

No. 27
STATE OF MICHIGAN
Journal of the Senate
96th Legislature
REGULAR SESSION OF 2011

Senate Chamber, Lansing, Tuesday, March 22, 2011.

10:00 a.m.

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

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

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

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

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

Senator Michael L. Nofs of the 19th District offered the following invocation:

Heavenly Father, we come before You today as humble servants to ask Your blessing on this great state and the work we are about to undertake. Lord, we know that our work here reflects but a mere moment in the eternal passage of time, yet in this time, it will touch tens of thousands of lives.

You, among all others, Lord, know that change is difficult; that preaching sacrifice is far easier than actually obtaining it. But fundamental change is on the horizon for our beautiful peninsula, and we need Your wisdom now more than ever.

It is through Your guidance and the actions of the people that my colleagues and I were brought together here at this time and in this place. These are good people, Lord, and I am proud to serve with them. I am encouraged that, stripped of our labels and those things that divide us, we are united in our desire to do the right thing for our state and for those we represent. And while we may disagree at times, perhaps even vigorously, in the end, the goal is to ensure that we leave to our children and grandchildren a legacy of hope and prosperity, freedom and opportunity, just as our parents and grandparents worked and sacrificed in order to pass on to us.

So today, Father, I ask that You grant us wisdom, courage, and strength as we deliberate on these matters of public importance. Help us to always remember that it is the people for whom we work.

Lastly, please watch over our men and women in uniform who stand guard night and day, in fair weather and foul, protecting our families and our freedoms. We owe them a much bigger debt than we can ever repay.

Father, we ask these things in Your holy name. Amen.

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

Motions and Communications

Senator Meekhof moved that Senator Richardville be temporarily excused from today's session.
The motion prevailed.

Senator Meekhof moved that Senator Hansen be excused from today's session.
The motion prevailed.

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

Senators Richardville and Hood entered the Senate Chamber.

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

March 16, 2011

Enclosed is a copy of the Michigan Legislature's audited Schedule of Sources and Disposition of General Fund Authorizations with Supplemental Schedules for the years ended September 30, 2010 and 2009. This audit was performed by the public accounting firm, Yeo and Yeo, under a contract with my office.

This report includes independent auditor's report letters on the financial schedules and compliance with laws and regulations and internal controls of the Michigan Legislature.

The Independent Auditor's Report letter on the financial schedules contains a clean opinion on the financial schedules. The Report Letter on Compliance with Laws and Regulations and Internal Control reports that, with respect to the items tested, nothing came to the auditor's attention that caused the auditor to believe that the Michigan Legislature had not complied, in all material respects, with those provisions of laws, regulations, and contracts tested for. In addition, the auditors reported no matters involving the internal control over financial reporting and its operations that they considered to be material weaknesses.

Also enclosed is a copy of the Auditors' Communication of Significant Matters with Those Charged with Governance. If you have any questions regarding this report, please contact me.

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

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

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

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

Senator Meekhof moved that rule 3.901 be suspended to allow photographs to be taken from the Senate floor, including the center aisle.

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

Recess

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

The motion prevailed, the time being 10:09 a.m.

10:15 a.m.

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

During the recess, Senator Schuitmaker introduced the Boy Scouts of America of Michigan, Executive Council Leader Dan Busby, and Eagle Scout Sujay Dewan.

Eagle Scout Dewan responded briefly, providing a scouting report to the state.

During the recess, Senator Young entered the Senate Chamber.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, March 17:

House Bill Nos. 4111 4408

The Secretary announced that the following official bills and joint resolutions were printed on Thursday, March 17, and are available at the legislative website:

Senate Bill Nos.	266	267	268	269								
House Bill Nos.	4446	4447	4448	4449	4450	4451	4452	4453	4454			
House Joint Resolutions		Q	R									

The Secretary announced that the following official bills and joint resolution were printed on Friday, March 18, and are available at the legislative website:

Senate Bill Nos.	270	271	272	273	274	275	276	277	278	279	280	281
Senate Joint Resolution		I										
House Bill Nos.	4455	4456	4457									

Messages from the Governor

The following messages from the Governor were received:

Date: March 16, 2011

Time: 5:31 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 157 (Public Act No. 8), being

An act to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending section 1280c (MCL 380.1280c), as added by 2009 PA 204.

(Filed with the Secretary of State on March 16, 2011, at 6:13 p.m.)

Date: March 16, 2011
Time: 5:33 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 158 (Public Act No. 9), being

An act to amend 1947 PA 336, entitled “An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act,” by amending the title and section 15 (MCL 423.215), section 15 as amended by 2009 PA 201.

(Filed with the Secretary of State on March 16, 2011, at 6:15 p.m.)

Respectfully,
Rick Snyder
Governor

The following message from the Governor was received:

March 22, 2011

Attached is a copy of my Special Message on Community Development and Local Government Reform to the First Session of the 96th Michigan Legislature. This message transmitting information on the affairs of state and recommending measures I consider necessary and desirable is presented to the Michigan Senate pursuant to Section 17 of Article V of the Michigan Constitution of 1963.

Sincerely,
Rick Snyder
Governor

The special message is as follows:

March 21, 2011

Throughout my term as Governor, I will deliver Special Messages on policy issues that are vital to Michigan’s future. They will be delivered to my partners in the Michigan House and Senate so that we can initiate discussion and action on innovative reforms that best serve the people of Michigan. Today, I am offering the first such message.

Following is a series of ideas for transforming government in a manner that will strengthen communities, help rebuild the kind of downtowns and neighborhoods that Michigan needs in order to compete in the 21st century, and promote a sense of cooperation and regionalism across the state. Neighborhoods, cities and regions are awakening to the importance of “place” in economic development. They are planning for a future that recognizes the critical importance of quality of life to attracting talent, entrepreneurship and encouraging local businesses. Competing for success in a global marketplace means creating places where workers, entrepreneurs, and businesses want to locate, invest and expand. This work has been described as a “sense of place” or “place-based economic development” or simply “placemaking.” Economic development and community development are two sides of the same coin. A community without place amenities will have a difficult time attracting and retaining talented workers and entrepreneurs, or being attractive to business.

Each community contributes to the overall success of its region. People, companies and talent do not move to specific communities – they move to regions. Being globally competitive as a region requires understanding, mapping and pooling regional resources and assets. Local governments, the private sector, schools, higher education and nongovernmental and civic organizations must collaborate to make Michigan’s economic regions, and ultimately the state, competitive. There are several efforts already underway that merge public and private resources in a manner that builds a new future for Michigan’s communities and regions.

In Traverse City, a unique partnership called “Grand Vision” has engaged the entire Traverse Bay Region in developing a new blueprint for cooperation on building the transportation, educational and broadband infrastructure necessary to compete in the global economy. Integrating agriculture and tourism to the economy of the region, it also renews efforts to strengthen the region’s downtowns.

Another example of regional cooperation is the West Michigan Strategic Alliance, an eight-county partnership that includes Grand Rapids, Muskegon, and Holland, and all other communities in that area. WMSA is creating a regional mindset, developing a shared vision for the region and offering access to common Information Technology systems and tackling critical talent initiatives.

And, in Southeast Michigan, Detroit’s Live Midtown program is a piece of a larger program called 15x15 that strives to attract 15,000 young people with at least a bachelor’s degree to live in the city of Detroit by 2015. Coupled with the city’s Detroit Works Project, which is working to seek young, talented Detroiters to move to areas including Eastern Market, Corktown and the New Center area, a powerful coalition is developing that can help reinvent Detroit as part of our larger effort to reinvent Michigan. Michigan succeeds when Detroit succeeds.

Finally, I am strongly encouraged by the voluntary efforts underway in our local government associations. The Michigan Municipal League has developed a “Center for 21st Century Communities” to work with local officials, and private sector and non-profits. It will help identify, develop and implement new programs and strategies for communities so they can become vibrant. And, the Michigan Townships Association, in partnership with Michigan State University, has adopted six “Pillars of Prosperity” that endorse the need for attractive communities, a strong agricultural economy, utilizing natural resources for recreation and job creation, lifelong education, the development of an inclusive entrepreneurial culture, and the necessity of embracing 21st century technology.

State Government Actions

We are restructuring state government so that it can more effectively enable these efforts. State agencies need to be formally connected in a way that promotes interagency teamwork, and collaboration with local government and regional leaders. That is why I created the Economic Development Executive Group which includes the Department of Transportation, Michigan Economic Development Corporation, Department of Licensing and Regulatory Affairs, Michigan State Housing Development Authority, Unemployment Insurance Agency, Office of Financial Insurance Regulation, Workers Compensation, Michigan Administrative Hearing System, Office of Regulatory Reinvention, and Public Service Commission.

In the past these agencies were “siloeed” — demonstrating little connectivity, uncoordinated programs, and duplication of outreach and staff. Structurally, we are able to refocus our economic development activities, streamline services and better coordinate economic, work force, housing, and community development functions – all under one roof.

Today, I am announcing our next steps to help communities build the kind of places that will enable them to compete in a global economy.

I have asked Mike Finney, director of the MEDC and leader of the Economic Development Executive Group, to engage the directors of the Michigan Department of Transportation, the Michigan Department of Natural Resources, the Michigan Department of Agriculture and Rural Development, the Michigan Department of Licensing and Regulation, Michigan State Housing Development Authority, the Michigan Land Bank Fast Track Authority, and other state departments and agencies to prioritize the following and issue a report on their progress by the end of the year:

- Identify ways to foster and promote collaboration among entities engaged in economic development and placemaking activities.
- Maximize under-utilized resources throughout the state, particularly in urban communities and rural communities.
- Establish a process for evaluating the performance of economic development and placemaking activities.
- Support investment programs that deliver measurable, positive results.
- Encourage new initiatives that support local and regional programs involved in economic development and placemaking.
- Recognize successful state, regional, and local economic development and placemaking programs that can be role models for groups around the state.
- Promote best practices for local and regional economic development and for placemaking activities.
- Partner with local economic development and civic groups to fully understand the needs of the community.

State government must collaborate if we are to transform Michigan’s economy. Rather than scattered and competitive efforts at research, planning and development, Director Finney’s work group will assess and align these efforts. Michigan’s economic development and placemaking activities will produce jobs, spur regional economies and elevate the quality of life for all our state’s citizens.

This group will ensure that state government will become a better partner with local government, the private sector, and regional development organizations across Michigan to promote and invest in economic development and placemaking. Financial and human resources will be more effectively leveraged and targeted to create real value.

Legislative Priorities

Local governments are facing enormous challenges. The repercussions of a decade-long one-state recession and its effect on property values are still being felt at the local government level. Local officials are working hard to offer innovative solutions to the difficult problems facing their community, including consideration of consolidation of services between governments. The economic case for intergovernmental cooperation is clear. It can help lead Michigan in the direction of creating places that recognize regionalism, while at the same time saving taxpayers’ money. Unfortunately, Michigan is hamstrung by antiquated state laws that are not conducive to cooperation. They impede the development of regional solutions to regional problems, service-sharing or service-consolidations (such as combined dispatch centers), and prevent municipalities from capitalizing on the economic savings that intergovernmental cooperation can create. It is time for the state to update these laws so that they reflect the realities of today’s needs.

In addition, it is critical that all local government adopt best practices to ensure that state and local dollars are delivering the best value for their citizens.

I urge the legislature to take several important steps:

1. Revenue Sharing

Michigan currently has two forms of revenue sharing—payments from state funds to local units of government. The first is constitutional. Article IX, section 10, of the Michigan constitution requires that “Fifteen percent of all taxes imposed

on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities and villages, on a population basis as provided by law.” The 2011-12 budget projects a total distribution under that constitutional provision of \$659 million, a 4 percent increase over the last fiscal year.

The second program, formerly known as “statutory revenue sharing,” was implemented with Public Act 140 in 1971. The formula was adopted to distribute revenue on the basis of relative local tax effort and population and was used to help major cities receive additional state aid. In the 40 years that have passed, subsequent legislatures have changed the formula to shift funds back and forth between cities, townships and villages numerous times. The end result is that more than 700 communities could receive statutory revenue sharing next year. The benefits of this system are questionable as 100 municipalities are projected to receive less than \$1,000 next year and three of them less than \$10 paid in six installments.

In this global economy, cities and urban areas are crucial to the economic vitality of any region or state. The provision of public infrastructure and public safety is a key element in the business competitiveness of any region. The most important reforms to the local public finance system in the past 30 years have been the Headlee Amendment and Proposal A. These reforms were designed to ensure that Michigan’s tax system remains fair and in proportion to changes in the economy. In these troubled economic times, Michigan needs to focus its discretionary spending on strengthening the core regions of the state in order to move forward.

In my budget message I proposed that the program formerly known as statutory revenue sharing come to an end and be replaced by a new Economic Vitality Incentive Program. This program will reward best practices and lead to more prosperous communities over the next few decades. It will give municipalities in our commercial centers the incentives and flexibility to engage in serious cost control measures. Such measures will help ensure that vital public services are not cut in the face of economic difficulties. By consolidating our efforts to build strong centers of commerce we are investing in a stronger Michigan.

Funding in the first year will change by limiting allocation to communities that are expected to receive over \$6,000 of the new reduced funding under the existing formula. However, to continue to qualify for the Economic Vitality Incentive, eligible municipalities must meet certain requirements and implement serious reforms. These requirements are all based on best practices, many of which have already been implemented by some municipalities and the State. But these requirements should be considered the first steps in local government reform and not the end solution. Many communities will find they already comply with some or all of the following requirements.

First, municipalities must embrace accountability and transparency. By October 1, 2011 local governments must produce a citizens guide to their finances and a performance “dashboard” that is readily available to the public. My administration has worked closely with the Michigan Municipal League to develop the model dashboard that is included in this message. The dashboard can be customized for specific communities but I find the recommended metrics most important.

In January I released the Citizen’s Guide to Michigan’s Financial Health. I now ask all local governments to do the same by October 1, 2011. A template can be found on my website at www.michigan.gov/gov in the citizens guide section. Municipalities should use the chart-building tool and citizens guide template to make their local finances, including a recognition of their unfunded liabilities, available to the public.

Second, by January 1, 2012, municipalities must develop plans to consolidate services that will result in taxpayer savings. The plans should make a good-faith effort to estimate potential savings and costs associated with sharing critical services at the local level.

Finally, municipalities must begin to address employee compensation in order to continue to qualify for the Economic Vitality Incentive Program. For any new, modified or extended contract, all public employee compensation should be subject to the following criteria.

a) Placing all new hires are on a defined contribution plan or a hybrid retirement plan that caps annual employer contributions at 10 percent of base salary.

b) Where applicable a 1.5 percent multiplier should be used to determine employee pensions. A 2 percent multiplier should be used for employees who are not eligible for social security benefits.

c) Implementing controls to avoid pension spiking such as using a three-year salary average that does not include more than a total of 240 hours of paid leave and overtime to determine benefit levels.

d) If health care is offered, all new hires must be on an 80/20 employer to employee health care premium split. Alternatively, a dollar amount could be assigned to local health care plans and compared to the state healthcare plan if it is an HMO or includes other cost saving measures such as co-pays or deductibles.

Municipalities will receive one-third of their funding for each category of best practices they meet. The three categories are accountability and transparency, consolidation of services and employee compensation. Local units must meet every criteria described in a specific category by the defined timeline to fully benefit from the program. Municipalities that do not meet the criteria will see reduced funding in their scheduled payments. Until the specified dates and new contracts begin, communities will continue to receive six payments as previously scheduled at the new funding level.

These proposed reforms will accomplish several goals for Michigan. Most importantly, local leaders will have the ability to control short- and long-term costs. By controlling costs, local governments can maintain critical public safety, infrastructure

and quality of life services. The continued provision of these services will enhance the long-term competitiveness and economic vitality of Michigan's commercial centers and the entire state.

Also, the Economic Vitality Incentive Program should include funds to be allocated to municipalities that combine government operations completely. Of the \$200 million funding level, I propose \$5 million be set aside in the first year to help overcome costs associated with mergers for those local government entities that decide to merge. This will help save taxpayers money in the long run.

The reforms that I have outlined above are just the first steps in a continuous improvement process. Over time the state and its largest communities will work together to achieve best practices in government reform. State and local government should be viewed as partners working to make Michigan a better place and these reforms will start us down that path.

2. Enabling Consolidation of Jurisdictions

It is time to create a new opportunity for the merger and consolidation of local governments in Michigan. Such consolidation should not be mandated, but should be allowed by law, as contemplated in various sections of the state constitution. Counties, cities, villages and townships face significant challenges in providing services to their citizens within the limitations of their financial resources. I am convinced that the state must move forward to permit intense dialogue at the local and regional levels about how these governments can reinvent themselves.

We should permit open minds across the state to not only enter into collaborations, but to consolidate governmental units and activities as appropriate in their respective communities. The final decision regarding such consolidation should be left at the local level, but the consideration of such consolidation must not be prevented or discouraged by state government. I will support new legislation that permits the establishment of metropolitan government as a metropolitan authority in Michigan. Under such legislation, existing county government would be superseded by the new metropolitan government, with all the functions of the county and city government performed instead by the metropolitan government. In addition, the legislative and executive powers of the city would be transferred to the metropolitan government.

I want to emphasize again that such legislation cannot and should not be mandatory. Rather, it should be drafted in a way that permits broader discussion about consolidation at the local level.

3. Ensure collective bargaining at the appropriate time

Michigan currently has several laws that enable consolidation and cooperation between local units of government. These include such acts as the Urban Cooperation Act, the Intergovernmental Transfer of Functions and Responsibilities Act, the Metropolitan Councils Act and the Emergency Services to Municipalities Act. The problem is that each of those acts includes clauses that prevent the immediate negotiation of new contracts. This stands in the way of even the consideration of mergers by many local units, and when the current acts are implemented, the end result is an unmanageable multi-layer set of work rules, wages and benefits which effectively eliminate the economic efficiencies that are the very reason to consolidate.

These laws should be amended to provide that upon merger of services, management and employees should immediately begin the collective bargaining process for the new entity and complete this within an appropriate time.

Such a change would permit municipalities to avoid multi-layer bargaining while creating certainty on costs, wages and benefits for both employers and employees.

The question should not be "if" collective bargaining occurs; the question should be "when" such bargaining occurs. A simple change in each of these acts would remove an important impediment to consolidation of services across the state.

4. Amend Public Employment Relations Act

In order for local governments to better work together I am proposing to amend the Public Employment Relations Act (PERA). If we are to encourage intergovernmental cooperation, the consideration of an intergovernmental cooperation agreement by local units of government should not be considered an unfair labor practice under PERA. I urge the adoption of legislation that amends PERA to make it clear that nothing in that act limits a public employer from exploring the options of entering into an agreement with another public employer. However, when the discussions proceed to specific implementations, union representatives should be notified.

5. Reform Binding Arbitration

Binding arbitration was adopted into law in 1969 and serves an important function. If a local government employer and police or fire employees cannot come to terms through collective bargaining, the next step is binding arbitration. PA 312 prevents public safety employees from going on strike and bringing critical services to a halt. The concept of binding arbitration is not the problem – the problem is the way it is applied. Binding arbitration should be viewed as the last option and not the inevitable last step in a collective bargaining process.

Too often during negotiations one side will look ahead to the binding arbitration process and act on what it believes an arbitrator would rule. This is because the current process was enacted in 1969 and is now outdated. To remedy this, PA 312 needs to be enhanced and clarified to include the following provisions:

- a) A community's ability to pay should be a fundamental factor in an arbitrator's decision.
- b) Internal salary and benefit comparisons should also be considered by an arbitrator.
- c) Both sides should be required to submit a last best offer before entering into binding arbitration.
- d) The process of binding arbitration should last no more than 90 days.

These reforms will improve the process of arbitration, while making certain that the system is fair and equitable for both employers and employees.

6. Prohibit Minimum Staffing Requirements

As the result of petition drives, several cities have amended their charters to establish minimum staffing levels for public employees. Some communities regularly violate their own charter provisions because they simply cannot fiscally meet those requirements. Management decisions in a democracy should be made by those elected to manage—local officials. Staffing levels should be part of the collective bargaining process, not mandated by city, county or village charters. Charter amendments that set minimum staffing requirements circumvent the collective bargaining process and management decisions and should not be allowed. I propose that the Home Rule City Act, the Home Rule County Act, and the Home Rule Village Act be amended by adding a new subsection to clarify that any new city, village, or county charters may not contain minimum staffing requirements for personnel of any type. In addition no new amendments to existing charters shall establish minimum staffing requirements in the future.

7. Implement Local Pension Board Best Practices

Across the state local pension boards make investment decisions that can total in the hundreds of millions of dollars. Ultimately, the pension payments are a liability of the municipality that agreed to the plan. As such these funds need to be managed responsibly because taxpayer money is at risk – both now and in the future. To protect taxpayer money there are three areas of pension board reform I would ask the legislature to address.

First, local pension boards should be subject to transparency rules. They should be required to report their annual performance and funding level in a standard format. This would allow all plans to be benchmarked against all others. Also, strict restrictions and disclosure requirements should be in place for all board member travel and expenses.

Second, local pension boards should have to meet certain best practice requirements. Modeled after recent Securities and Exchange Commission (SEC) rules, the state should adopt a strict prohibition against the practice known as “pay to play.” The SEC regulations that apply to the largest organizations should be applied at all levels – including third-party advisors. If anyone contributes to government officials in a position to influence the decision of a pension board they should be banned from conducting any business with the board for two years. Also, a financial advisor or anyone acting on their behalf should be prohibited from making or soliciting political contributions to a local or state political party where they wish to conduct business.

Finally, local pension boards should be subject to accountability reforms. Boards should be allowed to self-police and act to remove a member. Also, a set of triggers is needed to act as an early detection system for fraud, significant SEC violations or losses. These triggers would allow for state intervention and the possible oversight of a local pension board. Furthermore, board members who are found guilty of a breach of public trust should be required to reimburse the fund for any defense costs that were covered. In the private sector, individuals accused of securities fraud are subject to civil and criminal charges. An executive’s signature on a financial statement implies an individual responsibility for the integrity of the document and that same standard should apply to public pension boards.

8. Unfunded mandates

The state is prohibited from imposing new mandates on local units without appropriating and disbursing funds to pay for them. This prohibition is made clear under Article IX, sections 25 and 29 of the state’s constitution (sections of the “Headlee Amendment” approved by voters in 1978). However, state government’s observance to those standards has been sorely lacking. In today’s economy we have now reached the time where the state’s non-adherence to those standards has exacerbated the challenges that financially strapped local communities already face.

The checks and balances contemplated by the Headlee Amendment in the relationship between state and local government must be restored and vigorously adhered to by the state. To do that, PA 101 of 1979 – the original act adopted by the legislature to implement the Headlee Amendment – must be amended.

I will support legislation that amends PA 101 with the following provisions:

- a) Establish and require a fiscal note process to be developed by the House and Senate fiscal agencies for legislation that affects local governments.
- b) State that in the event legislation is enacted which imposes new, costly requirements on local governments without complying with a fiscal note process, such legislation will have no force or effect until compliance is achieved.

Conclusion

It is clear that we need to look beyond our own immediate township, city and county boundaries in order to build a stronger Michigan. We need to look beyond the dividing lines of yesterday to build dynamic communities that will foster job growth and attract world-class talent.

In order to make this a reality, local officials need the tools to share services and merge operations when they believe it makes sense. In many cases communities can pool resources and allow for consolidation to take place without sacrificing the level of service. But in order to do so we need to remember that in today’s economy our communities are intertwined in more ways than we realize. It’s time to leverage this concept to our advantage by insisting on best practices at all levels of government.

I ask the people of Michigan to be open to the idea of sharing critical services and embrace the concept of regionalism so that we can successfully confront the economic challenges facing us today.

Michigan needs to become a place where our children – and theirs – can live, work, play and prosper. State government can enable and encourage, but communities themselves must lead the way.

The message was referred to the Secretary for record.

Messages from the House

The following message was received and read:

March 16, 2011

Pursuant to Public Act 224 of 2004 (MCL 600.108), we make the following appointments to the State Drug Treatment Court Advisory Committee:

- Judge Amy Krause of Lansing, an individual representing domestic violence provider programs for terms from today’s date to 6/13/11 and 6/13/11 to 6/13/15.
- Ms. Janette Kolodge of Lake Angelus, an individual who is an advocate for the rights of crime victims for terms from today’s date to 6/13/11 and 6/13/11 to 6/13/15.
- Judge Allen Garbrecht of Battle Creek, a circuit court judge who has presided for at least 2 years over a drug treatment court for a term from today’s date to 6/13/13.
- Ms. Nadine Issacs of Okemos, an individual who has successfully completed a drug treatment court program for a term from today’s date to 6/13/12.
- Mark A. Witte of Grand Rapids, an individual representing a substance abuse coordinating agency for terms from 2/28/11 to 6/13/11 and 6/13/11 to 6/13/15.
- Judge Michael J. Haley of Traverse City, an individual representing the Michigan Association of Drug Court Professionals, for terms from today’s date to 6/13/11 and 6/13/11 to 6/13/15.

Sincerely,
 Jase Bolger
 Speaker of the House

Randy Richardville
 Senate Majority Leader

The message was referred to the Secretary for record.

By unanimous consent the Senate proceeded to the order of

Third Reading of Bills

The following bill was read a third time:

Senate Bill No. 192, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 871 (MCL 600.871), as amended by 2005 PA 326.

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. 78

Yeas—36

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

Nays—0

Excused—2

Bieda

Hansen

Not Voting—0

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of

General Orders

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

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

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

Senate Bill No. 159, entitled

A bill to amend 1965 PA 213, entitled "An act to provide for setting aside the conviction in certain criminal cases; to provide for the effect of such action; to provide for the retention of certain nonpublic records and their use; to prescribe the powers and duties of certain public agencies and officers; and to prescribe penalties," by amending section 1 (MCL 780.621), as amended by 2002 PA 472.

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

1. Amend page 4, line 25, after "**EXCEED**" by striking out "**90**" and inserting "**93**".

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. 207, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43517, 43520, 43525a, and 43531 (MCL 324.43517, 324.43520, 324.43525a, and 324.43531), sections 43517 and 43520 as amended by 2006 PA 282, section 43525a as amended by 2006 PA 280, and section 43531 as amended by 2009 PA 70.

Substitute (S-3).

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

Resolutions**House Concurrent Resolution No. 4.**

A concurrent resolution to urge the United States Department of Energy and the Nuclear Regulatory Commission to do everything necessary to allow the Yucca Mountain repository to begin accepting high-level nuclear waste.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

Introduction and Referral of Bills

Senators Warren, Young, Whitmer, Anderson, Hopgood, Gregory, Johnson, Hood, Smith and Gleason introduced

Senate Joint Resolution J, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 7 of article IX, to provide for a graduated state income tax.

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

Senators Pappageorge, Gregory, Brandenburg, Booher, Green, Colbeck, Richardville, Schuitmaker, Rocca, Hunter, Emmons, Pavlov, Jansen, Marleau, Proos, Caswell, Casperson, Kahn and Nofs introduced

Senate Bill No. 282, entitled

A bill to designate the period beginning on September 11 through September 17 of each year as Patriot Week in the state of Michigan.

The bill was read a first and second time by title and referred to the Committee on Veterans, Military Affairs and Homeland Security.

Senators Green, Nofs, Hunter, Marleau, Booher, Rocca, Colbeck, Pavlov, Proos, Kahn and Emmons introduced

Senate Bill No. 283, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 30c (MCL 211.30c), as amended by 1996 PA 476.

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

Senators Green, Kahn, Nofs, Hunter, Marleau, Booher, Rocca, Colbeck, Pavlov, Proos and Emmons introduced

Senate Bill No. 284, entitled

A bill to amend 1973 PA 186, entitled "Tax tribunal act," by amending section 55 (MCL 205.755).

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

Senators Green, Kahn, Nofs, Hunter, Marleau, Booher, Rocca, Colbeck, Pavlov, Proos and Emmons introduced

Senate Bill No. 285, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 30 (MCL 211.30), as amended by 2003 PA 194.

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

Senators Johnson, Anderson, Hunter, Whitmer, Young, Bieda, Warren, Hopgood, Hood, Gregory, Smith and Gleason introduced

Senate Bill No. 286, entitled

A bill to amend 1965 PA 166, entitled "An act to require prevailing wages and fringe benefits on state projects; to establish the requirements and responsibilities of contracting agents and bidders; and to prescribe penalties," (MCL 408.551 to 408.558) by adding section 6a.

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

Senators Kowall, Hune, Pavlov, Brandenburg and Gleason introduced

Senate Bill No. 287, entitled

A bill to amend 1933 PA 254, entitled "The motor carrier act," by amending section 2 of article V (MCL 479.2), as amended by 2008 PA 584.

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

Senator Young introduced

Senate Bill No. 288, entitled

A bill to require certain property owners to provide certain security measures.

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

Senators Young and Jones introduced

Senate Bill No. 289, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1315.

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

Senators Warren, Young, Hopgood, Johnson, Hunter, Smith and Gleason introduced

Senate Bill No. 290, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51 (MCL 206.51), as amended by 2007 PA 94.

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

House Bill No. 4111, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 503 (MCL 324.503), as amended by 2004 PA 587.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 4408, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 10, 15, 54, and 62 (MCL 421.10, 421.15, 421.54, and 421.62), section 10 as amended by 2003 PA 84, section 15 as amended by 1996 PA 498, section 54 as amended by 2002 PA 192, and section 62 as amended by 1995 PA 125.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

Senator Bieda entered the Senate Chamber.

Statements

Senators Anderson, Young, Bieda and Meekhof asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Anderson's statement is as follows:

I rise today to call on my colleagues in the Legislature to act on the unemployment legislation that the federal government needs us to pass in order for Michigan to receive hundreds of millions of dollars in federal funding and maintain unemployment benefits for thousands of Michigan residents. We need to make a temporary change to Michigan's law to match a change in federal law, extending the look-back period from two to three years, to ensure that unemployed workers do not lose their eligibility for the federal extended benefits on the unemployment program on April 2.

If we fail to act, 35,000 unemployed workers in Michigan would immediately be cut from the unemployment program and lose 20 weeks of critical support from the federal unemployment insurance program while they look for work. An additional 150,000 Michigan workers, who might become eligible this year, could also lose their eligibility if this law is not changed. The state would be denying Michigan residents 20 weeks of federal unemployment benefits that residents of other states are able to utilize.

As we stretch every budget dollar in the state, there is no reason we should not be moving this legislation to leverage federal funding to assist Michigan workers who are struggling to find jobs in this difficult economy. While our economy has slowly started to turn around, far too many people are still out of work. Unemployment benefits enable them to feed and clothe their families, make their mortgage and car payments, and pay their bills while they are searching for jobs. In other words, they are putting the money right back into our state's economy helping Michigan businesses too.

This legislation change will come at no cost to state government and no cost to Michigan businesses. I know originally there was a lot of concern it would cost Michigan businesses additional dollars. We have found since then it is not true. This should be an easy decision and a common-sense solution to continue unemployment aid for our workers in Michigan. Minnesota, Ohio, Maine, Washington, Delaware, and 30 other states in this same position have already taken action, and we should too.

This should not be a partisan issue. The Michigan Economic Alliance supports this change, and we should all be willing to agree on utilizing federal dollars to help Michigan's unemployed workers. But we are quickly running out of time. This legislation must be passed by April 1, and with this being our last week of session before that time, we have to act now.

We have legislation that has come over from the House that addresses other unemployment reforms, and we can use that bill to make this change. For Michigan families, this lifeline is in jeopardy, and this is not the time for hand-wringing, delays, or partisan politics. We need to act now, and I urge my colleagues to swiftly take up this legislation and ensure continued unemployment benefits for Michigan families.

Senator Young's statement is as follows:

I want to begin by saying something from Aristotle: "The greatest virtues are those which are most useful to other persons." I rise today to repeat a question I asked of my Republican colleagues a week ago and one I plan on repeating until it gets an answer. How long do you plan to leave our seniors in Michigan wondering what their future here is in Michigan? How many caucus meetings and retreats does it take to determine once and for all that taxing the pension checks of those who worked their entire lives in Michigan, raised their families here, and now simply want to enjoy their retirement years here is a bad idea?

Governor Snyder may have put this idea out there on the table, but we have the power to take it off the table. Thousands of our seniors came to Lansing last week to tell all of us that they are angry. I, for one, cannot blame them. My colleagues from the Democratic Caucus made it 100 percent clear to them that we do not support this misguided proposal, and we have asked the Republican members on multiple occasions to now join us in that opposition. Unfortunately, all of those who joined us here last week, the only thing they heard from the other side of the aisle was absolute silence.

I ask once more on behalf of the people: How long will it take for us to say enough is enough; that Governor Snyder is wrong; that this idea is wrong? We will not balance the budget on the backs of our seniors. Let's give them an answer. More importantly, let's give them our support. The simple notion of telling seniors to hide their pensions, to hide their savings, and to hide the Constitution of this state, which I feel this bill violates, is not an answer.

We must make sure that they understand that not only will we protect their savings, but we will protect their pensions that they worked so long and hard for. We as elected officials understand that the Constitution is not a document for the government to control the people, but it is a document for the people to restrain their government, particularly when their freedoms are being infringed upon with this unconstitutional proposal.

I ask us all to rise as one voice and say this will not stand, and destroy this unconstitutional and illegal pension tax.

Senator Bieda's statement is as follows:

Today, I rise to draw attention to the fact that our state will take delivery of the official census data today, officially beginning the long and difficult process of redistricting. If you ask the citizens from across Michigan how they want that process of drawing new district boundaries done, they won't tell you that they want a plan that favors Republicans, nor will they tell you that they want a plan that favors Democrats. Instead, they will tell you that they want a plan that ensures honesty, transparency, and fairness throughout the process. Quite simply, our current system guarantees them none of those things. It allows district maps to be drawn up behind closed doors and voted on before voters ever get a chance to look at them. We can and we must do better than that.

I have introduced legislation today that would overhaul our current process of redistricting to create an independent commission that would lead our state's efforts. The commission would be made up of nine members, four appointed by Republicans, four appointed by Democrats, and one by the nonpartisan Auditor General. Their charge would be clear. They must hold a series of public meetings throughout the state to give the public an opportunity to learn more about the process and voice their concerns. They can then begin the process of developing new district maps that are fair, accurate, and agreed upon by at least six of nine members. After that, their plans are sent to us here in the Legislature for our approval.

This commission is based on the model of redistricting that is already in place elsewhere in the country and works well. I think we owe it to our citizens to bring it here to Michigan. It ensures a process that is transparent, and more importantly, it ensures a plan that is fair to all of our voters.

Senator Meekhof's statement is as follows:

Through you to the previous speaker, the Senator from the 1st District, I find it curious that we, indeed, heard from their caucus that they want to do something different for seniors. That very idea originated in the House caucus, from the same members, regarding pensions. I find it very curious that now once they say no and once they say yes, and I think we have to make an opportunity. Those folks who were here were seriously mad about opportunity. It's opportunity for their kids and grandkids to have a prosperous Michigan, the one that they knew and enjoyed. I am hoping that we all consider this as we move forward with our votes—fair, simple, and efficient.

Committee Reports

The Committee on Agriculture reported

Senate Bill No. 46, entitled

A bill to amend 2006 PA 110, entitled "Michigan zoning enabling act," (MCL 125.3101 to 125.3702) by adding section 513.

With the recommendation that the substitute (S-7) be adopted and that the bill then pass.

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

Joseph R. Hune
Chairperson

To Report Out:

Yeas: Senators Hune, Booher, Emmons, Hansen and Gleason

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Agriculture submitted the following:

Meeting held on Thursday, March 17, 2011, at 9:02 a.m., Room 110, Farnum Building
Present: Senators Hune (C), Booher, Emmons, Hansen and Gleason

The Committee on Regulatory Reform reported

Senate Bill No. 263, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 333.17902 (MCL 333.17902), as added by 2006 PA 54.

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

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

Tory Rocca
Chairperson

To Report Out:

Yeas: Senators Rocca, Jones, Hune, Meekhof, Pavlov, Johnson and Warren

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Regulatory Reform submitted the following:

Meeting held on Thursday, March 17, 2011, at 12:30 p.m., Room 110, Farnum Building
Present: Senators Rocca (C), Jones, Hune, Meekhof, Pavlov, Johnson and Warren

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Environmental Quality submitted the following:

Meeting held on Thursday, March 17, 2011, at 12:30 p.m., Room 100, Farnum Building
Present: Senators Green (C), Walker, Booher and Hopgood

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Energy, Labor, and Economic Growth submitted the following:

Joint meeting held on Thursday, March 17, 2011, at 1:30 p.m., Room S-519, South Tower, House Office Building
Present: Senators Jansen (C), Proos and Johnson

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Human Services submitted the following:

Meeting held on Thursday, March 17, 2011, at 2:30 p.m., Room 210, Farnum Building
Present: Senators Caswell (C), Jansen, Proos and Gregory

Scheduled Meetings

Appropriations - Wednesday, March 23, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1760)

Subcommittees -

Community Health Department - Wednesdays, March 23, 1:00 p.m., Rooms 402 and 403, Capitol Building (CANCELED); and April 13, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

Energy, Labor, and Economic Growth Department and House Energy, Labor, and Economic Growth Appropriations Subcommittee - Thursday, March 24, 1:30 p.m., Room 426, Capitol Building (373-2768)

Environmental Quality Department - Wednesday, April 6, 1:30 p.m., Rooms 402 and 403, Capitol Building (373-2768)

General Government - Tuesday, April 12, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Higher Education - Wednesdays, March 23 and March 30, 12:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Human Services Department - Thursdays, March 24 and April 14, 2:30 p.m., Room 210, Farnum Building; Tuesday, March 29, and Thursday, March 31, 10:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

K-12, School Aid, Education - Wednesday, March 23, 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Natural Resources Department - Wednesday, April 6, 10:30 a.m., Room 100, Farnum Building (373-2768)

State Police and Military Affairs - Thursday, March 24, 1:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Transportation - Wednesdays, March 23 (CANCELED) and April 13, 3:00 p.m. or later immediately following the Appropriations Committee meeting, Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Education - Wednesday, March 23, 12:30 p.m., Room 100, Farnum Building (373-5314)

Families, Seniors and Human Services - Wednesday, March 23, 3:00 p.m., Room 210, Farnum Building (373-5312)

Local Government and Elections - Wednesday, March 23, 3:00 p.m., Room 100, Farnum Building (373-5323)

Reforms, Restructuring and Reinventing - Wednesday, March 23, 8:30 a.m., Rooms 402 and 403, Capitol Building (373-5324)

Senate Fiscal Agency Board of Governors - Thursday, March 24, 9:00 a.m., Room S-324, Capitol Building (373-2768)

Senator Meekhof moved that the Senate adjourn.
The motion prevailed, the time being 10:49 a.m.

The President pro tempore, Senator Schuitmaker, declared the Senate adjourned until Wednesday, March 23, 2011, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

