

No. 32
STATE OF MICHIGAN
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REGULAR SESSION OF 2008

Senate Chamber, Lansing, Wednesday, March 26, 2008.

10:00 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Alan Sanborn.

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

Allen—present
Anderson—present
Barcia—present
Basham—present
Birkholz—present
Bishop—present
Brater—present
Brown—present
Cassis—present
Cherry—present
Clark-Coleman—present
Clarke—present
Cropsey—present

Garcia—present
George—present
Gilbert—present
Gleason—present
Hardiman—present
Hunter—present
Jacobs—present
Jansen—present
Jelinek—present
Kahn—present
Kuipers—present
McManus—present
Olshove—present

Pappageorge—present
Patterson—present
Prusi—present
Richardville—present
Sanborn—present
Schauer—present
Scott—present
Stamas—present
Switalski—present
Thomas—present
Van Woerkom—present
Whitmer—present

Senator Gilda Z. Jacobs of the 14th District offered the following invocation:

This year, April 2, 2008, is the National Day of Hope—a day recognized by Congress and the White House to draw the nation’s attention to the issues affecting children and to honor those who have never experienced the love a family can offer. Betsy Reich and Ann Marie Lesniack from Childhelp are in the Gallery today to view the Michigan Senate start its session with the Day of Hope prayer:

“Dear God,
 Our prayer is for the children, little ones so small,
 Who suffer neglect, abuse, and pain behind a silent wall.
 Please protect and comfort them;
 Let Your presence calm their fear.
 Give them courage to tell someone,
 Help all of us to hear.
 Instill in each one of us to remember them in our prayers.
 Please give them hope and
 Let them know a nation truly cares.
 For the love of a child,
 Amen.”

The Assistant President pro tempore, Senator Sanborn, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.
 The motion prevailed, the time being 10:04 a.m.

1:35 p.m.

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

During the recess, Senators Birkholz, McManus, Jansen, Kahn, Van Woerkom and Hunter entered the Senate Chamber.

The Secretary announced the enrollment printing and presentation to the Governor on Tuesday, March 25, for her approval the following bills:

Enrolled Senate Bill No. 826 at 12:00 p.m.
Enrolled Senate Bill No. 827 at 12:02 p.m.
Enrolled Senate Bill No. 828 at 12:04 p.m.
Enrolled Senate Bill No. 829 at 12:06 p.m.
Enrolled Senate Bill No. 830 at 12:08 p.m.
Enrolled Senate Bill No. 831 at 12:10 p.m.
Enrolled Senate Bill No. 832 at 12:12 p.m.
Enrolled Senate Bill No. 833 at 12:14 p.m.
Enrolled Senate Bill No. 82 at 12:16 p.m.
Enrolled Senate Bill No. 815 at 12:18 p.m.
Enrolled Senate Bill No. 1135 at 12:20 p.m.
Enrolled Senate Bill No. 1176 at 12:22 p.m.
Enrolled Senate Bill No. 1177 at 12:24 p.m.
Enrolled Senate Bill No. 1178 at 12:26 p.m.

The Secretary announced that the following official bill was printed on Tuesday, March 25, and is available at the legislative website:

Senate Bill No. 1233

By unanimous consent the Senate proceeded to the order of
Third Reading of Bills

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

Senate Bill No. 1187

Senate Bill No. 1189

Senate Bill No. 1190

Senate Bill No. 1188

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1187, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending sections 3 and 5 (MCL 207.803 and 207.805), section 3 as amended by 2007 PA 62 and section 5 as amended by 2003 PA 248.

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. 201

Yeas—37

Allen	Clarke	Jansen	Richardville
Anderson	Cropsey	Jelinek	Sanborn
Barcia	Garcia	Kahn	Schauer
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Olshove	Switalski
Brater	Hardiman	Pappageorge	Thomas
Brown	Hunter	Patterson	Van Woerkom
Cherry	Jacobs	Prusi	Whitmer
Clark-Coleman			

Nays—1

Cassis

Excused—0

Not Voting—0

In The Chair: Sanborn

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1189, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending sections 6 and 8 (MCL 207.806 and 207.808), section 6 as amended by 2007 PA 150 and section 8 as amended by 2007 PA 62.

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. 202**Yeas—37**

Allen	Clarke	Jansen	Richardville
Anderson	Cropsey	Jelinek	Sanborn
Barcia	Garcia	Kahn	Schauer
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Olshove	Switalski
Brater	Hardiman	Pappageorge	Thomas
Brown	Hunter	Patterson	Van Woerkom
Cherry	Jacobs	Prusi	Whitmer
Clark-Coleman			

Nays—1

Cassis

Excused—0**Not Voting—0**

In The Chair: Sanborn

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1190, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” by amending section 431 (MCL 208.1431).

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. 203**Yeas—38**

Allen	Clark-Coleman	Jansen	Richardville
Anderson	Clarke	Jelinek	Sanborn
Barcia	Cropsey	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hardiman	Patterson	Van Woerkom
Cassis	Hunter	Prusi	Whitmer
Cherry	Jacobs		

Nays—0**Excused—0**

Not Voting—0

In The Chair: Sanborn

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1188, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” (MCL 208.1101 to 208.1601) by adding section 431b.

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. 204**Yeas—38**

Allen	Clark-Coleman	Jansen	Richardville
Anderson	Clarke	Jelinek	Sanborn
Barcia	Cropsey	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hardiman	Patterson	Van Woerkom
Cassis	Hunter	Prusi	Whitmer
Cherry	Jacobs		

Nays—0**Excused—0****Not Voting—0**

In The Chair: Sanborn

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

General Orders

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

The motion prevailed, and the Assistant President pro tempore, Senator Sanborn, designated Senator Kuipers as Chairperson.

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

Senate Bill No. 1000, entitled

A bill to amend 1984 PA 431, entitled “The management and budget act,” (MCL 18.1101 to 18.1594) by adding section 257.

Substitute (S-1).

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

1. Amend page 2, line 5, after “MEANS” by striking out the balance of the subsection and inserting “**A RESOURCE THAT NATURALLY REPLENISHES OVER A HUMAN, NOT A GEOLOGICAL, TIME FRAME ULTIMATELY DERIVED FROM SOLAR POWER, SOLAR HOT WATER, OR WIND POWER. A RENEWABLE ENERGY SOURCE COMES FROM THE SUN OR FROM THERMAL INERTIA OF THE GROUND AND MINIMIZES THE OUTPUT OF TOXIC MATERIAL IN THE CONVERSION OF THE ENERGY.**”.

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.

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

Senate Bill No. 1040, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” (MCL 206.1 to 206.532) by adding section 253.

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

1. Amend page 2, following line 24, by inserting:

“(C) “**RENEWABLE ENERGY RESOURCE**” MEANS A RESOURCE THAT NATURALLY REPLENISHES OVER A HUMAN, NOT A GEOLOGICAL, TIME FRAME ULTIMATELY DERIVED FROM SOLAR POWER, SOLAR HOT WATER, OR WIND POWER. A RENEWABLE ENERGY RESOURCE COMES FROM THE SUN OR FROM THERMAL INERTIA OF THE GROUND AND MINIMIZES THE OUTPUT OF TOXIC MATERIAL IN THE CONVERSION OF THE ENERGY.”.

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 amendment, the following bill:

Senate Bill No. 1041, entitled

A bill to amend 1939 PA 3, entitled “An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,” (MCL 460.1 to 460.10cc) by adding section 10dd.

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

1. Amend page 2, line 15, after “MEANS” by striking out the balance of the subdivision and inserting “**A RESOURCE THAT NATURALLY REPLENISHES OVER A HUMAN, NOT A GEOLOGICAL, TIME FRAME ULTIMATELY DERIVED FROM SOLAR POWER, SOLAR HOT WATER, OR WIND POWER. A RENEWABLE ENERGY SOURCE COMES FROM THE SUN OR FROM THERMAL INERTIA OF THE GROUND AND MINIMIZES THE OUTPUT OF TOXIC MATERIAL IN THE CONVERSION OF THE ENERGY.**”.

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. 1117, entitled

A bill to amend 1984 PA 431, entitled “The management and budget act,” (MCL 18.1101 to 18.1594) by adding section 365.

Substitute (S-1).

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

1. Amend page 1, line 3, after “**LEADER,**” by inserting “**THE SENATE MINORITY LEADER,**”.

2. Amend page 1, line 4, after “**COMMITTEE,**” by inserting “**THE MINORITY VICE-CHAIRPERSON OF THE SENATE APPROPRIATIONS COMMITTEE,**”.

3. Amend page 1, line 5, after “**REPRESENTATIVES,**” by striking out “**AND**” and inserting “**THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES,**”.

4. Amend page 1, line 6, after “COMMITTEE” by inserting a comma and “AND THE MINORITY VICE-CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE”.

5. Amend page 2, line 4, after “LEADER,” by inserting “THE SENATE MINORITY LEADER,”.

6. Amend page 2, line 5, after “COMMITTEE,” by inserting “THE MINORITY VICE-CHAIRPERSON OF THE SENATE APPROPRIATIONS COMMITTEE,”.

7. Amend page 2, line 6, after “REPRESENTATIVES,” by striking out “AND” and inserting “THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES,”.

8. Amend page 2, line 7, after “COMMITTEE” by inserting a comma and “AND THE MINORITY VICE-CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE”.

9. Amend page 2, following line 16, by inserting:

“(4) THE SENATE MAJORITY LEADER, THE SENATE MINORITY LEADER, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL MEET NOT LESS THAN 1 TIME EACH CALENDAR QUARTER TO DISCUSS BUDGET AND OTHER LEGISLATIVE ISSUES.” and renumbering the remaining subsection.

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.

Resolutions

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 166

The resolution consent calendar was adopted.

Senator Hardiman offered the following resolution:

Senate Resolution No. 166.

A resolution commemorating the 40th Anniversary of the Michigan Association of Homes and Services for the Aging (MAHSA).

Whereas, It is the pleasure of the Michigan Senate to commemorate and honor the 40th Anniversary to the Michigan Association of Homes and Services for the Aging—Michigan’s only trade organization representing the entire not-for-profit long-term care continuum; and

Whereas, Founded in 1968 as the Michigan Non-Profit Homes Association, MAHSA members are sponsored by religious, ethnic, fraternal, government, and other not-for-profit organizations that annually donate millions in charitable care to Michigan seniors. MAHSA is anchored by eight member organizations that were founded more than 100 years ago: Clark Retirement Community, Evangelical Homes of Michigan, Holland Home, Jewish Home and Aging Services, Lutheran Homes of Michigan, Michigan Masonic Pathways, United Methodist Retirement Communities, and Volunteers of America Michigan; and

Whereas, MAHSA provides more than 8 million days of care annually to seniors across Michigan in a variety of settings—independent living, affordable housing, assisted living, nursing home, home care, home and community-based services, and hospice; and

Whereas, MAHSA’s values guide the work of its members and provide an example to aging-service organizations everywhere; and

Whereas, As MAHSA gathers in Kalamazoo, April 28-30, 2008, to celebrate its many accomplishments and plan for a brighter future, may the membership be assured that their hard work and dedication to Michigan’s elders have not gone unnoticed or unappreciated; now, therefore, be it

Resolved by the Senate, That we proudly commemorate the 40th Anniversary of the Michigan Association of Homes and Services for the Aging; and be it further

Resolved, That a copy of this resolution be transmitted to MAHSA President and CEO David E. Herbel as a symbol of our esteem.

Senators Birkholz, Cherry, Clarke, Gleason, Jacobs, Kuipers, Pappageorge, Richardville, Schauer, Scott and Switalski were named co-sponsors of the resolution.

By unanimous consent the Senate returned to the order of

General Orders

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

The motion prevailed, and the Assistant President pro tempore, Senator Sanborn, designated Senator Kuipers as Chairperson.

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

Senate Bill No. 1106, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the various state agencies.

Substitute (S-1).

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

1. Amend page 11, line 13, by striking out "2,526,000" and inserting "2,526,100".
2. Amend page 12, line 2, by striking out "1,248,400" and inserting "1,248,500" and adjusting the subtotals, totals, and section 201 accordingly.

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.

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

Senate Bill No. 1095, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to adult corrections for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by state agencies.

Substitute (S-1).

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

1. Amend page 50, following line 6, by inserting:
"Sec. 607. The department shall ensure that all parole or probation agent supervisors and parole or probation agent managers are assigned a caseload."
2. Amend page 61, following line 13, by inserting:
"(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly."
3. Amend page 67, line 17, after "illness." by striking out the balance of the line through "program" on line 18.
4. Amend page 67, line 19, after "illness" by striking out the balance of the line through "and" on line 20.
5. Amend page 67, line 20, after "segregation" by inserting "due to behavior that is symptomatic of serious mental illness".
6. Amend page 68, line 10, after "segregation" by inserting "between October 1, 2003 and September 30, 2008".
7. Amend page 68, line 11, after "segregation" by inserting "between October 1, 2003 and September 30, 2008".
8. Amend page 68, line 13, after "illness" by inserting "or have a developmental disorder".
9. Amend page 68, line 14, after "illness" by inserting "or a developmental disorder".

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.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Cropsey moved that rule 3.901 be suspended to allow photographs to be taken from the Senate floor, including the Gallery.

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

Senator Cropsey 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 at the head of the Third Reading of Bills calendar:

Senate Bill No. 1106

Senate Bill No. 1095

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

The following bill was read a third time:

Senate Bill No. 1106, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain

powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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. 205**Yeas—38**

Allen	Clark-Coleman	Jansen	Richardville
Anderson	Clarke	Jelinek	Sanborn
Barcia	Cropsey	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hardiman	Patterson	Van Woerkom
Cassis	Hunter	Prusi	Whitmer
Cherry	Jacobs		

Nays—0**Excused—0****Not Voting—0**

In The Chair: Sanborn

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1095, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

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. 206**Yeas—38**

Allen	Clark-Coleman	Jansen	Richardville
Anderson	Clarke	Jelinek	Sanborn
Barcia	Cropsey	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hardiman	Patterson	Van Woerkom

Cassis
Cherry

Hunter
Jacobs

Prusi

Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: Sanborn

The Senate agreed to the title of the bill.

Senator Cropsey asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Cropsey's statement is as follows:

I will be voting for Senate Bill No. 1095, but I do want the body to realize that there are certain concerns that I do have. We as a Legislature don't have the luxury of making up budgets based on nonexistent policies or nonexistent revenues. We have to report a balanced budget. Despite my private advice to the administration for last year's budget, we were given a budget with a \$93 million hole based on nonexistent policies that even the Governor's own party refused to introduce. This year, despite my repeated private and public advice to base the budget on existing policies, we were again given a budget with a significant hole of \$23 million in it.

Also despite agreed-to boilerplate that telephone fees for prisoners' families would be reduced, the proposed budget broke that budget law, leaving another \$10.8 million hole, so now we have to find almost \$34 million to make up. Despite clear boilerplate on reports that the department itself insisted be in the budget, we still haven't received nine reports.

Despite clear boilerplate on evidence-based programming that changes offender attitudes toward communities, victims, and crime, I have yet to see any implementation of such programming within the Michigan Department of Corrections.

Despite five years of being told that the Michigan Prison Reentry Initiative would start the day prisoners entered the system, this apparently is not happening. Worse, I hear from inside the wire that "due to budget constraints," MPRI programming for prisoners granted parole is being reduced. And so the budget in front of us requires in boilerplate that the department start performing all three phases of MPRI. I hope this boilerplate provision will not be violated.

The department talks about running out of bed space. I have a Senate Fiscal Agency chart on my desk here showing 13 years of history of their population projections versus actual population. The latest projection issued just last month is not only off by 216 prisoners after one month, four-tenths of one percent, or a rate of being off by about 5 percent per year. Some things never change. We have been told that the sky is falling for at least 13 years. It never has. Instead, the administration keeps insisting that felons be kept locally.

I also have here a department-generated chart showing that during the past 35 years, the number of convicted felons going to prison has dropped from an average of about 38 per 100, which, incidentally, is about the current national average of 40 per 100, down to 23 per 100, or about half the current national average. That's a one-third drop in eligible convicted felons going to prison, and yet, the administration insists that even more felons not be sent to prison, without providing the appropriate programming and social safety net.

The bottom line is the administration needs to start focusing on rehabilitation and better programming utilizing outside groups who will work with the offender once released. I don't have words to express how dismayed I was to receive from the administration a proposal to change boot camps—to finally, after five years, actually attempt to implement MPRI while the prisoner is still in boot camp. We have been led to believe that MPRI is being implemented, and now the department says it's serious about starting it in boot camp. I can only hope so.

Most dismaying of all, I have been very public in insisting that the administration not fill the budget hole by going after custody staff or field agents. And what do I get? I received a proposal to fill the telephone fee hole by reducing training to replace custody staff, a reduction in field operations, and a reduction in education programming. I refuse to go along with that.

For five years, the administration has felt comfortable ignoring key demands of this Legislature. They have refused to fully implement MPRI. They have not focused as much on rehabilitation as they should have. I have not been given a

balanced budget. They have not submitted required reports, and now they are announcing the closing of the Scott facility. While the administration has the prerogative of closing any prison they choose, in real life they are closing a men's facility and putting bed space into a guaranteed crisis mode next year.

The budget in front of us gives increases to local providers to assist in diversions and rehabilitation. Community corrections haven't had an increase in over a decade. That must change. There is an interdepartmental grant to the Legislature to reinstate the corrections ombudsman. The administration persists in attempting to break the promises that I was part of in the 1990s when we passed sentencing guidelines. Let me be clear, the County Jail Reimbursement Program was the price the state of Michigan agreed to pay the counties in exchange for the current sentencing guidelines that divert significant numbers of felons from prison. I intend to keep that promise, and the budget in front of us fully funds the CJRP. The administration took the training grant to help divert persons with mental illnesses, moved it to the judiciary budget, and changed its purpose. That training grant is being reinstated in this budget with its original purpose to fulfill what we started in this year's budget.

And to fund all of this, I am doing what I publicly stated that I would do, and that is go after the Lansing bureaucracy. The purely Lansing operations of over \$43 million is being cut by \$9.7 million to pay for provider increases, mental health training, and the broken law that would reduce telephone fees to prisoners' families. Given the persistent MDOC flouting of budget law, I am committed to cutting the Lansing budget in conference committee.

If Michigan is to reduce the victimization of law-abiding citizens, the focus must change in actuality and not just in press releases or Governor's speeches. Prisoners should be mandated to go into programming. Education in the prisons should no longer be gutted. Local stakeholders must be a part of the process. We will focus on reducing victimization by increasing rehabilitation efforts. And just so the administration hears me yet once again, if I am given another unbalanced budget next year, the local stakeholders, the rehabilitation programming, and the security personnel will not be the scapegoat. The Lansing bureaucracy will make up the shortfall.

By unanimous consent the Senate returned to the order of

General Orders

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

The motion prevailed, and the Assistant President pro tempore, Senator Sanborn, designated Senator Richardville as Chairperson.

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

Senate Bill No. 1107, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), as amended by 2007 PA 137.

Substitute (S-1).

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

1. Amend page 3, line 12, after "31a," by inserting "**51A(15),**".
2. Amend page 3, line 14, after "29," by inserting "**51A(15),**".
3. Amend page 67, line 7, by striking out "**\$3,682,000,000.00**" and inserting "**\$3,683,275,000.00**".
4. Amend page 67, line 8, by striking out "**\$3,848,480,100.00**" and inserting "**\$3,849,755,100.00**".
5. Amend page 71, line 12, by striking out all of section 22d and inserting:

"Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed ~~\$750,000.00~~ **\$2,025,000.00** is allocated **EACH FISCAL YEAR** for 2007-2008 **AND FOR 2008-2009** for additional payments to small, geographically isolated districts under this section.

(2) ~~To be eligible for a payment under this section, a district shall meet~~ **FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2007-2008 AND FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET** all of the following:

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
 - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
 - (ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under ~~this section~~ **SUBSECTION (2)** shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate

district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under ~~this section~~ **SUBSECTION (2)** to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under ~~this section~~ **SUBSECTION (2)** and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) SUBJECT TO SUBSECTION (6), FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2007-2008 AND FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$1,275,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET ALL OF THE FOLLOWING:

(A) THE DISTRICT HAS 5.0 OR FEWER PUPILS PER SQUARE MILE AS DETERMINED BY THE DEPARTMENT.

(B) THE DISTRICT HAS A TOTAL SQUARE MILEAGE GREATER THAN 200.0 OR IS 1 OF 2 DISTRICTS THAT HAVE CONSOLIDATED TRANSPORTATION SERVICES AND HAVE A COMBINED TOTAL SQUARE MILEAGE GREATER THAN 200.0.

(5) THE FUNDS ALLOCATED UNDER SUBSECTION (4) SHALL BE ALLOCATED ON AN EQUAL PER PUPIL BASIS.

(6) A DISTRICT RECEIVING FUNDS ALLOCATED UNDER SUBSECTION (2) IS NOT ELIGIBLE FOR FUNDING ALLOCATED UNDER SUBSECTION (4)."

6. Amend page 80, line 18, after "exceed" by striking out "\$15,000,000.00" and inserting "\$20,000,000.00".

7. Amend page 128, following line 9, by inserting:

"SEC. 42. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100.00 FOR INTERVENTION GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR ENGLISH LANGUAGE ARTS EARLY INTERVENTION PROGRAMS FOR PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE LEVEL. THE PROGRAMS SHALL INCLUDE UNIVERSAL SCREENING OF READING SKILLS FOR ALL PUPILS IN EACH OF THESE GRADES AT LEAST 3 TIMES A SCHOOL YEAR AND SHALL PROVIDE INCREASING LEVELS OF INTERVENTION BASED ON A PUPIL'S ASSESSED GRADE LEVEL READING DEFICIENCIES."

8. Amend page 138, line 24, after "RESIDES" by striking out "IN A DISTRICT LOCATED".

9. Amend page 138, line 25, after "DISTRICT" by striking out the balance of the line.

10. Amend page 139, line 2, after "DISTRICT" by inserting "OR INTERMEDIATE DISTRICT".

11. Amend page 173, following line 23, by inserting:

"SEC. 990. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100.00 FOR GRANTS TO DISTRICTS FOR THE COMMUNITIES IN SCHOOLS PROGRAM." and adjusting the totals in section 11 and enacting section 1 accordingly.

12. Amend page 180, line 22, after "ACT," by inserting "AND WHO HAS APPLIED TO THE PROVIDER OF THE COLLEGE ENTRANCE EXAMINATION COMPONENT FOR A SCHOLARSHIP TO COVER THE COST OF THE RETAKE AND THAT APPLICATION HAS BEEN DENIED,".

13. Amend page 180, line 23, after "time" by striking out "a" and inserting "THE".

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.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Cropsey 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. 1107

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

The following bill was read a third time:

Senate Bill No. 1107, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18b, 19, 20, 20d, 20j, 22a, 22b, 22d, 24, 24a, 24c, 25c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 38, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99e, 104, 104b, 105, 105c, 107, 147, 151, and 164c (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k,

388.1611m, 388.1615, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1624a, 388.1624c, 388.1625c, 388.1626a, 388.1626b, 388.1629, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d, 388.1632j, 388.1632l, 388.1637, 388.1638, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699e, 388.1704, 388.1704b, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1751, and 388.1764c), sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 19, 20, 20j, 22a, 22b, 22d, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99e, 104, 107, and 151 as amended by 2007 PA 137, sections 4 and 164c as amended by 2005 PA 155, section 18b as added by 2000 PA 297, section 20d as amended by 1997 PA 93, section 25c as added by 2001 PA 121, section 38 as amended by 2003 PA 158, section 104b as added by 2004 PA 593, sections 105 and 105c as amended by 2006 PA 342, and section 147 as amended by 2007 PA 92, and by adding sections 11n, 22e, 32e, 57a, 99m, and 99n; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Clark-Coleman offered the following amendments:

1. Amend page 23, line 4, after the second “OF” by striking out “\$43,000,000.00” and inserting “\$62,300,000.00”.
2. Amend page 99, line 9, after “exceed” by striking out “\$85,600,000.00” and inserting “\$102,900,000.00”.
3. Amend page 105, line 16, after “exceed” by striking out “\$12,650,000.00” and inserting “\$14,650,000.00” and adjusting the totals in enacting section 1 accordingly.

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

Senator Schauer 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. 207

Yeas—18

Anderson	Clark-Coleman	Olshove	Scott
Barcia	Clarke	Prusi	Switalski
Basham	Gleason	Richardville	Thomas
Brater	Hunter	Schauer	Whitmer
Cherry	Jacobs		

Nays—20

Allen	Cropsey	Jansen	Pappageorge
Birkholz	Garcia	Jelinek	Patterson
Bishop	George	Kahn	Sanborn
Brown	Gilbert	Kuipers	Stamas
Cassis	Hardiman	McManus	Van Woerkom

Excused—0

Not Voting—0

In The Chair: Sanborn

Senator Schauer offered the following amendments:

1. Amend page 95, line 5, after “exceed” by striking out “\$1,750,000.00” and inserting “\$6,750,000.00”.
2. Amend page 102, following line 12, by inserting:

“SEC. 32H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2008-2009 FOR GREAT START INNOVATION GRANTS TO INTERMEDIATE DISTRICTS FOR THE PURPOSE OF IDENTIFYING EVIDENCED-BASED PRACTICES

THAT PROVIDE CHILDREN FROM BIRTH TO AGE 5 WITH QUALITY EARLY LEARNING EXPERIENCES THAT PROMOTE SCHOOL READINESS.

(2) THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL AWARD GRANTS TO ELIGIBLE INTERMEDIATE DISTRICTS IN AN AMOUNT TO BE DETERMINED BY THE CORPORATION.

(3) IN ORDER TO RECEIVE FUNDING, EACH INTERMEDIATE DISTRICT APPLICANT MUST DEMONSTRATE IT IS A MEMBER OF AN ESTABLISHED LOCAL GREAT START COLLABORATIVE AND THAT THE FUNDS WILL BE USED IN SUPPORT OF THE COMMUNITY’S GREAT START STRATEGIC PLAN.

(4) GREAT START INNOVATION GRANTS SHALL BE USED TO DEVELOP MODEL PROGRAMS THAT CAN BE IMPLEMENTED STATEWIDE FOR ONE OR MORE OF THE FOLLOWING PURPOSES:

(A) TO PROVIDE PROFESSIONAL DEVELOPMENT FOR CHILDCARE PROVIDERS THAT IDENTIFY EARLY LEARNING OPPORTUNITIES FOR CHILDREN AT RISK OF NOT BEING PREPARED TO SUCCEED IN SCHOOL.

(B) TO CREATE A CHILDCARE QUALITY RATING IMPROVEMENT SYSTEM THAT IDENTIFIES QUALITY EARLY LEARNING ENVIRONMENTS AND MAKES THAT INFORMATION AVAILABLE TO PARENTS.

(C) TO EXPAND EARLY LEARNING OPPORTUNITIES FOR AT-RISK CHILDREN USING CREATIVE COMMUNITY-BASED APPROACHES.

(D) TO IMPLEMENT AN EARLY DEVELOPMENTAL INVENTORY THAT ASSESSES A BROAD RANGE OF COMPETENCIES, INCLUDING PHYSICAL HEALTH AND WELL-BEING, SOCIAL COMPETENCE, EMOTIONAL MATURITY, LANGUAGE AND COGNITIVE DEVELOPMENT, AND USES THAT INVENTORY TOOL TO TARGET COMMUNITY RESOURCES TOWARD IMPROVING ACADEMIC OUTCOMES FOR AT-RISK CHILDREN.

(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE PAID ON A SCHEDULE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.” and by adjusting the totals in section 11 and enacting section 1 accordingly.

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

Senator Thomas 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. 208

Yeas—19

Anderson	Clark-Coleman	Kahn	Scott
Barcia	Clarke	Olshove	Switalski
Basham	Gleason	Prusi	Thomas
Brater	Hunter	Richardville	Whitmer
Cherry	Jacobs	Schauer	

Nays—19

Allen	Cropsey	Jansen	Patterson
Birkholz	Garcia	Jelinek	Sanborn
Bishop	George	Kuipers	Stamas
Brown	Gilbert	McManus	Van Woerkom
Cassis	Hardiman	Pappageorge	

Excused—0

Not Voting—0

Senator Clark-Coleman offered the following amendments:

1. Amend page 23, line 4, after the second "OF" by striking out "\$43,000,000.00" and inserting "\$75,000,000.00".
2. Amend page 32, following line 4, by inserting:

"SEC. 11P. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$32,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009 AND FOR EACH SUCCEEDING FISCAL YEAR THROUGH SEPTEMBER 30, 2028, AFTER WHICH THESE ALLOCATIONS WILL CEASE. THESE ALLOCATIONS SHALL BE DEPOSITED IN THE 21ST CENTURY SCHOOLS FUND ON NOVEMBER 15 OF THE APPLICABLE FISCAL YEAR OR ON THE NEXT BUSINESS DAY FOLLOWING THAT DATE AND SHALL BE DISTRIBUTED IN EACH FISCAL YEAR AS FOLLOWS:

(A) TO EACH DISTRICT OR INTERMEDIATE DISTRICT THAT BORROWS MONEY AND ISSUES BONDS UNDER SUBSECTION (7), AN AMOUNT IN EACH FISCAL YEAR CALCULATED BY THE DEPARTMENT OF TREASURY THAT IS EQUAL TO THE DEBT SERVICE AMOUNT IN THAT FISCAL YEAR ON THE BONDS ISSUED BY THAT DISTRICT OR INTERMEDIATE DISTRICT UNDER SUBSECTION (7). THE AMOUNTS PAID UNDER THIS SUBDIVISION SHALL BE PAID ON THE DATES THAT THE CORRESPONDING DEBT SERVICE PAYMENTS ARE REQUIRED TO BE MADE. A DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS SUBDIVISION SHALL USE SUCH FUNDS ONLY TO PAY DEBT SERVICE ON BONDS ISSUED UNDER SUBSECTION (7) AND FOR NO OTHER PURPOSE.

(B) AMOUNTS NOT NEEDED TO MAKE PAYMENTS UNDER SUBDIVISION (A) MAY BE USED TO FUND AWARDS MADE UNDER SUBSECTIONS (5) AND (6) TO THE EXTENT DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN EACH FISCAL YEAR.

(2) THE 21ST CENTURY SCHOOLS FUND IS ESTABLISHED IN THE DEPARTMENT OF TREASURY. AMOUNTS IN THE 21ST CENTURY SCHOOLS FUND AT THE END OF EACH FISCAL YEAR SHALL REMAIN IN THE 21ST CENTURY SCHOOLS FUND AND SHALL NOT LAPSE TO THE SCHOOL AID FUND OR THE GENERAL FUND.

(3) FUNDS IN THE 21ST CENTURY SCHOOLS FUND ARE APPROPRIATED FOR THE CREATION OF SMALL HIGH SCHOOLS THAT PROVIDE CONTEXTUAL LEARNING ENVIRONMENTS DESIGNED TO SUPPORT STUDENT ACADEMIC ACHIEVEMENT THAT PREPARES STUDENTS FOR POSTSECONDARY EDUCATION AND EMPLOYMENT, AND FOR THE PAYMENT OF DEBT SERVICE ON BONDS ISSUED PURSUANT TO SUBSECTION (7).

(4) ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR START-UP GRANTS. ELIGIBLE DISTRICTS AS FURTHER DEFINED IN THIS SECTION MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR FACILITY GRANTS. APPLICATIONS FOR START-UP GRANTS AND FACILITY GRANTS SHALL BE MADE IN A MANNER AND FORM AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

(5) THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY AWARD START-UP GRANTS OF UP TO \$2,000,000.00 IN TOTAL TO ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS FOR EACH SMALL HIGH SCHOOL FOR WHICH THE DISTRICT OR INTERMEDIATE DISTRICT IS APPLYING. TOTAL START-UP GRANTS SHALL BE DISTRIBUTED TO EACH ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT IN DECLINING AMOUNTS OVER FOUR YEARS, AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, BEGINNING IN THE SCHOOL YEAR PRIOR TO THE FIRST YEAR OF OPERATIONS. IF A SMALL HIGH SCHOOL DOES NOT BEGIN OR CEASES OPERATIONS FOR WHICH A DISTRICT OR INTERMEDIATE DISTRICT RECEIVED ANY PORTION OF START-UP GRANTS FUNDING, THAT DISTRICT OR INTERMEDIATE DISTRICT SHALL REPAY ALL OF THE FUNDS RECEIVED TO THE DEPARTMENT OF TREASURY FOR DEPOSIT INTO THE 21ST CENTURY SCHOOLS FUND, IN A MANNER DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. START-UP GRANTS SHALL BE USED FOR ALL OF THE FOLLOWING PURPOSES:

(A) PLANNING AND IMPLEMENTATION OF SITE-BASED MANAGEMENT FOR EACH PROPOSED SMALL HIGH SCHOOL FOR WHICH THE ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT RECEIVES AN AWARD. IMPLEMENTATION OF SITE-BASED MANAGEMENT MAY INCLUDE THE AUTHORIZATION OF A PUBLIC SCHOOL ACADEMY OR CONTRACT SCHOOL BY THE ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT.

(B) PLANNING AND IMPLEMENTATION OF HIGH SCHOOL CURRICULA CONSISTENT WITH THE CREDIT REQUIREMENTS CONTAINED IN SECTIONS 1278A AND 1278B OF THE REVISED SCHOOL CODE, MCL 380.1278A AND MCL 380.1278B, AND ORGANIZED IN ACCORDANCE WITH CAREER CLUSTERS THAT PREPARE STUDENTS FOR POSTSECONDARY EDUCATION AND EMPLOYMENT.

(C) PLANNING AND IMPLEMENTATION OF EARLY POSTSECONDARY OPPORTUNITIES FOR HIGH SCHOOL STUDENTS THAT PROVIDE COLLEGE OR COLLEGE EQUIVALENT COURSEWORK INCLUDING, BUT NOT LIMITED TO, DUAL ENROLLMENT, ADVANCED PLACEMENT, AND EARLY/MIDDLE COLLEGE.

(D) PLANNING AND IMPLEMENTATION OF TEACHER AND ADMINISTRATIVE PROFESSIONAL DEVELOPMENT THAT WILL LEAD TO SUCCESSFUL STUDENT ACHIEVEMENT IN SMALL HIGH SCHOOL CONTEXTUAL LEARNING ENVIRONMENTS.

(6) ELIGIBLE DISTRICTS MAY APPLY FOR FACILITY GRANTS TO RENOVATE OR REPLACE EXISTING HIGH SCHOOL BUILDINGS IN ORDER TO CREATE SMALL HIGH SCHOOLS THAT IMPROVE EDUCATIONAL OPPORTUNITIES FOR STUDENTS BEING EDUCATED IN HIGH PRIORITY HIGH SCHOOL BUILDINGS. FACILITY GRANTS SHALL NOT BE USED FOR LAND PURCHASES OR BUILDING A NEW FACILITY ON CURRENTLY VACANT LAND. A FACILITY GRANT FOR AN APPROVED SMALL HIGH SCHOOL MAY BE AWARDED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER EITHER SUBDIVISION (A) OR (B), BUT NOT BOTH:

(A) ELIGIBLE DISTRICTS MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR GRANTS OF UP TO \$8,000,000.00 TO BE MATCHED BY PRIVATE REVENUES ON AT LEAST A ONE-TO-ONE BASIS FOR THE TOTAL COSTS OF RENOVATING OR REPLACING AN EXISTING HIGH SCHOOL.

(B) ELIGIBLE DISTRICTS MAY ALSO APPLY FOR ANNUAL MILLAGE EQUALIZATION GRANTS NOT TO EXCEED A TOTAL OF 20 ANNUAL PAYMENTS. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL AWARD THE ANNUAL MILLAGE EQUALIZATION GRANTS TO ELIGIBLE DISTRICTS SO THAT FUNDS GENERATED BY MILLAGES APPROVED BY THE VOTERS AND ACTUALLY LEVIED PLUS THE MILLAGE EQUALIZATION GRANT AWARDED TO THE ELIGIBLE DISTRICT FOR EACH SMALL HIGH SCHOOL EQUALS THE STATE AVERAGE TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL FOR 2006-2007. LOCAL REVENUES FROM THE LEVIED MILLAGE PLUS STATE MILLAGE EQUALIZATION GRANTS SHALL NOT EXCEED MORE THAN \$16,000,000.00 FOR EACH SMALL HIGH SCHOOL OVER THE LIFE OF THE MILLAGE AUTHORIZATION.

(7) IN ADDITION TO ANY OTHER AUTHORITY GRANTED UNDER LAW, AN ELIGIBLE DISTRICT OR ELIGIBLE INTERMEDIATE DISTRICT MAY BORROW, TO THE EXTENT PERMITTED BY THE AWARD, FROM THE MICHIGAN MUNICIPAL BOND AUTHORITY CREATED UNDER THE SHARED CREDIT RATING ACT, 1985 PA 227, MCL 141.1051 TO 141.1077, AN AMOUNT NOT GREATER THAN THE AMOUNT AWARDED TO THE DISTRICT OR INTERMEDIATE DISTRICT IN SUBSECTIONS (5) AND (6), IN ANTICIPATION OF THE RECEIPT OF THE PAYMENTS APPROPRIATED UNDER SUBSECTION (1), AND MAY AUTHORIZE BY RESOLUTION OF ITS GOVERNING BODY AND ISSUE ITS BONDS TO EVIDENCE ITS OBLIGATIONS TO THE MICHIGAN MUNICIPAL BOND AUTHORITY ON THE TERMS AND WITH THOSE PROVISIONS AS ARE PROVIDED BY RESOLUTION OF THE BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT AND AS ARE ACCEPTABLE TO THE MICHIGAN MUNICIPAL BOND AUTHORITY. A DISTRICT OR INTERMEDIATE DISTRICT MAY PLEDGE AND ASSIGN TO THE MICHIGAN MUNICIPAL BOND AUTHORITY, AS SECURITY FOR THE BONDS, ALL OF THE PAYMENTS APPROPRIATED TO IT UNDER SUBSECTION (1)(A) BUT MAY NOT OTHERWISE PLEDGE OR ASSIGN THOSE PAYMENTS. BONDS ISSUED UNDER THIS SUBSECTION ARE NOT SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT OR THE AGENCY FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO 129.177. THIS SUBSECTION SHALL BE CONSTRUED AS CUMULATIVE AUTHORITY FOR THE EXERCISE OF THE POWERS GRANTED IN THIS SUBSECTION AND SHALL NOT BE CONSTRUED TO REPEAL ANY EXISTING LAW. THE PURPOSE OF THIS SUBSECTION IS TO CREATE FULL AND COMPLETE ADDITIONAL AND ALTERNATE METHODS FOR THE EXERCISE OF EXISTING POWERS, AND THE POWERS CONFERRED BY THIS SECTION ARE NOT AFFECTED OR LIMITED BY ANY OTHER STATUTE OR BY ANY CHARTER OR INCORPORATING DOCUMENT.

(8) PROCEEDS OF BONDS ISSUED UNDER SUBSECTION (7) SHALL BE MADE AVAILABLE TO DISTRICTS AND INTERMEDIATE DISTRICTS ON OR AFTER OCTOBER 1, 2008. EACH DISTRICT AND INTERMEDIATE DISTRICT SHALL USE PROCEEDS OF BONDS ISSUED BY IT UNDER SUBSECTION (7) ONLY FOR A PURPOSE FOR WHICH AWARDS ARE MADE UNDER SUBSECTIONS (5) AND (6), INCLUDING REIMBURSEMENT OF ADVANCES FROM THE 21ST CENTURY SCHOOLS FUND.

(9) BONDS ISSUED UNDER SUBSECTION (7) DO NOT CONSTITUTE A GENERAL OBLIGATION OR DEBT OF A DISTRICT OR INTERMEDIATE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

(10) A PLEDGE MADE BY A DISTRICT OR INTERMEDIATE DISTRICT UNDER SUBSECTION (7) IS VALID AND BINDING FROM THE TIME THE PLEDGE IS MADE. THE REVENUE OR OTHER MONEY PLEDGED UNDER SUBSECTION (7) AND THEREAFTER RECEIVED BY A DISTRICT OR INTERMEDIATE DISTRICT IS IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT PHYSICAL DELIVERY OF THE REVENUE OR MONEY OR ANY FURTHER ACT. THE LIEN OF SUCH A PLEDGE IS VALID AND BINDING AGAINST A PARTY HAVING A CLAIM OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE DISTRICT OR INTERMEDIATE DISTRICT, IRRESPECTIVE OF WHETHER THAT PARTY HAS NOTICE OF THE PLEDGE. THE RESOLUTION OR ANY OTHER INSTRUMENT BY WHICH A PLEDGE IS CREATED IS NOT REQUIRED TO BE FILED OR RECORDED IN ORDER TO ESTABLISH AND PERFECT A LIEN OR SECURITY INTEREST IN THE PROPERTY PLEDGED.

(11) BONDS ISSUED UNDER SUBSECTION (7) ARE NOT IN ANY WAY A DEBT OR LIABILITY OF THIS STATE; DO NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY, OR OBLIGATION OF THIS STATE; ARE NOT AND DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THIS STATE; AND SHALL CONTAIN ON THEIR FACE A STATEMENT TO THAT EFFECT.

(12) AS USED IN THIS SECTION:

(A) "CAREER CLUSTERS" MEANS BROAD GROUPINGS OF CAREERS THAT SHARE SIMILAR COMPETENCY REQUIREMENTS, AS DEFINED BY THE DEPARTMENT.

(B) "ELIGIBLE DISTRICTS" MEANS THOSE DISTRICTS CONTAINING AT LEAST ONE HIGH SCHOOL BUILDING THAT HAS NOT MADE ADEQUATE YEARLY PROGRESS FOR AT LEAST TWO YEARS AS DETERMINED BY THE DEPARTMENT. IN ADDITION, FOR THOSE DISTRICTS APPLYING FOR FACILITY GRANTS, "ELIGIBLE DISTRICTS" MEANS THOSE DISTRICTS OTHERWISE ELIGIBLE AND THAT HAVE AT LEAST 800 PUPILS IN MEMBERSHIP IN GRADES 9 TO 12 IN 2007-2008, INCLUDING THOSE PUPILS ATTENDING ALTERNATIVE EDUCATION.

(C) "ELIGIBLE INTERMEDIATE DISTRICTS" MEANS THOSE INTERMEDIATE DISTRICTS THAT APPLY FOR START-UP FUNDING UNDER SUBSECTION (5) FOR THE PURPOSE OF ESTABLISHING REGIONAL SMALL HIGH SCHOOLS THAT PRIMARILY SERVE STUDENTS WHO WOULD HAVE ATTENDED HIGH SCHOOLS NOT ACHIEVING ADEQUATE YEARLY PROGRESS. THE REGIONAL SMALL HIGH SCHOOLS SHALL PROVIDE EARLY POSTSECONDARY OPPORTUNITIES FOR HIGH SCHOOL STUDENTS THAT LEAD TO POSTSECONDARY DEGREES OR CERTIFICATIONS AND EMPLOYMENT. INTERMEDIATE DISTRICTS ARE NOT ELIGIBLE TO APPLY FOR FACILITY GRANTS UNDER SUBSECTION (6).

(D) "HIGH PRIORITY HIGH SCHOOL BUILDING" MEANS A HIGH SCHOOL BUILDING THAT HAS NOT ACHIEVED ADEQUATE YEARLY PROGRESS FOR AT LEAST TWO YEARS AND IS IN A SANCTION PHASE, AS DETERMINED BY THE DEPARTMENT.

(E) "SMALL HIGH SCHOOL" MEANS A SCHOOL EDUCATING A MAXIMUM AVERAGE OF 450 PUPILS PER HIGH SCHOOL BUILDING FOR ANY COMBINATION OF GRADES 9 TO 12." and adjusting the totals in enacting section 1 accordingly.

The question being on the adoption of the amendments,

Senator Thomas 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. 209

Yeas—17

Anderson	Clark-Coleman	Jacobs	Scott
Barcia	Clarke	Olshove	Switalski
Basham	Gleason	Prusi	Thomas
Brater	Hunter	Schauer	Whitmer
Cherry			

Nays—21

Allen	Garcia	Jelinek	Patterson
Birkholz	George	Kahn	Richardville
Bishop	Gilbert	Kuipers	Sanborn
Brown	Hardiman	McManus	Stamas
Cassis	Jansen	Pappageorge	Van Woerkom
Cropsey			

Excused—0

Not Voting—0

Senator Jacobs offered the following amendment:

1. Amend page 173, following line 23, by inserting:

“SEC. 99P. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100.00 FOR A SCHOOL FUNDING AND REFORM STUDY TO ADDRESS APPROPRIATE AND ADEQUATE FUNDING LEVELS, EQUITABLE RESOURCE DISTRIBUTION, ALIGNMENT OF RESOURCES WITH PERFORMANCE, RESOURCE ALLOCATION, CLOSING THE ACHIEVEMENT GAP, AND SYSTEM REFORM.” and adjusting the totals in section 11 and enacting section 1 accordingly.

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

Senator Thomas 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. 210

Yeas—19

Anderson	Cherry	Jacobs	Scott
Barcia	Clark-Coleman	Olshove	Switalski
Basham	Clarke	Pappageorge	Thomas
Brater	Gleason	Prusi	Whitmer
Cassis	Hunter	Schauer	

Nays—19

Allen	Garcia	Jelinek	Richardville
Birkholz	George	Kahn	Sanborn
Bishop	Gilbert	Kuipers	Stamas
Brown	Hardiman	McManus	Van Woerkom
Cropsey	Jansen	Patterson	

Excused—0

Not Voting—0

In The Chair: Sanborn

Senator Kahn offered the following amendments:

1. Amend page 145, line 20, after **“PROGRAM”** by inserting a comma and **“OR TO ASSIST TO OFFSET THE COSTS OF SUPPORTING AN INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM ESTABLISHED WITHIN THE PRIOR 3 YEARS.”**

2. Amend page 146, line 3, after **“FIRST”** by striking out **“4”** and inserting **“7”**.

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

Senator Pappageorge offered the following amendments:

1. Amend page 31, line 10, after **“EXCEED”** by striking out **“\$32,000,000.00”** and inserting **“\$27,000,000.00”**.

2. Amend page 31, line 14, by striking out **“\$32,000,000.00”** and inserting **“\$27,000,000.00”**.

3. Amend page 37, line 2, by striking out all of section 20 and inserting:

“Sec. 20. (1) For 2006-2007, the basic foundation allowance is \$7,085.00. For 2007-2008, the basic foundation allowance is \$8,433.00. FOR 2008-2009, THE BASIC FOUNDATION ALLOWANCE IS \$8,525.00. THE EQUITY ADJUSTMENT FOR 2008-2009 IS \$25.00.

(2) The amount of each district’s foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For 2007-2008, for a district that had a foundation allowance for 2006-2007, including any adjustment under subdivision (f), that was at least equal to \$7,108.00 but less than \$8,385.00, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for 2006-2007 plus the difference between \$96.00 and [(\$48.00 minus \$20.00) times (the difference between the district's foundation allowance for 2006-2007, including any adjustment under subdivision (f), and \$7,108.00) divided by \$1,325.00]. Beginning in 2008-2009, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between ~~twice~~ the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance **PLUS THE DIFFERENCE BETWEEN TWICE THE EQUITY ADJUSTMENT** and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus ~~\$50.00~~**\$10.00**) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, beginning in 2008-2009, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. ~~For 2002-2003, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of \$200.00 or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. For 2007-2008, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the district's foundation allowance for the immediately preceding state fiscal year plus \$48.00.~~

(d) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

(e) For a district that received a payment under section 22c as that section was in effect for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under section 22c as that section was in effect for 2001-2002.

(f) ~~Beginning in 2007-2008, for~~ **FOR** a district that received a payment under section 22c as that section was in effect for 2006-2007, the district's 2006-2007 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2006-2007 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2006-2007 under section 22c as that section was in effect for 2006-2007.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the **SUM OF THE** product of the taxable value per membership pupil of all property in the district that is ~~not a principal residence or qualified agricultural~~ **NONEXEMPT** property times the lesser

~~of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94~~ **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, **TAX INCREMENT FINANCING ACTS** divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the **SUM OF THE** product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural **NONEXEMPT** property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, **TAX INCREMENT FINANCING ACTS** divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) For 2007-2008, subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or \$7,475.00, whichever is less. Beginning in 2008-2009, subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the state maximum public school academy allocation, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the **SUM OF THE** product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural **NONEXEMPT** property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY**

IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS and the quotient of the ad valorem property tax revenue of the district captured under ~~1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899,~~ **TAX INCREMENT FINANCING ACTS** divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, ~~and~~-qualified agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** under section ~~1211(1)~~-**1211** of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies ~~18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less,~~ **THE DISTRICT'S CERTIFIED MILLS** on property that is not a principal residence or ~~qualified agricultural~~-**NONEXEMPT** property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, ~~and~~-qualified agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** are exempt and not to levy school operating taxes on a principal residence, ~~and~~-qualified agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** as provided in section ~~1211(1)~~-**1211** of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, ~~and~~-qualified agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** at the rate authorized for the district under section ~~1211(1)~~-**1211** of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy ~~18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less,~~ **THE DISTRICT'S CERTIFIED MILLS** on property that is not a principal residence or ~~qualified agricultural~~-**NONEXEMPT** property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the ~~18 mills or the number of mills levied in 1993, whichever is less~~ **DISTRICT'S CERTIFIED MILLS**.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(11) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(12) State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

(13) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. ~~However, for 2007-2008, the index shall be 1.00.~~ If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the ~~basic-LOWEST~~ foundation allowance **AMONG ALL DISTRICTS** for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the ~~basic-LOWEST~~ foundation allowance **specified in subsection (1) AMONG ALL DISTRICTS FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment

for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$500,000.00 for a fiscal year as a result of this adjustment.

(23) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(24) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(25) As used in this section:

(A) "CERTIFIED MILLS" MEANS THE LESSER OF 18 MILLS OR THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN 1993-94.

(B) (a)—"Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(C) (b)—"Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

(D) (c)—"Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(E) (d)—"Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

(F) (e)—"Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(G) (f)—"Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(H) ~~(g)~~—“Maximum public school academy allocation” means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$50.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies].

(I) ~~(h)~~—“Membership” means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(J) “**NONEXEMPT PROPERTY**” MEANS PROPERTY THAT IS NOT A PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL PROPERTY, QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, OR COMMERCIAL PERSONAL PROPERTY.

(K) ~~(i)~~—“Principal residence”, and—“qualified agricultural property”, “**QUALIFIED FOREST PROPERTY**”, “**INDUSTRIAL PERSONAL PROPERTY**”, AND “**COMMERCIAL PERSONAL PROPERTY**” mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, AND SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.

(L) ~~(j)~~—“School operating purposes” means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(M) ~~(k)~~—“School operating taxes” means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(N) “**TAX INCREMENT FINANCING ACTS**” MEANS 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, OR THE CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL 125.2871 TO 125.2899.

(O) ~~(l)~~—“Taxable value per membership pupil” means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district’s membership excluding special education pupils for the school year ending in the current state fiscal year.”.

4. Amend page 67, line 8, by striking out “\$3,848,480,100.00” and inserting “\$3,853,480,100.00”.

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

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. 211

Yeas—36

Allen	Clark-Coleman	Jacobs	Richardville
Anderson	Clarke	Jansen	Sanborn
Barcia	Cropsey	Jelinek	Schauer
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cherry	Hunter	Prusi	Whitmer

Nays—2

Cassis	Patterson
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Excused—0

Not Voting—0

In The Chair: Sanborn

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18b, 19, 20, 20d, 20j, 22a, 22b, 22d, 24, 24a, 24c, 25c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 38, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99e, 104, 104b, 105, 105c, 107, 147, 151, and 164c (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1624a, 388.1624c, 388.1625c, 388.1626a, 388.1626b, 388.1629, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d, 388.1632j, 388.1632l, 388.1637, 388.1638, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699e, 388.1704, 388.1704b, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1751, and 388.1764c), sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 19, 20, 20j, 22a, 22b, 22d, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99e, 104, 107, and 151 as amended by 2007 PA 137, sections 4 and 164c as amended by 2005 PA 155, section 18b as added by 2000 PA 297, section 20d as amended by 1997 PA 93, section 25c as added by 2001 PA 121, section 38 as amended by 2003 PA 158, section 104b as added by 2004 PA 593, sections 105 and 105c as amended by 2006 PA 342, and section 147 as amended by 2007 PA 92, and by adding sections 11n, 22e, 32e, 42, 57a, 99m, 99n, and 99o; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Protest

Senator Patterson, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1107.

Senator Patterson’s statement is as follows:

My “no” vote explanation is predicated on my understanding of a pesky little provision—that which could be called a constitutional duty, one which has not been fulfilled. This duty is clearly set forth in Article 8, Section 3 under the title “Education.” In pertinent part, our Michigan Constitution, one to which we all took a sworn oath of office, places a burden on the State Board of Education to advise the Legislature as to the financial requirements for public education. I’m advised that that was not done.

Senators Clark-Coleman, Schauer, Jelinek, Cassis, Jacobs, Pappageorge, Garcia, Hardiman and Switalski asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Clark-Coleman’s first statement is as follows:

I stand before you today to request your support for a program which is the foundation upon which the success of all of our K-12 programs depend. It is the Early Childhood Initiative. The benefit of such programs is based on simple facts about early human development. We all know that the first five years of a child’s life are the most critical. If a child is encouraged in language growth, motor skills, social, and emotional development, that child is clearly more likely to succeed in school as well as later in life. That is a marvelous benefit in and of itself.

While studies have clearly demonstrated the value of such programs, I would like to remind you of the economic benefits of such initiatives. Without the support of early childhood programs, that same child is more likely to leave school before graduation, rely on social welfare programs, and possibly even resort to crime. All of these risks impose a dollar cost on society.

An actual cost-benefit analysis of several renown preschool programs project returns ranging from \$3-\$17 for every \$1 invested. This is an investment that not only benefits the quality of life of each and every young child who participates, but provides economic benefits to society.

You say we can’t afford it; I say how can we not afford it?

Senator Schauer's statement is as follows:

I rise in support of amendment No. 3. It is an amendment to make an investment in Michigan's future by investing in early childhood education. Dedicating these resources to our young people, colleagues, is a top priority of our caucus and should be for the entire Legislature. We spend day after day, debate after debate discussing how we can improve Michigan's economy and become a job magnet. Well, investing in our young people must be part of our economic strategy in Michigan.

Overwhelmingly, science has proven that children who have access to quality, early childhood education programs are better prepared to succeed in later life. This gives them a better chance to compete with students from around the world and saves us tax dollars in the long run; dollars that otherwise would be spent in Corrections and other social services. For instance, research shows that children not enrolled in preschool programs can be up to five times more likely to commit serious crimes as adults. Every dollar invested in high-quality, early childhood programs saves somewhere between \$2 and \$17 on every \$1 invested, and yet, right now, only about 20 percent of children are being served by the current Michigan preschool programs.

This amendment, colleagues, would help by providing a \$5 million increase for the expansion of Great Start Collaboratives. It would allow for an additional 11 collaborative to add to the 21 already in existence and assure that all intermediate school districts under the program and that all 650 children under the age of 5 and their families would be connected to a Great Start community.

The amendment also proposes, colleagues, a \$2.5 million increase for innovation grants to help provide children from birth to age 5 with quality, early learning environments that promote school readiness. As my colleague just said, some will undoubtedly agree that it is a great idea; we just can't afford it right now. We can't afford not to invest in our children right now. This is the closest option we have to a silver bullet to improve our economy, strengthen our workforce, and reduce state funding for other programs down the road.

I hope you will join me in recognizing the value of this initiative and support this amendment.

Senator Jelinek's statement is as follows:

Certainly, we have all demonstrated our support of early childhood programs, and we continue to do so, but we cannot afford to increase those dollars today. I hope that we can reject this amendment and continue our support for early childhood development.

Senator Clark-Coleman's second statement is as follows:

Well, if you didn't support me on the early childhood, I'm going to try something else on you. I am rising to speak in support of improving education opportunities for Michigan children, specifically through the 21st Century Schools Fund. I believe all of us in this room share a vision for Michigan's children and their potential for success in Michigan's future. We are continually striving to improve and enhance their opportunities.

To further those efforts, the Governor has proposed the 21st Century Schools Fund. This fund will help Michigan school districts replace huge, overwhelming, and impersonal high schools that have low academic achievements. Those schools that for two straight years cannot meet AYP and high dropout rates, they want to replace them with these smaller high schools. These schools will emphasize strong personal relationships, consistent discipline, and real-world relevance to help at-risk students to achieve high academic goals.

This is yet another example of tending to the individual needs of every child while investing in their futures and the future of our state. The returns are educated, happy, and productive citizens upon whom the future of this state depends. This seems like a pretty sound investment to me; how about you?

Senator Cassis' first statement is as follows:

Obviously, the success of all young people is critical and especially to ensure that they have the greatest opportunity to graduate from high school. So many are being lost and dropping out early. As a former educator, I was confronted with this very concern years ago. I worked in the high schools and it pained me to see any young person considering dropping out because his or her needs were not being met.

It is with my professional background that I suggest there are different answers and that small high school size is not the be-all and end-all whatsoever in helping young students finish high school. What has to happen is changes or accompanying changes in the curriculum to meet their needs; otherwise, small size does nothing.

There are some models out there that I hope we will be looking at; not this year but in the next couple of years. They are called specialty high schools, and they meet distinct needs because one size does not fit all. We should also be exploring and encouraging specialty charter high schools. Specialty schools are not an unknown entity, and I ask you to just take a look at the models complete in New York.

And, finally, I'd say this: The failure doesn't start in high school, my friends; the failure starts earlier in middle school and even dating back to early elementary school. That is why early intervention and prevention of learning failure—early on, catch them young; catch them early—is really essential.

Senator Jacobs' statement is as follows:

Where I know that I didn't seem to get the support under General Orders for this amendment, I feel so strongly about it that I am hoping I can give us an opportunity to do the right thing. By putting in a \$100 placeholder, we can at least go to conference and try to get some money available to do an adequacy study to figure out what kind of adequate funding levels we need in this state to fund education.

We spent 20 to 25 minutes debating the Olshove amendment, and every year we are going to keep coming back to this chamber to discuss what level of funding we're going to have. Is it going to be the top funding, the middle funding, or the bottom funding? We can't continue to have this debate year after year without knowing what our future goals are for this state and for the future students in this state. I think we really missed an opportunity months ago when we repealed the SBT and got the new MBT and got a service charge. It really would have been a time for us to look at our entire tax structure in the state of Michigan.

I think that the debate we have heard today as we have gone through these many long amendments is that we have to figure out what works in this state. It might be that Proposal A is working great, but is it maybe that Proposal A has reached its time in the state of Michigan, and we are not going to know unless we do a real study. I think we ought to be a data-driven chamber so that we make the right decisions based on the right kind of data.

I am asking us again to please put a placeholder in the budget so that we can try to work this out as we move forward with our budgeting.

Senator Pappageorge's statement is as follows:

This amendment is giving everybody a chance to reconsider their vote on the Olshove amendment. I want to tell you again, folks, think about whether or not you want to change Proposal A through precedent by saying no matter what, we are going to do two for one. We did it last year; we'll do it this year; one or two more years and we just beat Proposal A. That is not a good idea.

If this proposal had come in at 1.9 or 1.7 or even 2.1, and it had some rational explanation behind it, we probably wouldn't be having this discussion. The fact is, we are not paying attention to the middle. And by doing so, we're getting involved in a big issue over rich guys/poor guys. Please reconsider, look again at the numbers for your district, and understand what this amendment tries to do. I hope you will vote with me.

Senator Cassis' second statement is as follows:

I rise to respectfully request that we amend the budget to allow for FIRST Robotics funding in the amount of \$300,000. I requested \$1 million, but that doesn't seem feasible or likely in this economy. All of you probably have a robotics team in one of your school districts. It is supported by public and private dollars. Both of these sources of funding are drying up due to the extreme nature of our economy.

They are holding a regional competition this weekend in Ypsilanti, and for these students who compete, it is incredible how it is preparing them for careers in high-tech industries. It is a known winner, and, in fact, two of Michigan's outstanding teams, one from Novi High School was a national championship winner and the other one from Huron Valley Schools, the Heroes of Tomorrow, the HOT Team won a national award, the Chairman's Award. This is a program that works, and because of our dedication to math and science, future leaders in science and technology, it's a program that works.

I am cognizant that resources are scarce, but I hope that in the future it can be funded and that we won't forget these young people. But at this time, I ask that the amendment be withdrawn.

Senator Cassis' third statement is as follows:

This amendment, as we all know, provides \$142 per pupil to all but the hold-harmless schools. The hold-harmless schools receive 35 percent less or only 65 percent of that \$142 at \$92. The \$92 per student schools are the donors. They are the donors whose taxpayers provide all other students the ability to receive \$142. For the hold-harmless or 20J schools to take another cut of \$21, bringing them down to \$71 per student, it is not only blatantly unfair, but truly undermines the whole tradition of this Legislature which has consistently supported the hold-harmless schools. It would be a departure today of significant magnitude.

So I do urge all of you, along with my colleague from Troy, to adopt this amendment.

Senator Garcia's statement is as follows:

I rise to oppose this amendment. While I have great respect for the maker of this amendment and the previous speaker, I have to point out that what is unfair is the fact there is a large gap between those schools that receive funding—a foundation allowance—at the bottom of the ladder and those who receive the highest amount at the top. That difference is approximately \$12,029. If we defeat this amendment, the difference in this year's budget is \$70, which means at that rate, it will take us 17 1/2 years to close the gap. If we adopt this amendment, it will take us 24 1/2 years to close the gap.

The question that many of my parents, teachers, and school officials in my district ask: Is it fair for one student who lives in one county or one area to receive less than another who lives in another area? I understand Proposal A and I

understand that we can't close the gap immediately. I understand that Proposal A did move to closing that gap, and, in fact, in the year 2000, we did support a closing of the gap and we have attempted to in the last couple of years.

So I urge members to defeat this amendment and help us close the gap.

Senator Hardiman's statement is as follows:

I rise to strongly oppose this amendment. I certainly have great respect for the sponsor of the amendment, but I do believe that this moves us further away from the goal of Proposal A. Part of that goal was to narrow the gap of funding between school districts.

Now it's been said that we should look out for those in the middle. I believe that the substitute that's before us does that. Also I believe that the substitute that's before us works toward the goal of Proposal A in narrowing the gap. I have spoken to parents in my district, and they've asked, "Why is my child's schooling not worth as much as those in other districts?" I've tried to explain it by explaining Proposal A. It hasn't worked that well, but now we have an opportunity to do something about it.

This 2X formula and the substitute help to move us toward equity. Who can argue with equity? It's been said that in certain communities and certain districts that they're donor districts. I have donors in my district, but the fact is that we still want a certain level of funding for all children, and we want to move toward equity.

I strongly oppose this amendment. I ask you to support the substitute that is before us and defeat this amendment.

Senator Switalski's statement is as follows:

You know, this marks the seventh of eight budget bills that we are going to do in this chamber, originating in this chamber. I would like to thank the Senate for the rapidity with which we have moved these bills. You know, yesterday and today we had good debates about some fundamental issues on bills, but we had good, respectful debates. We had honest and open exchange of views and we came to a conclusion. We've received agreement on these bills.

I think I'd like to thank the members for the way that they've conducted themselves on some things that are pretty hard issues, and some have pretty strong feelings about them. I think what we've done stands in contrast to last year. I think it's a message to the people of Michigan that it's a new day, and we've demonstrated by our actions far better than any words that things are different. Michigan has turned a corner and we are ahead of schedule. I think we're looking at we'll finish our business before the 1st of July. I think that's a great goal, and it will show the people of Michigan that this Legislature is working together to solve problems.

Now we do have differences on the form and the size of equity payments in this and the need for early childhood and for small high schools, but overall, this budget accomplishes many worthwhile goals. There is a foundation increase almost double the size of what we had last year, and it provides additional dollars for declining enrollments, school-based health centers, credit recovery for students who failed algebra, and hold harmless funding of \$4.7 million for school readiness. The infrastructure grants provide almost \$20 per pupil to districts, and the health care and pension contributions for school districts have gone down for the second year in a row. That is almost unheard of. Everywhere else, we're worried about double-digit increases in health care. That is a very significant savings statistic.

So these are important improvements from where we stood a year ago, Mr. President. You remember, we were down \$1.75 billion in the hole. We really had no hopes of getting a budget done. It took us until October to get finished. We had about this time of the year just passed a budget bill that had cut \$300 million out of the School Aid Fund and zeroed out a proposed 2.5 percent increase. We ended up giving a percent last year and now nearly 2 percent this year.

So I think this bill today validates the actions we took last fall, and I think it's an honest budget. It's free of any gimmicks, one-time spending, or smoke and mirrors. We've got something that we all can be proud of. So while it's not a perfect bill, this K-12 budget is one that I'm proud to support. It doesn't mean I didn't think the 2X-plus would have been better, but on balance, this is a good budget. I hope all members will support it.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

The President pro tempore, Senator Richardville, assumed the Chair.

Senator Birkholz introduced

Senate Bill No. 1234, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 80108a.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Olshove, Anderson, Cherry, Sanborn, Pappageorge, Gleason, Scott, Basham and George introduced **Senate Bill No. 1235, entitled**

A bill to amend 2006 PA 480, entitled "Uniform video services local franchise act," by amending section 4 (MCL 484.3304).

The bill was read a first and second time by title and referred to the Committee on Energy Policy and Public Utilities.

Senator Kahn introduced

Senate Bill No. 1236, entitled

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 9515, 9516, 9520, and 9521 (MCL 440.9515, 440.9516, 440.9520, and 440.9521), as added by 2000 PA 348; and to repeal acts and parts of acts.

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

Senators Switalski, Gleason, Anderson, Kahn, Pappageorge, Birkholz and Jacobs introduced

Senate Bill No. 1237, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7216 (MCL 333.7216), as amended by 1999 PA 42.

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

Senators Brown, Jelinek, Pappageorge, Stamas, Garcia, Birkholz, Cassis, Richardville, Gilbert, Sanborn and George introduced

Senate Bill No. 1238, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 221 (MCL 18.1221), as amended by 1999 PA 8.

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

Senators Brown, Jelinek, Pappageorge and Garcia introduced

Senate Bill No. 1239, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7cc (MCL 211.7cc), as amended by 2006 PA 664.

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

Statements

Senators Scott, Thomas and Kahn asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Scott's statement is as follows:

There's an old blues song that says, "If you have been down, you know just how I feel. Feel like an engine with no driving wheel." I wouldn't be honest if I didn't tell you that I have those days. Yes, my friends, Senator Martha G. Scott does occasionally get the blues.

I get discouraged to think that my colleagues are rejecting my message. I get disappointed that my insurance bills that can make such a difference in the lives of Michigan citizens are being dismissed, and I get depressed when I think that my colleagues in this very chamber are refusing to act on the side of justice and fairness.

But all it takes is one more e-mail from a constituent who is forced to give up other necessities to try and make their insurance payments or one more phone call from someone who is now relying on public transportation because they can't afford insurance to make those blues go away. And I come back here the next day and I call out once again, please will you move my bills?

Senator Thomas' statement is as follows:

Mr. President, throughout much of our careers here in the Senate, we have spent most of our time dominated by talks of budget and balancing books. Do we have enough money for this? Do we have enough money for that? Can we cut

here? Can we cut a little bit more there? We dutifully and instinctively think what costs will that initiative have on our ultimate price of doing business?

Throughout the rest of 2008, I hope we will be able to bear down and deliberate an issue that will not cost this state one single penny. We, this honorable body, have the opportunity to make the lives and learning experiences of every child in this state much better. We can all take part in passing legislation that will affect every school in every school district. We can go home and tell our neighbors this week we all made Michigan safer for its children. For nearly a decade, I have worked on a comprehensive anti-bullying policy for Michigan. Now working with Senator Glenn Anderson and Representative Pam Byrnes, we have built a broad coalition of supporters. For years, we have researched how other states have taken more proactive positions to protect children and prevent school violence.

Today, there were more than 150 students, parent activists, and real citizens who were here for Safe Schools Lobby Day. Regular people trying to do an extraordinary thing influence public policy to protect their lives and to make their kids feel better. They lobbied today in support of Senate Bill No. 107, Matt's Law, sponsored by Senator Anderson that would create a comprehensive anti-bullying strategy for the state of Michigan. That law recognizes that there are no children who are disposable here in the state of Michigan and that all require legal protections when in school.

We talk all day in this Senate about jobs, the economy, taxes, revenue, and, yes, today budgets. Let's slow down and focus in on the future. Today, let's focus on our children. We cannot afford to wait any longer. We cannot wait any longer because a child like Kyle Royal in Lenawee County has already lived through years of torment. I continue to believe in this legislation because kids in Chesterfield Township already know what it is like to see a classmate lose an emotional battle with bullies. I persist in fighting for this policy because kids in Wyandotte already know what it is like to go to middle school fearful for their lives, uncertain of whom or why someone would actually threaten them.

Bullying, my friends, knows no boundary. There are no more bullies in Detroit than there are in Grand Rapids. As a matter of fact, my office is contacted on a weekly basis by someone from someplace other than my district—someplace in your district—who is the heartbroken parent of a victim. Folks from Ottawa County have asked what can they do to help protect their kids? The prosecutor from Livingston County has asked for passage of the bill to allow him to work with schools when a physical assault has not taken place, but a child should be reprimanded.

Since we first introduced this legislation, when most of us were serving as members of the House—some of us were in private practice with whatever we did—hundreds of Michigan children have dropped out of school because they could not live with the verbal and physical harassment of being bullied every day. All children are affected by bullies. Some children are the aggressor, some are the victim, and some are the unwilling accomplice because they do not know how, who, or what they can do to prevent the bullying that is taking place.

My colleagues, we do have the tools at our finger tips. Let us just this once not focus on how much this program is going to cost because it won't cost this state one penny. Let us not focus on whose turf this is or who should be preventing bullying. Let's focus on the children. Let's today take a stand and not let another child slip through the system because we were busy talking about taxes, budgets, and politics.

My colleagues, as we progress through 2008, I look forward to this body spending a fraction of the time we spent deliberating on prices of government and deliberate on the price of a child and actually stand up and do the right thing.

And also, Mr. President, if I may—part of an interesting debate was offered by the Senator from the 7th District today asking what is green. I would submit to him that green is life. It is an abundance in nature. Green signifies growth, renewable, health, and it does signify the environment. And, technically, it is the combination of blue and green.

Senator Kahn's statement is as follows:

I rise to speak on two accords. The first is that the members may have noticed that wandering around in the chamber today several of us happen to be wearing a different sort of tie: one, I think, is referred to as a wob or a bow—a bow tie. I had the pleasure of receiving one from the Senator from the 37th District. As a matter of fact, he even tied it around my neck—a little tightly, I might add—but nonetheless, he did offer that additional courtesy. I would like members to know that I feel about ten pounds lighter from having put this on. I would recommend it for those of you who feel a need for slenderization. That is not the primary reason I rise to speak today.

Senate Bill No. 1040 that we dealt with earlier today would allow an income tax deduction for one of our people who participates in a qualified energy program. The deduction would be up to \$200 a year. What you might ask is what is a qualified energy program? That means a green energy program, and I would certainly agree that that could be considered a combination of maize and blue, proposed by the PSC and certified by a nationally-recognized and independent third-party organization. This bill is particularly important given the fact that at the present there is a considerable concern about exactly what the cost of RPS compliance might be, and those standards haven't been very well quantified. The chief risk associated with RPS appears to be the potential for consumer backlash if RPS standards come in association with a high price tag.

So communicating with a range of possible costs with customers is one of the goals of Senate Bill No. 1040. And also should there be a high price tag, Senate Bill No. 1040 seeks to ameliorate and minimize those costs.

Committee Reports**COMMITTEE ATTENDANCE REPORT**

The Subcommittee on Department of Environmental Quality submitted the following:
Meeting held on Tuesday, March 25, 2008, at 3:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Garcia (C), Cropsey and Brater

Scheduled Meetings**Appropriations -****Subcommittees -**

Agriculture - Wednesdays, April 16, April 23, April 30, May 7 and May 14, 3:00 p.m., Room 405, Capitol Building (373-2768)

State Police and Military Affairs - Thursdays, April 24, May 1 and May 8, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Education - Thursday, March 27, 2:30 p.m., Room 110, Farnum Building (373-6920)

Energy Policy and Public Utilities - Thursday, March 27, 1:00 p.m., Room 210, Farnum Building (373-7350)

Finance - Thursday, March 27, 11:00 a.m. or later immediately following session, Room 110, Farnum Building (373-1758)

Senator Cropsey moved that the Senate adjourn.
The motion prevailed, the time being 4:22 p.m.

The President pro tempore, Senator Richardville, declared the Senate adjourned until Thursday, March 27, 2008, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

