system. It was not only a bad idea then, but it was a broken promise and a betrayal of trust. Retirement should not be uncertain or insecure; it is part of compensation. The government shouldn’t have to keep taking more money away from innocent retirees. You shouldn’t be doing it now, and you certainly should never do it again. I urge my colleagues across the aisle not to repeat the same mistakes of their Republican predecessors and show some forethought and leadership. You should start prefunding the MPSERS system. My amendment before you would save the state money while giving current and future retirees the assurances that they deserve. I urge all of you to support my amendment and not move to use valuable state money on a shaky proposal.

Senator Jansen’s statement is as follows:

Today, let’s get focused on what we get to do here. I think we are going to make history. This is changing a retirement system that has \$45 billion in unfunded liabilities. Folks, we can’t pay the bill. My colleagues are saying let’s tweak this and change that. It just costs more money. What I have are teachers, yes, who have been hardworking, honest, good people. You know what they are being promised? It is a retirement system that is \$45 billion unfunded. You can’t pay the bill. So now what are you going to do? Put it off some more? Go to Washington? Then, go run there because that is what they do—they put it off. It is our turn to fix this.

Today, we have an opportunity. We are going to cap health care and the cost of it so we have a future for those who have been promised things. We are going to cap the cost of the pension. It is almost \$18 billion unfunded on a good day. We are going to begin to cap that in this process. Folks, all we are trying to do is give what people have worked for and let that promise come true in the days and years ahead. If you do nothing today, you are taking this group of people over a cliff. They will not have a retirement system in 10 to 12 years, and that is on a good day.

Let me tell you the assumptions that everybody talks about. We are going to assume that we have an 8 percent return on the investment. Well, get in line because we would all like 8 percent on any of our retirement money. It isn’t there. If we took these assumptions for the next 15 years, we would have to have a 10.4 percent rate of return to meet the numbers that the assumptions are telling us. They say we are going to have a cap of 3.5 percent growth on the cost of health care. That is a few years out, but I’ll tell you that I don’t think the cost of health care is going down today. There are some places out there that have lowered it, but I have to believe that they might be subsidizing some of the things they are doing. At the end of the day, the cost of health care, what do we hear about it nationally? Oh, it is costing more. We have to have a whole brand-new system that the whole world is going to pay for. Let’s say we are going to have a 3.5 percent increase in the payroll. That hasn’t happened over the last 15 years either.

Folks, we are making assumptions, and we are making promises with assumptions that aren’t happening. Either today you say, yes, we are going to try to fix it. Is this the final answer? No, it’s not, but it is a chance for us to send over to the House of Representatives a challenge of fixing this system. I have said this publicly in the hearings we had that I have a moral obligation to fix this system. All of you do too. You can vote any way you want today; that is the beauty of this. You were sent here by the people back in your districts. Today, make a decision. Either send them off over the cliff, or make some changes and get us back on a road that keeps the promises that were given to these good people whom we, according to the opposition party, are trying to do all kinds of bad things to.

I have had honest conversations with those who are in this field, and many of them understand what we are doing here today. They realize change has to come. Let’s not forget the 3 percent came from the previous administration. We are doing 80/20 for those who are in the retirement system now. Guess what? Almost everyone in the state of Michigan, public employees, and here in the Legislature are paying that 80/20 on their health care. We are asking that money now to be a part of what funds a system that over the last decades when they amortized, they just got charged for the pension. Nobody ever paid a nickel for the health care. That is why we have \$27.6 billion in unfunded liabilities in the retiree health care system.

Folks, it is time to start paying the bill. Is it pleasant? No. Is it easy? No, but I don’t think any of us were sent here today to do easy. Today, we are making changes that I think are historic, and it is time for us to make a decision. I would ask each and every one of you to vote “yes” on Senate Bill No. 1040.

Senator Kahn's statement is as follows:

This bill, as my colleague points out, begins to address a \$45 billion unfunded liability in our state that robs all of our schools of the moneys that could be used for books, fixing the roofs, teachers, small class size, vocational education, tech education, and recess monitors. Our children and our grandchildren are facing even more reductions in those sorts of educational necessities and opportunities. The number really is bigger than \$45 billion as those are 2010 numbers. Most folks say that the 2011 number will be over \$50 billion. Guess what? It is 2012.

This bill begins a discussion and moves the process along that will tell our teachers and the folks who work in the school system that there is a chance that we will be able to, in fact, keep retiree health care. After all, the *Studier* decision before the state Supreme Court says that we could eliminate it like that. Nobody wants to do that, but the crushing weight of the unfunded liability could lead someday to a realistic discussion about that possibility. That is part of what we are beginning to do today, finding a way to reduce the liability and the threat to the system.

As we look at where this bill might go, the minority has run up some points that are worthy of the discussion. They will be part of the ongoing work on this bill. Within our own caucus, there are differences of opinion on where the bill might end up. They're not differences of opinion on providing hope to the teachers, students, parents, and our grandchildren. That's what we are doing today. We are providing hope to the generations that come. This bill needs to be passed unanimously.

Senator Caswell's statement is as follows:

I would like to make a couple of other points that have not been brought up yet. First of all, the bill that was originally introduced was going to have a July 1 effective date and it is now July 31. The process worked and people listened.

Secondly, the bill when it was originally introduced was going to affect currently-working employees, telling them that while they could retire at any time, they would not be able to access their health insurance until they were 60 years old. That has been removed. The process worked and people listened.

Thirdly, the bill as originally introduced indicated that people who are working right now will go on to the graded premium for their health care, where instead of being guaranteed health care when they retired, they would get 3 percent for each year worked. That was a changing of the rules for those folks. That was changed, dropped from the bill, people listened, and the process worked.

As the process moves forward, I am sure there will be other changes and other thoughts. But at the end of the day, I agree with the previous two speakers. To do nothing clearly means that in ten years, this system will no longer be viable for anyone. The changes we are going to make are not easy at all, but it preserves the system for the future. With a couple of other changes that I won't mention at this time, I think we can have some significant long-term reductions in our debt load with this system and preserve it for everyone in the system. I think that is appropriate.

By unanimous consent the Senate returned to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Moolenaar as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator Hansen, having assumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

Senate Bill No. 616, entitled

A bill to amend 2009 PA 229, entitled "Guaranteed asset protection waiver act," by amending section 3 (MCL 492.23).

Senate Bill No. 1030, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 682 (MCL 257.682), as amended by 1990 PA 188.

Senate Bill No. 1034, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 732a (MCL 257.732a), as amended by 2011 PA 255.

House Bill No. 5232, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 435 (MCL 206.435), as amended by 2010 PA 346.

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

House Bill No. 5362, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3135 (MCL 500.3135), as amended by 2002 PA 697.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 4, following line 19, by inserting:

"Enacting section 1. This amendatory act takes effect October 1, 2012."

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 1001, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending section 23 (MCL 552.623), as amended by 1998 PA 334.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 1077, entitled

A bill to amend 1972 PA 382, entitled "Traxler-McCauley-Law-Bowman bingo act," by amending sections 3 and 12 (MCL 432.103 and 432.112), section 3 as amended by 2009 PA 41 and section 12 as amended by 1999 PA 108.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

Senate Bill No. 1086, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 9208 (MCL 333.9208), as amended by 2000 PA 90.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 1, line 3, after "beginning" by striking out "in **2012-2013**," and inserting "**JANUARY 1, 2013**,".

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:

Senate Bill No. 1087, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 167 (MCL 388.1767), as amended by 2006 PA 342.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 2, line 4, after "in" by striking out "**2012-2013**" and inserting "**2013-2014**".

2. Amend page 2, line 10, after "in" by striking out "**2012-2013**" and inserting "**2013-2014**".

3. Amend page 3, line 1, after "in" by striking out "**2012-2013**" and inserting "**2013-2014**".

4. Amend page 3, line 8, after "~~2002-2003~~," by striking out "**2012-2013**" and inserting "**2013-2014**".

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:

Senate Bill No. 1088, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1177 (MCL 380.1177), as amended by 2000 PA 91.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 1, line 2, after the second "the" by striking out "**2012-2013**" and inserting "**2013-2014**".

2. Amend page 2, line 20, after "the" by striking out "**2012-2013**" and inserting "**2013-2014**".

3. Amend page 3, line 5, after the second “the” by striking out “**2012-2013**” and inserting “**2013-2014**”.

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Meekhof moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

Senate Bill No. 616

Senate Bill No. 1030

Senate Bill No. 1034

House Bill No. 5362

Senate Bill No. 1001

Senate Bill No. 1077

House Bill No. 5232

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that the following bills be placed at the head of the Third Reading of Bills calendar:

Senate Bill No. 901

Senate Bill No. 902

Senate Bill No. 903

Senate Bill No. 1085

Senate Bill No. 1119

Senate Bill No. 616

Senate Bill No. 1030

Senate Bill No. 1034

House Bill No. 5362

Senate Bill No. 1001

Senate Bill No. 1077

House Bill No. 5232

The motion prevailed.

The following bill was announced:

Senate Bill No. 901, entitled

A bill to amend 1978 PA 59, entitled “Condominium act,” by amending section 144 (MCL 559.244), as added by 1982 PA 538.

(This bill was read a third time on May 16 and consideration postponed. See Senate Journal No. 47, p. 837.)

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 350

Yeas—37

Anderson	Gregory	Jones	Proos
Bieda	Hansen	Kahn	Richardville
Booher	Hildenbrand	Kowall	Robertson
Brandenburg	Hood	Marleau	Rocca
Casperson	Hopgood	Meekhof	Schuitmaker
Caswell	Hune	Moolenaar	Smith
Colbeck	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Gleason	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 902, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 5070 (MCL 600.5070), as added by 2000 PA 419, and by adding section 5037 to chapter 50; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 351

Yeas—36

Anderson	Green	Jones	Proos
Bieda	Gregory	Kahn	Richardville
Booher	Hansen	Kowall	Robertson
Brandenburg	Hildenbrand	Marleau	Rocca
Casperson	Hopgood	Meekhof	Schuitmaker
Caswell	Hune	Moolenaar	Smith
Colbeck	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Gleason	Johnson	Pavlov	Whitmer

Nays—1

Young

Excused—0

Not Voting—1

Hood

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 903, entitled

A bill to provide for the enforceability of agreements to arbitrate disputes; to provide procedures for the arbitration of disputes; to provide remedies, including remedies for the enforcement of arbitration agreements, rulings, and awards; and to provide immunity from civil liability and testimonial privileges.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 352

Yeas—37

Anderson	Gregory	Jones	Proos
Bieda	Hansen	Kahn	Richardville
Booher	Hildenbrand	Kowall	Robertson
Brandenburg	Hood	Marleau	Rocca
Casperson	Hopgood	Meekhof	Schuitmaker
Caswell	Hune	Moolenaar	Smith
Colbeck	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Gleason	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1085, entitled

A bill to amend 2011 PA 98, entitled "Fair and open competition in governmental construction act," by amending the title and sections 5, 7, 9, and 13 (MCL 408.875, 408.877, 408.879, and 408.883) and by adding sections 2 and 8.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 353

Yeas—26

Booher	Hansen	Marleau	Proos
Brandenburg	Hildenbrand	Meekhof	Richardville
Casperson	Hune	Moolenaar	Robertson
Caswell	Jansen	Nofs	Rocca
Colbeck	Jones	Pappageorge	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green	Kowall		

Nays—12

Anderson	Gregory	Hunter	Warren
Bieda	Hood	Johnson	Whitmer
Gleason	Hopgood	Smith	Young

Excused—0**Not Voting—0**

In The Chair: Hansen

The Senate agreed to the title of the bill.

Protests

Senators Gleason, Young, Anderson, Bieda and Hopgood, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1085.

Senator Gleason moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Gleason’s statement, in which Senators Young, Anderson, Bieda and Hopgood concurred, is as follows:

I know that you’ve got to go fishing, and I wish you good luck on that trip. I think that the previous speaker has thrown another line in the water against Michigan workers. I don’t know when this is going to stop. We said a minute ago that we were doing something to help the teachers. It is pretty easy for me to ask someone if we are helping them or hurting them. I think if you were to ask the teachers themselves what we did a minute ago, they would say that is nothing they asked for, and it is certainly not anything they want.

This attack on project labor agreements—this was authorized 20 years ago by the U.S. Supreme Court over the cleanup of the Boston Harbor. That’s what gave these PLAs standing publicly. We have been utilizing these for decades. It was mentioned that we want the highest quality, and you can’t get any higher quality than when you go through a four-year apprenticeship through the Michigan State Building Trades and all of their affiliates. These people are well-trained, but there is something different about them. This isn’t like sending workers through the local community college or through the working hours working for a local contractor. These are documented, licensed, and registered organizations through the Department of Labor. These are earned and hard to get. These journeyman cards mean something. That is the highest you can go as far as trade qualifications.

I believe that when you are going to endeavor to build public works, you should use the most qualified workers. I want public works to last for generations, not until we can afford to do it the next time. That is what has gone on for too long. A lot of our budgetary concerns with infrastructure are because we have given the contracts to the wrong contractors who used the wrong workers. Michigan has one of the highest safety records, and the reason for it is because of people who do what I used to do. They have continuous training not only about their work, but about safety and reducing the cost of worker’s compensation and the cost to their families when they get hurt or get killed on the job.

There has been an awful lot of talk about building this bridge. Well, we built a lot of bridges, and we put the highest-skilled workforce to work on those projects. We ought to continue to do that. When I have somebody who is working on a hospital or working on a school and we have complications from weather or other concerns that could damage the integrity of that structure, I want to have full faith and confidence that those who hung the steel, those who laid the blocks, and those who ran the wire were well-trained.

This is a terrible decision here today. You can go cheap on labor, but in the end, it is going to cost you immeasurably. This is a bad move. This is horribly irresponsible to interfere with project labor agreements. There is nothing more fair than sitting down with an institution that is trying to build a public project and negotiate in good faith. There is another name for the project labor agreements; they are called labor harmonious agreements as well. Why would we as a state diminish the opportunity to use the highest-skilled workers? You throw out the project labor agreements and you are gambling that your projects won’t be shabbily built; that the lifespan that we are expecting and bidding on and paying for will be met.

I don't know how you feel about your district, but I have seen too many projects that have used low-skill workers that have to be redone again at a much higher rate to the taxpayers. This is a terribly bad move today to get rid of these project labor agreements. As the Senators from Michigan, how do we feel that we know more than the U.S. Supreme Court?

This antic about interfering with these fair negotiations, this is horrible legislation. I can't speak strongly enough against this. This is not common sense at all. This is really fruitless. I want the best people working on my projects, not somebody who gets the job because of a low bid. I want high standards and high qualifications, not low cost when I am talking about public safety and public projects. We should vote against this. We shouldn't even consider this for a moment. We certainly shouldn't enact this as a law. This is a bad bill.

Senators Moolenaar and Casperson asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Moolenaar's statement is as follows:

I rise before you today to encourage my Senate colleagues to support Senate Bill No. 1085. The intent of this legislation is for Michigan, acting as a market participant, to guarantee the economical, effective, neutral, and nondiscriminatory procurement of construction services. Passage of this common-sense bill will help again ensure that Michigan taxpayers are not denied the fiscal accountability they deserve, while also making sure that all workers and businesses—union and nonunion alike—are treated equally and are not discriminated against because of their decision to affiliate or not affiliate with a labor union.

The clarifications we make today to the Fair and Open Competition in Governmental Construction Act advances the propriety objective of this Legislature to again ensure that Michigan—just like a dozen other states that are currently benefiting from similar best practices—receives the best construction services at the best price. This also makes more evident that Michigan's Fair and Open Competition in Governmental Construction Act is not only constitutional—as we always have maintained—but that it also guarantees the equal opportunity and fiscal accountability that taxpayers expect from government.

I welcome my Senate colleagues' support on this important legislation.

Senator Casperson's statement is as follows:

I rise in support of this bill. I just want to make a couple of comments about the statements that have just been made and would like to clarify something. I, personally, in my lifetime have organized, stood on picket lines, and not too long ago, we built a home where I hired union contractors for my plumbing and electrical. The electrical in my home was done great. I don't have a problem with it. The work was quality work and a great job. For the most part, the plumbing work was a great job, but I did have some problems. There were mistakes, honest mistakes, but we had problems.

So to suggest—it wasn't said by the previous speaker, but I know what he was inferring—that only union contractors are qualified and that no one else is, I fundamentally disagree with that fact. I had a union plumbing operation, and there were mistakes. It wasn't a perfect job. I don't blame them; they were honest.

As far as the PLAs go, the thing that is being left out here that the previous speaker never mentioned is the fact that the way they were designed is that it does discriminate. It does say only certain people can get the job, and the only people who qualify, in many cases, as we found out were union contractors. But there was some pushback saying that isn't fair; that you can't do that. You can't have a government-funded project that says only union contractors can get the job. If they get it, great. I have no problem with that. But we had PLAs with government tax dollars that were saying only union contractors could get those jobs, so there was some adjustment along the way.

One of the ways they adjusted, in some cases, they were saying, yes, nonunion contractors could also bid on the job. If they got the job, there was a requirement within that PLA that required those nonunion contractors to fund the pension and health care benefits for the local union contracting organizations. That is fundamentally un-American.

So that is what this is trying to get at—making it a fair bid. As far as the quality goes, the project labor agreements are a great tool to lay out exactly what the locals require as far as the projects are concerned. No one is saying not to do that. But to fundamentally say that only one group—in this case, only union contractors—can have the jobs, we believe that is wrong. That is why I think this bill is needed. Let's have fairness, and the quality must be there. The locals have the right to expect and demand that quality. This bill does nothing to take that away.

The following bill was read a third time:

Senate Bill No. 1119, entitled

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending section 22 (MCL 125.1422), as amended by 2008 PA 449.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 354**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Pros	Young
Green	Jones		

Nays—0**Excused—0****Not Voting—0**

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 616, entitled

A bill to amend 2009 PA 229, entitled “Guaranteed asset protection waiver act,” by amending section 3 (MCL 492.23).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 355**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Pros	Young
Green	Jones		

Nays—0**Excused—0**

Not Voting—0

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1030, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 682 (MCL 257.682), as amended by 1990 PA 188.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 356

Yeas—37

Anderson	Gregory	Jones	Proos
Bieda	Hansen	Kahn	Richardville
Booher	Hildenbrand	Kowall	Robertson
Brandenburg	Hood	Marleau	Rocca
Casperson	Hopgood	Meekhof	Schuitmaker
Caswell	Hune	Moolenaar	Smith
Colbeck	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Gleason	Johnson	Pavlov	Young
Green			

Nays—0

Excused—0

Not Voting—1

Whitmer

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1034, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 732a (MCL 257.732a), as amended by 2011 PA 255.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 357**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0****Not Voting—0**

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5362, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3135 (MCL 500.3135), as amended by 2002 PA 697.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 358**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker
Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0**

Not Voting—0

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 1001, entitled

A bill to amend 1982 PA 295, entitled “Support and parenting time enforcement act,” by amending section 23 (MCL 552.623), as amended by 1998 PA 334.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 359**Yeas—35**

Anderson	Green	Jones	Proos
Bieda	Gregory	Kahn	Richardville
Booher	Hansen	Kowall	Robertson
Brandenburg	Hildenbrand	Marleau	Rocca
Casperson	Hood	Meekhof	Schuitmaker
Caswell	Hopgood	Moolenaar	Smith
Colbeck	Hune	Nofs	Walker
Emmons	Hunter	Pappageorge	Whitmer
Gleason	Jansen	Pavlov	

Nays—3

Johnson

Warren

Young

Excused—0

Not Voting—0

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1077, entitled

A bill to amend 1972 PA 382, entitled “Traxler-McCauley-Law-Bowman bingo act,” by amending sections 3, 4a, and 12 (MCL 432.103, 432.104a, and 432.112), section 3 as amended by 2009 PA 41 and section 4a as added and section 12 as amended by 1999 PA 108.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 360

Yeas—38

Anderson
Bieda
Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons
Gleason
Green

Gregory
Hansen
Hildenbrand
Hood
Hopgood
Hune
Hunter
Jansen
Johnson
Jones

Kahn
Kowall
Marleau
Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov
Proos

Richardville
Robertson
Rocca
Schuitmaker
Smith
Walker
Warren
Whitmer
Young

Nays—0

Excused—0

Not Voting—0

In The Chair: Hansen

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5232, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 435 (MCL 206.435), as amended by 2010 PA 346.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 361**Yeas—36**

Bieda	Hansen	Kahn	Richardville
Booher	Hildenbrand	Kowall	Robertson
Brandenburg	Hood	Marleau	Rocca
Casperson	Hopgood	Meekhof	Schuitmaker
Caswell	Hune	Moolenaar	Smith
Colbeck	Hunter	Nofs	Walker
Emmons	Jansen	Pappageorge	Warren
Gleason	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young

Nays—2

Anderson	Gregory
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Excused—0**Not Voting—0**

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

By unanimous consent the Senate returned to the order of

Messages from the House**Senate Bill No. 908, entitled**

A bill to amend 2009 PA 75, entitled “Mortgage loan originator licensing act,” by amending sections 3, 5, 9, 15, and 29 (MCL 493.133, 493.135, 493.139, 493.145, and 493.159), sections 3 and 29 as amended by 2010 PA 356.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 362**Yeas—38**

Anderson	Gregory	Kahn	Richardville
Bieda	Hansen	Kowall	Robertson
Booher	Hildenbrand	Marleau	Rocca
Brandenburg	Hood	Meekhof	Schuitmaker

Casperson	Hopgood	Moolenaar	Smith
Caswell	Hune	Nofs	Walker
Colbeck	Hunter	Pappageorge	Warren
Emmons	Jansen	Pavlov	Whitmer
Gleason	Johnson	Pros	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: Hansen

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate returned to the order of

Messages from the Governor

The following message from the Governor was received:

Date: May 15, 2012
Time: 10:50 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 393 (Public Act No. 136), being

An act to amend 2006 PA 88, entitled “An act to allow reimbursement to municipalities for certain costs for inmates housed in municipal jails or county jails; and to provide certain powers and duties of municipal officials and county officials,” by amending section 2 (MCL 801.312).

(Filed with the Secretary of State on May 16, 2012, at 1:26 p.m.)

Respectfully,
Rick Snyder
Governor

The following messages from the Governor were received and read:

May 15, 2012

I respectfully submit to the Senate the following appointments to office:

State Fairgrounds Sale Advisory Committee

Kimberly Tandy of 19405 Renfrew Road, Detroit, Michigan 48221, county of Wayne, representing Sherwood Forest Neighborhood, is appointed for a term expiring April 9, 2015.

Gregory B. O’Neal of 19005 Birchcrest Drive, Detroit, Michigan 48221, county of Wayne, representing University District Neighborhood, is appointed for a term expiring April 9, 2015.

Doris Ewing of 18210 Fairway Drive, Detroit, Michigan 48221, county of Wayne, representing Detroit Golf Club Neighborhood, is appointed for a term expiring April 9, 2015.

Craig T. Vanderburg of 1460 Wellesley Drive, Detroit, Michigan 48203, county of Wayne, representing Palmer Woods Neighborhood, is appointed for a term expiring April 9, 2014.

Frank Hammer of 20033 Renfrew Street, Detroit, Michigan 48221, county of Wayne, representing Green Acres Neighborhood, is appointed for a term expiring April 9, 2014.

May 15, 2012

I respectfully submit to the Senate the following appointment to office:

Manufactured Housing Commission

William H. Stamer of 2692 Beacon Hill Drive, Apt. 103, Auburn Hills, Michigan 48326, county of Oakland, representing manufacturers of mobile homes, succeeding David Hagey, is appointed for a term expiring May 9, 2013.

May 15, 2012

I respectfully submit to the Senate the following appointments to office:

Michigan Rehabilitation Council

Carol L. Bergquist of 1221 5th Avenue South, Escanaba, Michigan 49829, county of Delta, representing the director of a project providing vocational rehabilitation services grants to the governing bodies of an Indian tribe or to a consortium of tribal governing bodies, succeeding herself, is reappointed for a term expiring December 31, 2014.

Brian T. Sabourin of 504 Morningside Drive, Midland, Michigan 48640, county of Midland, representing the client assistance program established under section 121 of the Rehabilitation Act of 173, is appointed for a term expiring December 31, 2014.

May 16, 2012

I respectfully submit to the Senate the following appointment to office:

Commission on Community Action and Economic Opportunity

Laura A. Hughes of 1353 Bagley Street, Detroit, Michigan 48226, county of Wayne, representing the private sector, is appointed for a term expiring June 21, 2014.

Sincerely,
Rick Snyder
Governor

The appointments were referred to the Committee on Government Operations.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senator Hunter introduced

Senate Bill No. 1131, entitled

A bill to amend 2003 PA 258, entitled "Land bank fast track act," by amending section 23 (MCL 124.773).

The bill was read a first and second time by title and referred to the Committee on Economic Development.

Senators Pappageorge, Booher and Colbeck introduced

Senate Bill No. 1132, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 24 of chapter X (MCL 710.24), as amended by 2004 PA 487.

The bill was read a first and second time by title and referred to the Committee on Families, Seniors and Human Services.

Senator Warren introduced

Senate Bill No. 1133, entitled

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Washtenaw county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyance.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Statements

Senators Anderson and Jones asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Anderson's statement is as follows:

Members, a year ago this week, I introduced Senate Bill No. 389. Co-sponsored by every member in this chamber, this bill would establish a Pink Ribbon license plate that would provide funding for the Breast and Cervical Cancer Control Program. The bill moved swiftly out of committee and has set idle since it was discharged to the floor. In an effort to encourage legislative action, I have taped a video message urging Michigan citizens to share their stories of how breast and cervical cancer have affected their lives. I have placed those on your desks this morning. I would hope that you would take the time to read some of those stories because some of those are from folks in your own district.

These personal stories that I have placed on your desks represent the hopes, fears, triumphs, and tears of these Michigan residents who have been touched by cancer. May I remind my colleagues that this legislation would have no impact on the state budget. I've raised the startup cost in its entirety through private donations. Funds from the plate would help provide access to lifesaving cancer screening services, treatment, and follow-up care for uninsured and underinsured women across the state of Michigan.

Through this program, breast and cervical cancer will be identified at earlier stages when treatment is less expensive, but, most importantly, when chances of survival are much greater. Almost everyone in this chamber knows someone who is battling or has battled breast or cervical cancer. I decided to introduce this legislation and have passionately supported it in part because my mother is a breast cancer survivor.

Since having drafted and introduced this bill, I have heard from hundreds of others across this state thrilled to support the establishment of this plate and anxious to buy one. I sincerely urge my colleagues to urge their leadership on the other side of the aisle to take action. The Michigan Senate has the responsibility and the ability to save lives, fight breast cancer, and make a positive impact on the lives of Michigan citizens. I urge action as soon as possible.

Senator Jones' statement is as follows:

In George Orwell's classic book *The Animal Farm*, all animals are equal, but some animals are more equal than others. I thought of that today as I voted "no" on the MPSERS reform. We do have to have reform. My grandmother was a teacher and my uncle was a teacher—they passed away. My daughter is currently a special education teacher. We have to reform it, or in about nine and a half years, the MPSERS system will be gone.

I want to vote to reform it, but I want to vote, first, to treat us the same exact way. We have the ability. We have Senate Bill No. 26 on the floor that, if substituted, we could immediately vote to make sure that all retired legislators also pay 20 percent of their health insurance in retirement. Our state employees will start doing that on October 1. We have asked our teachers to do it. Let's set the example.

Committee Reports

The Committee on Reforms, Restructuring and Reinventing reported

Senate Bill No. 1094, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," (MCL 421.1 to 421.75) by adding sections 28b, 28c, 28d, 28e, 28f, 28g, 28h, 28i, 28j, 28k, 28l, and 28m.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Kowall, Young and Warren

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

Senate Bill No. 1106, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending section 46 (MCL 421.46), as amended by 2011 PA 269.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Kowall, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Reforms, Restructuring and Reinventing submitted the following:
Meeting held on Wednesday, May 16, 2012, at 8:30 a.m., Rooms 402 and 403, Capitol Building
Present: Senators Jansen (C), Colbeck, Casperson, Kowall, Robertson, Young and Warren

The Committee on Finance reported

Senate Bill No. 862, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 34c (MCL 211.34c), as amended by 2006 PA 646.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:

Yeas: Senators Brandenburg, Jansen, Pappageorge, Proos, Robertson, Bieda and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Finance reported

Senate Bill No. 990, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7cc and 7dd (MCL 211.7cc and 211.7dd), section 7cc as amended by 2010 PA 17 and section 7dd as amended by 2011 PA 320.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:

Yeas: Senators Brandenburg, Jansen, Pappageorge, Proos, Robertson, Bieda and Warren

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Wednesday, May 16, 2012, at 12:30 p.m., Room 210, Farnum Building

Present: Senators Brandenburg (C), Jansen, Pappageorge, Proos, Robertson, Bieda and Warren

The Committee on Appropriations reported

Senate Bill No. 770, entitled

A bill to amend 2005 PA 92, entitled "School bond qualification, approval, and loan act," by amending sections 3, 4, 5, 6, 7, 8, 9, 11, 13, 16, and 18 (MCL 388.1923, 388.1924, 388.1925, 388.1926, 388.1927, 388.1928, 388.1929, 388.1931, 388.1933, 388.1936, and 388.1938), section 9 as amended by 2009 PA 50.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Roger Kahn, M.D.
Chairperson

To Report Out:

Yeas: Senators Moolenaar, Jansen, Pappageorge, Booher, Colbeck, Green, Proos, Schuitmaker and Walker

Nays: Senators Anderson, Gregory, Hood, Hopgood and Johnson

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 771, entitled

A bill to amend 1961 PA 112, entitled "An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation," by amending sections 1, 2, and 4 (MCL 388.981, 388.982, and 388.984), section 1 as amended by 2000 PA 245 and sections 2 and 4 as amended by 2005 PA 94.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Roger Kahn, M.D.
Chairperson

To Report Out:

Yeas: Senators Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker and Walker

Nays: Senators Anderson, Gregory, Hood, Hopgood and Johnson

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 772, entitled

A bill to amend 1985 PA 227, entitled "Shared credit rating act," by amending sections 7 and 8 (MCL 141.1057 and 141.1058), as amended by 2005 PA 93.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Roger Kahn, M.D.
Chairperson

To Report Out:

Yeas: Senators Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker and Walker

Nays: Senators Anderson, Gregory, Hood, Hopgood and Johnson

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 870, entitled

A bill to amend 2005 PA 92, entitled "School bond qualification, approval, and loan act," by amending section 6 (MCL 388.1926).

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Roger Kahn, M.D.
Chairperson

To Report Out:

Yeas: Senators Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker and Walker

Nays: Senators Anderson, Gregory, Hood, Hopgood and Johnson

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1044, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 267 (MCL 18.1267), as amended by 1999 PA 8.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Roger Kahn, M.D.
Chairperson

To Report Out:

Yeas: Senators Kahn, Moolenaar, Jansen, Pappageorge, Booher, Colbeck, Green, Proos, Schuitmaker and Walker

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Appropriations reported
House Concurrent Resolution No. 49.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease between the State of Michigan and the State Building Authority relative to the Department of State Police Bay City State Police Post.

(For text of resolution, see Senate Journal No. 44, p. 772.)

With the recommendation that the concurrent resolution be adopted.

Roger Kahn, M.D.
 Chairperson

To Report Out:

Yeas: Senators Kahn, Moolenaar, Jansen, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker, Walker, Anderson, Gregory and Hood

Nays: None

The concurrent resolution was placed on the order of Resolutions.

The Committee on Appropriations reported

House Concurrent Resolution No. 53.

A concurrent resolution approving a lease between the State of Michigan and the State Building Authority relative to the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and III Group P State Surplus Facility Special Maintenance (the "Facility").

(For text of resolution, see Senate Journal No. 44, p. 771.)

With the recommendation that the concurrent resolution be adopted.

Roger Kahn, M.D.
 Chairperson

To Report Out:

Yeas: Senators Kahn, Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker, Walker, Anderson, Gregory and Hood

Nays: None

The concurrent resolution was placed on the order of Resolutions.

The Committee on Appropriations reported

House Concurrent Resolution No. 54.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and the Wayne County Community College District relative to the Wayne County Community College District Northwest Campus Replacement Construction Project.

(For text of resolution, see Senate Journal No. 44, p. 771.)

With the recommendation that the concurrent resolution be adopted.

Roger Kahn, M.D.
 Chairperson

To Report Out:

Yeas: Senators Kahn, Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker, Walker, Anderson, Gregory and Hood

Nays: None

The concurrent resolution was placed on the order of Resolutions.

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Wednesday, May 16, 2012, at 2:01 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Kahn (C), Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker, Walker, Anderson, Gregory, Hood, Hopgood and Johnson

COMMITTEE ATTENDANCE REPORT

The Committee on Economic Development submitted the following:

Meeting held on Wednesday, May 16, 2012, at 1:30 p.m., Room 110, Farnum Building

Present: Senators Kowall (C), Hildenbrand, Nofs, Emmons, Hansen, Hunter and Smith

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources, Environment and Great Lakes submitted the following:
Meeting held on Thursday, May 17, 2012, at 8:30 a.m., Room 210, Farnum Building
Present: Senators Casperson (C), Pavlov, Green, Kowall, Warren and Hood
Excused: Senator Meekhof

Scheduled Meetings

Reforms, Restructuring and Reinventing - Wednesday, May 23, 8:30 a.m., Rooms 402 and 403, Capitol Building (373-5307)

State Drug Treatment Court Advisory Committee - Tuesday, May 22, 9:30 a.m., Legislative Council Conference Room, 3rd Floor, Boji Tower (373-0212)

Senator Meekhof moved that the Senate adjourn.
The motion prevailed, the time being 2:13 p.m.

The Assistant President pro tempore, Senator Hansen, declared the Senate adjourned until Tuesday, May 22, 2012, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate