

**No. 70**  
**JOURNAL OF THE SENATE**

---

Senate Chamber, Lansing, Wednesday, October 1, 1997.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Connie B. Binsfeld.

The roll was called by the Secretary of the Senate, who announced that a quorum was not present.

Bennett—present  
Berryman—present  
Bouchard—present  
Bullard—present  
Byrum—present  
Cherry—present  
Cisky—present  
Conroy—present  
DeBeussaert—present  
DeGrow—present  
Dingell—present  
Dunaskiss—present  
Emmons—present

Gast—present  
Geake—present  
Gougeon—present  
Hart—present  
Hoffman—present  
Koivisto—present  
McManus—present  
Miller—present  
North—present  
O'Brien—present  
Peters—present  
Posthumus—present

Rogers—present  
Schuette—present  
Schwarz—present  
Shugars—present  
A. Smith—present  
V. Smith—present  
Stallings—present  
Steil—present  
Stille—present  
Van Regenmorter—present  
Vaughn—present  
Young—present

Senator Michael J. Bouchard of the 13th District offered the following invocation:

As we address many issues confronting our state, let us be guided by the principles that we have learned so well from our Creator: To help others, to think of how things will affect others, to do unto others as we would want done unto ourselves, and that those who are in a lesser state are our chore and our task to take care of. Let us keep all of those things in mind as we carry on our duties in the Senate.

### **Recess**

Senator Schwarz moved that the Senate recess until 10:30 a.m.  
The motion prevailed, the time being 10:04 a.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Binsfeld.

During the recess, Senators Koivisto, Bennett, Cisky and Hoffman, entered the Senate Chamber.

A quorum of the Senate was present.

### **Recess**

Senator Schwarz moved that the Senate recess until 10:45 a.m.  
The motion prevailed, the time being 10:31 a.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Binsfeld.

During the recess, Senators Van Regenmorter, Stille and Geake entered the Senate Chamber.

### **Recess**

Senator Schwarz moved that the Senate recess subject to the call of the President.  
The motion prevailed, the time being 10:46 a.m.

10:56 a.m.

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

During the recess, Senators Schuette, Rogers, Gast, Steil, Emmons, Dunaskiss, McManus, Gougeon, North, Posthumus and DeGrow entered the Senate Chamber.

### **Motions and Communications**

Senator DeGrow moved that rule 3.902 be suspended to allow guests of Senators Vaughn and Gast admittance to the Senate floor.

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

Senator DeGrow moved that rule 3.901 be suspended to allow media and guests to film and take photographs on the Senate floor, including the center aisle.

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

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, September 30:  
**House Bill Nos. 4186 4586**

The Secretary announced the printing and placement in the members' files on Tuesday, September 30 of:

<b>Senate Bill Nos.</b>	<b>677</b>	<b>678</b>	<b>679</b>	<b>680</b>	<b>681</b>	<b>682</b>	<b>683</b>	<b>684</b>	<b>685</b>	<b>686</b>	<b>687</b>	<b>688</b>	<b>689</b>	<b>690</b>
	<b>691</b>	<b>693</b>	<b>694</b>	<b>695</b>	<b>696</b>	<b>697</b>	<b>698</b>	<b>699</b>	<b>700</b>	<b>701</b>	<b>702</b>	<b>703</b>	<b>704</b>	<b>705</b>
	<b>710</b>	<b>711</b>	<b>716</b>	<b>717</b>	<b>721</b>									
<b>Senate Joint Resolution</b>	<b>M</b>													
<b>House Bill Nos.</b>	<b>5062</b>	<b>5063</b>	<b>5064</b>	<b>5065</b>	<b>5066</b>	<b>5067</b>	<b>5068</b>	<b>5069</b>	<b>5070</b>	<b>5071</b>	<b>5072</b>	<b>5073</b>	<b>5074</b>	<b>5075</b>
	<b>5076</b>	<b>5077</b>	<b>5078</b>	<b>5079</b>	<b>5080</b>	<b>5081</b>	<b>5082</b>	<b>5084</b>	<b>5085</b>	<b>5086</b>	<b>5087</b>	<b>5088</b>	<b>5089</b>	<b>5090</b>
	<b>5091</b>	<b>5092</b>	<b>5093</b>	<b>5094</b>	<b>5095</b>	<b>5096</b>	<b>5097</b>	<b>5098</b>	<b>5099</b>					

The Secretary announced the printing and placement in the members' files on Tuesday, October 1 of:

**House Bill No. 5116**

### Recess

Senator DeGrow moved that the Senate recess subject to the call of the President.

The motion prevailed, the time being 10:57 a.m.

11:08 a.m.

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

During the recess, Senators Vaughn and A. Smith introduced Mayor Mamadou Diop, from Dakar, Senegal, Africa, sister city of Ann Arbor, and presented him with a special tribute.

Mayor Diop responded briefly.

During the recess, Senator Bullard entered the Senate Chamber.

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

The motion prevailed.

Senator Gast's statement is as follows:

I've had in my office in the last seven years a young man whom some of you have met, some of you have not—Tony Holmes. He is the son of Darryl Holmes, and I think most of you know Darryl from the Department of Transportation. Before coming to my office, Tony Holmes had an internship in the Lieutenant Governor's office. It may have been a little bit brief and it may have been terminated by employment in my office, but Tony over the past years has handled a lot of constituent work and done an admirable job. He knew when to say, "I'll have to ask the Senator about this," and when to say "This we can do" and we proceeded to do it.

Tony took a leave of absence from my office when he served as the Executive Director of the Citizens United for the Bear Ballot Committee, which in my belief, fortunately failed, and Tony was not that happy about it. We were on different sides, but Tony took a distinct leave of absence from the office, off of the payroll, and was out of the office physically for the term of that time. Because he did that, he has opened up new career and job opportunities of which he is about to avail himself of.

So, Tony is going to be a citizen of the state of New York very shortly and Tony has worked on the casino gaming issues, getting information back to the district. We're not soliciting, philosophizing or anything like that. We are relaying information back to the district. However, how that's being interpreted by the locals, I could care less. We are just providing them with the information.

I wish Tony the best as he embarks on a new career and the challenges in the state of New York, and present him with this tribute in a way of expressing my thanks and appreciation for the years of service he has given to the district I represent, and to me personally.

Senator Gast moved that the statement made by Lieutenant Governor Binsfeld be printed in the Journal.

The motion prevailed.

The Lieutenant Governor's statement is as follows:

Good luck in your new position and in the new state you will be residing. We will always appreciate what a fast study you were as a young man here with the Michigan Senate. Thank you for all your service.

### Messages from the Governor

The following messages from the Governor were received and read:

September 30, 1997

Please be advised of the following reappointments to office, subject to the advice and consent of the Michigan Senate:

**Workers' Compensation Appellate Commission**

Mr. James J. Kent, 1415 Fair Oaks Court, East Lansing, Michigan 48823, county of Ingham, as a member representing the general public, succeeding himself, for a term expiring October 1, 2001.

Colonel Donald G. Miller, 29940 Old North River Road, Mt. Clemens, Michigan 48045-3081, county of Macomb, as a member representing the general public and as Chair, succeeding himself, for a term expiring on October 1, 2001.

September 30, 1997

Please be advised of the following reappointment to office, subject to the advice and consent of the Michigan Senate:

**Saginaw Valley State University Board of Control**

Mr. Robert H. Walpole, 4868 Woodview Lane, Cass City, Michigan 48726, county of Tuscola, as a member representing the general public, succeeding himself, for a term expiring July 21, 2005.

September 30, 1997

Please be advised of the following reappointment to office, subject to the advice and consent of the Michigan Senate:

**Upper Peninsula State Fair Board of Managers**

Mr. Richard A. Breyer, Box 404 N113 Section Street, Stephenson, Michigan 49887, county of Menominee, as a member representing the general public, succeeding himself, for a term expiring September 30, 2002.

September 30, 1997

There is herewith presented for consideration and confirmation by the Senate, the following appointment to office:

**Agricultural Marketing and Bargaining Board**

Honorable Robert Bender, 2998 Wood School Road, Middleville, Michigan 49333, county of Barry, as a member representing the general public, succeeding Mr. Baert D. Brand of Sparta, whose term has expired, for a term expiring on September 1, 2001.

September 30, 1997

Please be advised of the following reappointment to office, subject to the advice and consent of the Michigan Senate:

**Crime Victims Services Board**

Mr. William A. Forsyth, 4252 Baywood, S.E., Grand Rapids, Michigan 49546, county of Kent, as a member representing prosecuting attorneys, succeeding himself, for a term expiring on September 27, 2000.

Sincerely,  
John Engler  
Governor

The appointments were referred to the Committee on Government Operations.

### Messages from the House

By unanimous consent the Senate proceeded to consideration of the following bill:

**Senate Bill No. 165, entitled**

A bill to make appropriations for a capital outlay program for the fiscal year ending September 30, 1998, to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and September 30, 1998 conditions relating to the appropriations; and to provide for the expenditure of appropriations.

Substitute (H-1).

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

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

**Roll Call No. 478****Yeas—35**

Bennett	DeGrow	Koivisto	Schwarz
Berryman	Dingell	McManus	Shugars
Bouchard	Dunaskiss	Miller	Smith, A.
Bullard	Emmons	North	Smith, V.
Byrum	Gast	O'Brien	Stallings
Cherry	Geake	Peters	Steil
Cisky	Gougeon	Posthumus	Stille
Conroy	Hart	Rogers	Van Regenmorter
DeBeaussaert	Hoffman	Schuette	

**Nays—0****Excused—0****Not Voting—2**

Vaughn	Young
--------	-------

In The Chair: President

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

Senator V. Smith moved that Senator Vaughn be temporarily excused from the balance of today's session. The motion prevailed.

Senator Young stated that had he been present when the vote was taken on concurring in the House substitute to the following bill, he would have voted "yea":

**Senate Bill No. 165**

Senator Vaughn entered the Senate Chamber.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator DeGrow moved that the rules be suspended to permit the following bills, now on Committee Reports, be placed on their immediate passage:

**Senate Bill No. 52****Senate Bill No. 719****Senate Bill No. 240**

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

**Third Reading of Bills**

The following bill was read a third time:

**Senate Bill No. 52, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 115, 131, 203, 204, 205, 217, 219, 221, 237, 241, 241a, 242, 244, 247, 248, 251, 303, 305, 342, 344, 350, 350a, 350d, 350e, 352, 355, 363, 367, 367b, 367f, 371, 372, 384, 386, 393, 396, 404, 434, 451, 454, 461, 462, 484, 485, 486, 488, 492, and 493 (MCL

18.1115, 18.1131, 18.1203, 18.1204, 18.1205, 18.1217, 18.1219, 18.1221, 18.1237, 18.1241, 18.1241a, 18.1242, 18.1244, 18.1247, 18.1248, 18.1251, 18.1303, 18.1305, 18.1342, 18.1344, 18.1350, 18.1350a, 18.1350d, 18.1350e, 18.1352, 18.1355, 18.1363, 18.1367, 18.1367b, 18.1367f, 18.1371, 18.1372, 18.1384, 18.1386, 18.1393, 18.1396, 18.1404, 18.1434, 18.1451, 18.1454, 18.1461, 18.1462, 18.1484, 18.1485, 18.1486, 18.1488, 18.1492, and 18.1493), sections 115, 203, 205, 217, 221, 244, 247, 342, 350, 367, 371, 372, 384, 386, 393, and 451 as amended and sections 204, 241a, 350a, 350d, 350e, 396, and 454 as added by 1988 PA 504, sections 219, 352, and 355 as amended and sections 367b and 367f as added by 1991 PA 72, section 363 as amended by 1993 PA 2, section 461 as amended by 1986 PA 251, and sections 484, 485, 486, and 488 as added by 1986 PA 272; and to repeal acts and parts of acts.

The question being on the adoption of the following committee substitute:

Substitute (S-2).

Senator Conroy offered the following amendments to the substitute:

1. Amend page 6, line 26, after "353E." by striking out the balance of the section and inserting "(1) NOTWITHSTANDING SECTION 353, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1997 ONLY, THERE IS APPROPRIATED AND TRANSFERRED FROM THE FUND TO THE STATE SCHOOL AID FUND THE SUM OF \$211,000,000.00 FOR THE PURPOSE OF PAYING MONEY DAMAGES TO SCHOOL DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS WHO WERE PLAINTIFFS IN THE CONSOLIDATED CASES KNOWN AS DURANT V STATE OF MICHIGAN, SUPREME COURT DOCKET NO. 104458-104492, ACCORDING TO THE SUPREME COURT'S JULY 31, 1997 OPINION IN THAT CASE.

(2) NOTWITHSTANDING SECTION 353, FOR EACH FISCAL YEAR BEGINNING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 1998 AND ENDING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THERE IS APPROPRIATED AND TRANSFERRED FROM THE FUND TO THE STATE SCHOOL AID FUND THE SUM OF \$77,000,000.00 FOR THE PURPOSE OF MAKING PAYMENTS TO SCHOOL DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS OTHER THAN THOSE DESCRIBED IN SUBSECTION (1), CALCULATED ON THE SAME BASIS AS THE PAYMENT OF MONEY DAMAGES DESCRIBED IN SUBSECTION (1). THE APPROPRIATION UNDER THIS SUBSECTION FOR EACH FISCAL YEAR SHALL BE PAID TO THE SCHOOL AID FUND ON AUGUST 1 OF THAT FISCAL YEAR OR ON THE NEXT SUCCEEDING BUSINESS DAY. THE APPROPRIATION UNDER THIS SUBSECTION FOR EACH FISCAL YEAR SHALL BE PAID TO THE GREATEST EXTENT POSSIBLE FROM INTEREST AND OTHER EARNINGS OF THE FUND AND ANY REMAINING AMOUNT SHALL BE PAID FROM FUND PRINCIPAL. THE APPROPRIATION AND TRANSFER DESCRIBED IN THIS SUBSECTION IS A CONTRACTUAL OBLIGATION OF THIS STATE. THE DEPARTMENT ON BEHALF OF THIS STATE SHALL ENTER INTO A CONTRACT WITH EACH SCHOOL DISTRICT AND INTERMEDIATE SCHOOL DISTRICT, OTHER THAN THOSE DESCRIBED IN SUBSECTION (1), FOR PAYMENT AS DESCRIBED IN THIS SUBSECTION."

2. Amend page 16, line 3, by striking out all of article 6.

The question being on the adoption of the amendments to the substitute,

Senator V. Smith requested the yeas and nays.

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

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

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

**Roll Call No. 479**

**Yeas—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Nays—21**

Bennett	Emmons	McManus	Schwarz
Bouchard	Gast	North	Shugars
Bullard	Geake	Posthumus	Steil
Cisky	Gougeon	Rogers	Stille
DeGrow	Hoffman	Schuette	Van Regenmorter
Dunaskiss			

**Excused—0**

**Not Voting—0**

In The Chair: Schwarz

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

The motion prevailed.

Senator Conroy's first statement is as follows:

This is an issue of paying back the money for the Durant settlement, which is \$211 million. The other part of that is the remaining 400-plus school districts that we feel morally compelled to payback. We estimate \$768 million was also underfunded for special education over a period of years. The only disagreement we have with the majority party's approach is they want to bond the \$768 million and hand out big checks for these school districts next year. What this amendment would do, is string the payments out ten years at \$77 million a year, taking up that total \$768 million. The way in which the bill reads is, it would take 15 years at the same rate, of approximately \$76-77 million a year, but for 15 years. So, for those of you who liked five year car payments and six year car payments, that's the way the bill reads. For those of us who are used to a two- or three-year car payment, at the very most, while the car is still running, the approach this amendment takes is it pays it off in 10 years, which is five years less. At least \$370 million less of the taxpayers hard earned money will be spent with this amendment. We don't have to pay them cash. The court is silent on how we need to pay money back. So we don't need to pay cash.

This amendment says \$77 million a year for 10 years. We think this amendment will buy more computers and pay for more lower class sizes down the road in future years than the way in which the bill reads. And the bill says 15 years at 76 million bucks a year. That is five years longer and virtually all interest that will be paid during those extra five years. I think this is an important amendment. This is the way the House passed the bill. It makes sense, it's economical and it's frugal with the tax dollars. For those of you who claim you don't want to raise taxes, this amendment clearly lowers that obligation of the taxpayer I urge your adoption of this amendment.

Senator Conroy's second statement is as follows:

I tell you, I have heard some stories, but I think the last half an hour has topped the whole list. Out of 20 years, I have never heard such changing of a story of indeed what my amendment does. I was just laughing over here, I just couldn't believe what was being said. First of all, my amendment does not cost any interest. The bill is going to cost \$400 million in interest. My amendment eliminates the interest. That \$400 million to the Bay City Schools, at least some of it, will buy computers. It certainly would buy computers in my district. It certainly would buy books and other things that children need. My amendment saves \$400 million. The estimate is between \$380 and \$400 million, so if I can save 400, that was what was within the scope of the cost. I just think that it's crazy when we're not required to bond, that we should go ahead and bond. I don't see any reason to do it at all, you wouldn't do it in your private life, we shouldn't do it in our public life.

These children are being short-changed and they are paying twice. They are paying because we are going to have less money to give to them for their educational experience. And some of them who are well into their junior high or high school careers are going to be paying this debt. These students are going to be paying us the debt that the Senator from Midland wants to impose upon the constituents of this state. \$400 million more for the bonding proposal as oppose to \$400 million less than what this amendment will cost. I just don't understand the logic. I don't understand why, when we haven't even been told that we have to pay this money, we are paying it because we think it is the right thing to do, and I give the Governor credit for making that assertion, making that commitment so we can clear up the mess. But, we are not being told by the court to pay it, and we are not being told by the court on how we should pay it. But, we've decided to pay it back, so why do we impose all of this interest cost when we don't have to. That \$400 million can go for a lot of good things that children need, books and all sorts of equipment. Senator A. Smith was talking about the infrastructure that's needed in the school system and she so rightly mentioned that those wiring systems are very expensive to install so computers can operate. This savings that this amendment will accrue, could buy some of that for some of those schools. I urge you to adopt this amendment. I think it makes sense. I don't think the farmers, when they go out and borrow for their seed for next spring, are going to borrow for 15 years worth of seed, if they don't have to. They are only going to borrow what they have to. We don't have to borrow. We can spend this money out of the proceeds and the interest we make off of the BSF Fund, and we can still have \$1.2 billion in that fund, 10 years from now.

Senator A. Smith offered the following amendments to the substitute:

1. Amend page 6, line 27, after "1998," by striking out the balance of the line through line 1 on page 7.
2. Amend page 7, line 2, after "TRANSFERRED" by striking out "EACH FISCAL YEAR".
3. Amend page 7, line 3, by striking out "\$70,370,000.00" and inserting "\$211,110,000.00".
4. Amend page 7, line 8, after "CASE." by striking out the balance of the sentence.

The question being on the adoption of the amendments to the substitute,

Senator V. Smith 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 not voting therefor, as follows:

**Roll Call No. 480**

**Yeas—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Nays—20**

Bennett	Dunaskiss	McManus	Schwarz
Bouchard	Emmons	North	Shugars
Bullard	Gast	Posthumus	Steil
Cisky	Gougeon	Rogers	Stille
DeGrow	Hoffman	Schuetz	Van Regenmorter

**Excused—0**

**Not Voting—1**

Geake

In The Chair: Schwarz

The substitute was adopted, a majority of the members serving 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. 481**

**Yeas—21**

Bennett	Emmons	McManus	Schwarz
Bouchard	Gast	North	Shugars
Bullard	Geake	Posthumus	Steil
Cisky	Gougeon	Rogers	Stille
DeGrow	Hoffman	Schuetz	Van Regenmorter
Dunaskiss			

**Nays—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young



**Excused—0****Not Voting—0**

In The Chair: Schwarz

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

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending the title and sections 237, 305, 350a, 350e, 352, 384, 396, 404, 484, 485, 486, 488, 492, and 493 (MCL 18.1237, 18.1305, 18.1350a, 18.1350e, 18.1352, 18.1384, 18.1396, 18.1404, 18.1484, 18.1485, 18.1486, 18.1488, 18.1492, and 18.1493), the title as amended by 1994 PA 301, sections 350a, 350e, and 396 as added and section 384 as amended by 1988 PA 504, section 352 as amended by 1991 PA 72, and sections 484, 485, 486, and 488 as added by 1986 PA 272, and by adding section 353e and article 6; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

**Protests**

Senators V. Smith, Stallings, Cherry, Byrum, Conroy, Peters, A. Smith, Young and Dingell, under their constitutional right of protest (Art. IV, Sec. 18), protested against the passage of Senate Bill No. 52.

Senators V. Smith, Byrum and Dingell moved that the statements they made during the discussion of the amendments offered by Senator Conroy be printed as their reasons for voting "no."

The motion prevailed.

Senator V. Smith's statement, in which Senator Stallings concurred, is as follows:

I am just amazed that my colleagues on the other side of the aisle are now feeling that the Budget Stabilization Fund is so sacrosanct that we can not reduce it by paying legitimate obligations that this state has. I can remember the \$90 million that came out of the BSF to pay for the Miller brothers. I did not really think we owed them the money—that sounded like it was just outright thievery when we gave them \$90 million, but we gave them \$90 million out of the Budget Stabilization Fund. I continue to be perplexed at: "Well, we have to pay all of this off right now." Well, the judgment says that we have to pay \$211 million and the court gave the impression that they may not extend that judgment. So the other \$768 million is really money that we have just said, "O.K., we owe it to the other school districts." There is no legal order that says we have to pay that money. There is no judgment in place. There is no timetable that it has to be paid. So why are you willing to saddle \$400 million worth of costs on your constituents' backs, when we have an alternative proposal that will pay them off in a reasonable amount of time when we are not under any legal obligation to pay this money at all. I think your arguments ring hollow and I think your arguments from a fiscal standpoint are irresponsible.

Senator Cherry's statement, in which Senators Byrum and Stallings concurred, is as follows:

Mr. President, I voted "no" on this bill because it basically provides a mechanism to meet what I believe is an important obligation to those school districts that were to receive an award through the Durant decision and those that did receive an award because they chose not to sue. It meets the obligations that we owe, but it does so utilizing a bonding mechanism. Mr. President, for me that creates significant problems. We've seen, Mr. President, since 1989 Michigan's bonded debt double in size. If, in fact, we were to approve this bonding program that has been proposed and others that are similarly proposed, we will have found that from 1989 to next year the bonded state debt would have increased three times. This is all occurring, Mr. President, while nationally states are paying off their debts because of the good economy that we're all experiencing. But in the midst of this good economy, Michigan is, in fact, increasing its debt. On a per capita basis, that doubling of debt means instead of the \$752 per person we paid in 1989, this year we'll be paying in excess of \$1,300—a significant increase.

It's important to understand that some say that this is no problem that Michigan bonds on a regular basis; that, in fact, we're kind of in the middle of the pack nationally. But when they say that, they're talking about general obligation bonds. I'm talking here, Mr. President, about all bonded debt. The program that is before us is not one that advocates general obligation bonds. It would use a special bonding mechanism. When you talk about all of our debt, Mr. President, we are in the top 10 nationally. This proposal will simply increase our ranking among the various states. I think that it is unfortunate that when the economy is as good as it is that we find ourselves in the position of paying these obligations through bonding.

In the course of debate on this bill, several alternatives were offered—one by my colleague, Senator Conroy, and one by my colleague, Senator Alma Smith—both of which would have met these obligations as a result of the Durant decision without resorting to bonding. Senator Conroy's would have done that over time. Senator Smith's would have done it right up front. But in both instances, the money would have come out of the state's present resources.

Now I know that some will argue that the Budget Stabilization Fund is sacrosanct and should only be tapped in times of economic crisis. It strikes me, Mr. President, that it is appropriate for the state which faces a judicial judgment of a significant amount such as this one that we do use the Budget Stabilization Fund. In fact, we have in the past, Mr. President. We chose not too long ago when the court awarded to the Miller brothers money for what they believed was an inappropriate taking of their property. We used and tapped the Budget Stabilization Fund to pay that judgment. I see nothing wrong or inconsistent with doing that here. And in that respect, we would, I believe, be more fiscally prudent than in continuing this trend we've now developed to dramatically increase the state's debt.

I would like to note, Mr. President, that we do all of this as the federal government has come to a realization that deficit spending and mounting debts are not the way to go. It seems to me that if the federal government has recognized that, it is imprudent for Michigan to launch on the same course that they just now deserted. We ought to, in fact, try to pay this responsible judgment in a way that is fiscally prudent. That means to pay it out of current resources. The bill creates more debt, and on that basis, Mr. President, I voted "no."

Senator Conroy's statement, in which Senator Stallings concurred, is as follows:

I was disappointed that my amendment didn't pass. I thought it would have saved the taxpayers money. I think as a result the taxpayers are going to get socked in their pocketbooks. The children are going to get socked because they will have less dollars coming to them in terms of educational enhancements—computers, books, pencils and the like. I think it's an easy spender's bill. It's an easy spending way of doing it. The taxpayers don't know about our bond problem and, of course, when we get people standing up saying we're just in the middle of the rest of the states, I don't think that's where we ought to try to be. I think we ought to be a leader in not borrowing. We're spending \$211 million a year right now on bonds that we've been talked into not only by this administration, but the previous administration to that. They all said that it's the easy way to do it. You don't have to raise taxes—just bond.

I suggest to you that if you had to raise taxes for the amount of money you're spending and the way you're spending it, it would be a different story here today. But we are now spending \$211 million annually just for interest and to amortize those bonds. I don't think it's fiscally conservative. I think that it's a way to just mesmerize ourselves into thinking that things are okay. We don't go down the street and ask our neighbors which ones are borrowing money. We know that the successful people in this state do less borrowing on their own personal behalf. The ones who are the riskiest citizens in our state are the ones who have to borrow. Some of them have to do it because that's their only way out. It certainly isn't the best way out.

So I think we took a step backwards—a \$400 million hit to the taxpayers and to the students, and those students will be our future bond indebtedness payers.

Senator Byrum's statement is as follows:

I rise in support of the Conroy amendment, but I have a couple of additional comments that I would like to make.

I think I would like to start with the understanding of what exactly we are doing by selling the bonds, because the last speaker said that because of term limits, we will have the difficulty of making good on our word or the "check's in the mail," as Senator DeGrow said. I think that we will have to come to grips, first of all, with the structure of the bond authority we are talking about. We are creating a false authority in that we are not pledging the full faith and credit of the state of Michigan with these bonds and that future legislators are not responsible for these bonds. It's the authority that we will be creating under law. If we were serious about pledging the full faith and credit of the state of Michigan, then we would have a proposal that would have to be voted on by the people on the ballot. So if we're concerned about the term-limited legislature in how we might address the Durant case for the obligation of the non-Durant plaintiffs into the future, then we should be talking about a ballot proposal that the people of the state of Michigan should be able to decide, and that is not what is before us in the Senate bill. So I think we need to make that distinction.

As we go through this whole series of bills today, I can't help but notice that this is extremely complicated and to a large extent it looks like we're playing a shell game with ourselves and the kids. It's the kids of the state of Michigan because those are the ones who are really going to feel impact on what we are doing today. I don't think we are doing it in a straightforward and honest way. I guess that's what is the most disheartening for me.

We have to come to grips with what a term-limited legislature means. I never supported a term-limited legislature, but I'll be darned if I'll stand here on the Senate floor and say, "Oh, we can't do this because we're fearful now of what a term-limited legislature means." Well, I would submit that it was that side of the aisle that ran on term limits, and now today, I am hearing the debate that, "Oh, we're so fearful of how future legislators and legislatures are going to be able to address the critical and impressing problems of the state." Well, I submit to you, you probably should have been thinking about that several years ago.

When we start talking about our indebtedness, Michigan is not way below the national average in terms of our indebtedness. Let's talk about total debt. Let's not just take a look at a piece of our debt; let's look at total indebtedness and let's look at the indebtedness at a time when our economy has never been this strong. We take a look at what's going on across the nation—states are getting out of their indebtedness. They are paying off bonds and debt. They're not piling it up like Michigan is. The prudent fiscal response to this issue—and it is a serious issue with the non-Durant plaintiffs as well as the Durant judgment—is to pay out of our existing revenues, our existing money, our rainy day funds and not to pile on additional debt.

This is only a piece of the debt we are talking about. What about raising the cap on the capital outlay budget? What about securitization as we talk about the utilities as we go into deregulation? I mean there are lots of pieces that we're going to be stacking on top of each other and pretty soon you're going to be breaking the camel's back.

Senator Peters' statement, in which Senators Stallings and A. Smith concurred, is as follows:

Mr. President, I voted "no" on Senate Bill No. 52 as a result of the defeat of what I thought were two very important amendments, the Alma Smith amendment and the Conroy amendment. I was particularly troubled with the defeat of the Alma Smith amendment in that I have a couple Durant decision districts in my Senate district. For the life of me, I can't explain why they are not entitled to that money up front. I certainly don't want to be going back to those districts and say that the money they're entitled to as a result of that court case is going to be spread out over a number of years, when it could have been paid up front and settled a long-standing dispute. It wouldn't be a payment over 25 months. It would be an immediate payment. I'm troubled as to the defeat of that amendment because I know we were faced with a very similar situation not too long ago when we had another court case which required a payment—at least according to some, that required payment to those individuals.

So we have basically in front of us two cases—one was paid up front and the other one was paid out over a period of time. I tried to think what the difference is between those two cases. The only thing I can look at is that they were both court settlements, but one involved big political contributors and the other one involved children. It looks like, unfortunately, the children lost out when it came to a final vote. In the first instance, members voted for it and those members who voted for that first settlement refused to vote for another up front settlement for those children on this amendment. I was certainly disappointed by that result and believe that the plaintiffs are entitled to that money up front.

I'm also concerned about the bonding provisions of Senate Bill No. 52. I believe that because of the bonding, these school districts—the non-plaintiff school districts—will not receive incremental money. They are going to basically be getting some money up front, but ultimately, it's going to be paid out of money that they would get in the future. They are not going to get additional money. They, themselves, are going to end up paying these bonds. Not only are they going to end up paying these bonds, but they are also going to be charged the interest costs for those bonds and are going to end up the losers.

I cannot support the bill as presented. I would have preferred to see the adoption of the Conroy and Smith amendments. Without their adoption, I voted "no."

Senator Young's statement is as follows:

Having taken a look at this legislation in committee, and then as the process goes along, hoping it would have been amended where I could support it, because I can appreciate and understand what took place. However, in looking at this, I couldn't see for the life of me to determine, having come from a district of which I have two plaintiff school districts and one non-plaintiff district. The two non-plaintiff districts were litigants in the court, and in fact won, and as directed by the court, indicated that we should in fact pay them. I had hoped through this process I would be able to support legislation that said they should be immediately paid. And for that reason, I supported the Wheeler Smith amendment. This body chose however, not to immediately pay them. This body is still talking out of both sides of its mouth, indicating that we want to make these payments, yet we don't want to commit anything. Yet instead of paying them immediately, which I believe they should have been paid immediately, and that's the Harper Woods School District, as well as the Grosse Pointe School District. Then we're going to stretch this out over a three year period. In supporting this Wheeler Smith amendment, this body saw fit not to add that to Senate Bill No. 52, and so another stone was cast, as I began to look at whether or not Senate Bill No. 52 would be beneficial for my district.

In looking at my other school district with the city of Detroit, which is a non-plaintiff district. I thought it would be good that the state would also say, let's begin to find remedies for them as well. Instead of us wanting to pay them without the additional burden of \$400 million, my hope was that we would have supported the Conroy amendment which said let's pay them in equal payments or whatever it would take over a ten year period, as oppose to stretching this over the 15 years at an additional cost of \$400 million. This body did not see fit to do that.

I looked at this legislation, and coming from Senate District 1, having three different school districts, actually seven, but those that have merged together in the points to become one including Harper Woods in Detroit. This legislation is not going to help them in the long run at all. What's going to take place is that they will be given some money, some over a three year period. But in all actuality, we will be giving them less and we will be paying more. I don't think that

anyone—and I have a very diverse district—across the three school districts can see how this is fiscally responsible. I would like the record to reflect that one plaintiff's district ought to have been paid immediately in one cash payment. And those non-plaintiff districts should not be utilized in this process to cover up the fact that it is going to cost an additional \$400 million, and that we, in fact, will be taking this out of, and we can hide it, say it's going to be the General Fund. But the fact of the matter is we are using dollars from K-12 education to pay the \$400 million-plus because we choose to bond our children's future. I think it is wrong and it's for that reason I was opposed and voted "no."

Senator Dingell's statement is as follows:

Mr. President, I rise in support of the Conroy amendment. What this bill will do in its current form is increase the per capita debt that we have to \$1,400. Now you hear a lot lower figure from some people who profess to support the balanced budget amendment, but here they've jacked up the per capita state debt to about twice what it was six years ago. This appalls me. This is in no way consistent. We now have a state debt which at the end of 1995 was \$12.5 billion. This bothers the heck out of me. I hope it would bother you also. I very much believe that in terms of fiscal responsibility, there's only one way to go and that's with the Conroy amendment.

Senator A. Smith's statement is as follows:

My amendment would pay the Durant school districts immediately. It would take \$211 million from the Budget Stabilization Fund, leaving us with one billion dollars in the Budget Stabilization Fund. Paying the districts that spent the \$750 million, according to the Senator from the 23rd District, and pay them up front at once for having the courage to go up against the state of Michigan and sue for what they thought was their rightfully owed money, and for having the good fortune of prevailing. What we appear to do in the bill before us is to punish the very districts that went through the difficulty and the expense of suing the state and prevailing, and rewarding the districts that either got in line through their regional settlement offices or did not bother to complain at all - by giving them an immediate lump sum payment so that they can expend the money in full while the 84 Durant districts help pay for the money they are going to be getting. The impact, again, between my proposal and the proposal before you is a cost of \$12.7 million. The Governor's proposal for the Durant district's would cost \$1,000,124,000 and mine would cost \$12.7 million more. The 84 districts, and many of us, if not most of us, have a Durant district within our Senatorial district, those districts would realize the settlement that the court has ordered immediately.

The issue about the Budget Stabilization Fund and the impact on it is a decoy, a red herring. As people have pointed out with the earlier amendment, we do not hesitate to spend money out of the Budget Stabilization Fund. We talk about spending only the interest, but the award to the Miller brothers was made out of the Budget Stabilization Fund. The money that we have spent out of the Budget Stabilization Fund interest has always exceeded the amount that the Treasury Department calculates is, in fact, interest on the Budget Stabilization Fund. So we reach into the corpus of the BSF every time we make an interest payment out of the BSF because we do not really separate the interest and the corpus of the BSF. It is all rolled in together. It is all the same money. We spend it and appropriate it as if it is coming out of the Budget Stabilization Fund.

This settles the problem I heard many of my colleagues on the other amendment saying that the benefit to the Governor's plan is that it settles the problem for the districts immediately. Well this settles the problem for the plaintiff districts immediately. I think it is a good amendment and I urge your support.

The Assistant President pro tempore, Senator Hoffman, assumed the Chair.

The following bill was read a third time:

**Senate Bill No. 719, entitled**

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending the title and sections 4, 5, 34, 36, and 41 (MCL 38.1304, 38.1305, 38.1334, 38.1336, and 38.1341), the title and sections 4 and 34 as amended by 1996 PA 488, section 5 as amended by 1994 PA 272, section 36 as added by 1989 PA 194, and section 41 as amended by 1996 PA 278, and by adding section 113.

The question being on the adoption of the following committee amendment:

1. Amend page 8, following line 10, by inserting:

"Sec. 22. (1) The Michigan public school employees' retirement board is created in the department and shall consist of the superintendent of public instruction, THE STATE TREASURER, and 11 members appointed by the governor with the advice and consent of the senate as follows:

- (a) Two members who are working as classroom teachers.
- (b) One nonteacher member who is working in a noncertified educational support position or a retirant who retired from a noncertified educational support position.
- (c) One member who is a school system superintendent.

- (d) One member who is working in a school system in a finance or operations management position, but who is not a school system superintendent.
  - (e) One retirant who retired from a classroom teacher position.
  - (f) One retirant who retired from a finance or operations management position.
  - (g) One administrator or trustee of a community college, which community college is a reporting unit.
  - (h) Two from the general public, 1 of which shall have experience in health insurance or actuarial science and 1 of which shall have experience in institutional investments. An individual appointed under this subdivision shall not be a member, deferred member, retirant, or retirement allowance beneficiary under this act.
  - (i) One elected member of a reporting unit's board of control.
- (2) One of the retirement board members under subsection (1) shall be a member who is an employee of a school district of the first class or a retirant who retired from a position as an employee of a school district of the first class. One of the retirant members of the retirement board shall be selected from the membership of the largest organization of retirants.
- (3) The term of office of the retirement board members shall be ~~5~~ 4 years. A vacancy of a member on the retirement board shall be filled in the same manner as the original appointment for the remainder of the unexpired term. A retirement board member shall continue to hold office until a successor is appointed and has qualified, but not to exceed an additional ~~5~~ 4 years.
- (4) The 7 members appointed and serving on the retirement board on July 1, 1997 shall have their respective terms extended by 2 years and shall serve for the remainder of their extended terms. As each board member's term expires under this subsection, the new appointment shall be made in accordance with subsection (1). On January 1, 1997, 2 new individuals shall be appointed as members of the retirement board in accordance with subsection (1). The initial terms of office of these 2 new members shall ~~be set by the governor so that 1 term expires~~ EXPIRE on March 30, 2001 ~~and 1 term expires on March 30, 2003. The superintendent of public instruction and the state treasurer shall be considered to have terms that expire on March 30, 1997. On March 31, 1998~~ OCTOBER 31, 1997, 2 new individuals shall be appointed as members of the retirement board in accordance with subsection (1). The initial terms of office of these 2 new members shall expire on March 30, ~~2003~~ 2000.".

The Associate President pro tempore, Senator Vaughn, assumed the Chair.

The Assistant President pro tempore, Senator Hoffman, resumed the Chair.

The amendment was adopted, a majority of the members serving 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. 482**

**Yeas—20**

Bennett	Dunaskiss	Hoffman	Schuette
Bouchard	Emmons	McManus	Shugars
Bullard	Gast	North	Steil
Cisky	Geake	Posthumus	Stille
DeGrow	Gougeon	Rogers	Van Regenmorter

**Nays—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Excused—0**

**Not Voting—1**

Schwarz

In The Chair: Hoffman

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

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending the title and sections 4, 5, 22, 34, 36, and 41 (MCL 38.1304, 38.1305, 38.1322, 38.1334, 38.1336, and 38.1341), the title and sections 4, 22, and 34 as amended by 1996 PA 488, section 5 as amended by 1994 PA 272, section 36 as added by 1989 PA 194, and section 41 as amended by 1996 PA 278, and by adding section 113.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

### Protests

Senators Conroy, Peters, Cherry and A. Smith, under their constitutional right of protest (Art. IV, Sec. 18), protested against the passage of Senate Bill No. 719 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting "no."

The motion prevailed.

Senator Conroy's first statement is as follows:

Mr. President, I guess I would like some clarification as to what this amendment is. Is this the amendment that puts the Department of Education on the panel? Is that the amendment? It is not. This is the compilation of the amendments that the committee worked on. Well, thank you, Mr. Chairman.

I would like to at least argue against that. That is not what Senator Cherry thought the amendment was. That may have been one piece of it, but it changes the assumption from 8.0 to 8.3 percent, which the state thinks we can make more money than what we're making, and we're going to bet our bottom dollar on it. But at the same time, what we're doing is also taking money out of the local school systems to the tune of the same amount of money. That is, we raise it here, but we take it out there. The take-out is \$240 million.

So I think this is something that I would be opposed to. If you think back, just a few months ago we passed a bill that would change the assumption to 8.3 percent. I voted for that. I believe I was the only Democrat who did vote for it. But the proceeds of those moneys were going to be given to the school systems so they could reduce their pension costs by what we now assume to be about 3.44 percent. That's a huge gain for the local school district. This bill, this amendment, does not do that. It takes that money away.

Senator Conroy's second statement is as follows:

Mr. President, I thought you told me something different and I apologize to the body for not knowing what the amendment was. I do support this amendment as written.

Senator Peters' statement is as follows:

I rise to oppose this bill and argue that if you look at this bill, it may definitely be a great deal for the state of Michigan but it certainly is a very bad deal for our local schools. Where the problem exists is this valuation that is going to occur as of September 30, 1997. You're basically circumventing the five-year smoothing technique that has been used in the past in order to make those contributions to insure that the pension fund is secure. Certainly September 30, 1997, is a great time to value it all of a sudden because we all know that we've benefitted from about a three-year bull market and it's good to forget about smoothing when you've had a real good string of years and then value it at that time.

However, invariably, the stock market will also have some bad years ahead. What's going to happen as a result of this bill and this valuation is that you're very likely to see a deficit occurring immediately next year that schools will be liable for.

It's unfortunate when you look at this bill the fact that schools have all the responsibility for maintaining a fully funded retirement system and yet by voting on this bill we're going to take away all of the benefits that they could have accrued over the last few years and are going to stick them with a heck of a bill in the years to come.

Because of the companion bill, Senate Bill No. 240, any of the savings that has accrued as the result of this valuation taking advantage of the good economic times and the good stock market, all of those benefits are going to go directly to the state of Michigan, not to those school districts. However, school districts continue to have complete responsibility for maintaining a fully funded retirement system. If we take the valuation level and take all of that out as of September 30, we then are going under this bill back to a five-year smoothing mechanism which will then smooth based on some very good years in the stock market over the past few years. In fact, looking at some of the performance of the fund, it appears that if next year the stock market doesn't return over 15 percent, schools will be in a deficit situation and are going to have an unfunded pension fund. Depending on what happens next year, or the following year, because of the smoothing technique, you may have to see nearly a 20 percent increase in the stock market or you're going to have a deficit unfunded liability for those school districts.

Now we all know the market has done very well the last three years. I've been a student of the market long enough to know that the string of three or four years is usually followed by some rougher times in the market. If that occurs, our schools are going to be faced with an ever-increasing liability. What do they get for that? Absolutely nothing!

The state took the benefit from this valuation and left the schools stuck with an unfunded liability. I can't do that to my schools. They're working very hard to provide quality education for those children and this type of gimmickry and accounting gimmick to benefit the state at the expense of our children is something that I won't tolerate and will vote "no."

Senator Cherry's statement, in which Senator A. Smith concurred, is as follows:

I rise in opposition to Senate Bill No. 719. I keep asking myself, what role does this bill play in this effort to deal with the Durant decision? Now, as I recall, what we had done was pass a K-12 appropriation before we departed here in July. And subsequent there was the Durant decision that placed certain obligations upon us and the Governor vetoed portions of that budget so that we would have money available to us to meet the Durant obligation.

Now, there are other bills that are before us which provide funding for the districts that brought the Durant suit—funding for districts that were not party in the dispute, but which we have a moral obligation to meet. So, we're meeting those obligations and, in doing so, then we're back to the situation where the money that we appropriated in July is now available to be appropriated.

We have solved all that without dealing with this pension bill. So I'm trying to figure out, what role is this pension bill playing in this mix and, quite frankly, it doesn't take long to figure out that it's not even necessary to deal with this Durant veto restoration question. It's simply an add-on.

Perhaps the President was correct when he took umbrage at calling this bill monkey business. You know, monkey business means you don't take it very serious; you're kind of fooling around. Quite frankly, that probably was inappropriate. This is closer to a very ingenious con game. And, in fact, I guess if we are going to give it some validity today by passing this, I'm half tempted tomorrow to call Visa and let them know that I have changed my actuarial assumptions and that money they thought I owed them really isn't there at all—that I'm free and clear and have no liability or obligation to pay them next month when they send me my bill.

Quite frankly, it seems to me that this bill must be serving some purpose other than dealing with veto restoration or meeting our Durant obligations. I'd be interested to knowing what that is. Perhaps that might give me a better reason to vote for it. But without such an explanation, I'm clearly a "no" vote on this bill.

Senator DeGrow moved that Senator Schwarz be temporarily excused from the balance of today's session. The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 240, 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 1996 PA 300.

The question being on the adoption of the following committee substitute:  
Substitute (S-1).

Senators Schwarz, Gast and A. Smith offered the following amendments to the substitute:

1. Amend page 1, line 1, by striking out the balance of the page through all of line 6 on page 2.
2. Amend page 19, line 3, by striking out all of section 17E.
3. Amend page 64, line 22, by striking out all of enacting section 1 and renumbering the remaining enacting section.

The amendments to the substitute were adopted.

Senator Conroy offered the following amendment to the substitute:

1. Amend page 43, line 16, by striking out all of section 31C and inserting:

"SEC. 31C. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$9,750,000.00 FOR GRANTS TO ELIGIBLE DISTRICTS FOR PILOT PROGRAMS TO MAINTAIN OR ESTABLISH SMALL CLASSES FOR THE SECOND SEMESTER OF THE 1997-98 SCHOOL YEAR IN GRADES K TO 3 IN ELIGIBLE SCHOOL BUILDINGS IN THE DISTRICT.

(2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST HAVE AT LEAST 1 ELIGIBLE SCHOOL BUILDING AND SHALL APPLY TO THE DEPARTMENT NOT LATER THAN OCTOBER 31, 1997 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR MAINTAINING OR ESTABLISHING SMALL CLASSES IN GRADES K TO 3 AND SHALL DEMONSTRATE IN THE PROJECTED BUDGET THAT AT LEAST \$1,000,000.00 OR 12.5% OF THE FUNDS RECEIVED BY THE DISTRICT UNDER SECTION 31A, WHICHEVER IS LESS, WILL BE USED TO SUPPORT SMALL CLASSES UNDER THIS SECTION. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF ITS DECISION NOT LATER THAN NOVEMBER 14, 1997.

(3) FOR A SCHOOL BUILDING TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, THE SCHOOL BUILDING MUST OPERATE AT LEAST 1 OF GRADES K TO 3; THE SCHOOL BUILDING MUST BE OPERATED BY A DISTRICT THAT OPERATES ALL OF GRADES K TO 12 AND THAT RECEIVES FUNDS UNDER SECTION 31A; AND AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO 1766b, 1769, 1769b TO 1769c, AND 1769f, AND REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(4) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER SUBSECTION (1) MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL MAKE ALLOCATIONS UNDER THIS SECTION TO AT LEAST 12 DISTRICTS, AND THE DISTRICTS SHALL BE GEOGRAPHICALLY DIVERSE.

(5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS TO MAINTAIN OR ESTABLISH SMALL CLASSES FOR THE SECOND SEMESTER OF THE 1997-98 SCHOOL YEAR IN GRADES K TO 3 IN SCHOOL BUILDINGS OF THE DISTRICT FOR WHICH FUNDS ARE RECEIVED UNDER THIS SECTION. THE AVERAGE CLASS SIZE SHALL BE NOT MORE THAN 17 PUPILS PER CLASS, WITH NOT MORE THAN 19 PUPILS IN ANY PARTICULAR CLASS. A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE AT LEAST \$1,000,000.00 OR 12.5% OF THE FUNDS THE DISTRICT RECEIVES UNDER SECTION 31A, WHICHEVER IS LESS, FOR THE PURPOSES OF THIS SECTION.

(6) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1997-98 IS INTENDED TO BE FOR THE FIRST OF 4 YEARS OF FUNDING.

(7) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 1997-98 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY OF THE EFFECTIVENESS OF SMALL CLASSES IN IMPROVING PUPIL PERFORMANCE.” and adjusting all subtotals, totals and sections accordingly.

The question being on the adoption of the amendment to the substitute,  
Senator V. Smith 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 not voting therefor, as follows:

**Roll Call No. 483**

**Yeas—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Nays—19**

Bennett	Dunaskiss	McManus	Shugars
Boucharde	Emmons	North	Steil
Bullard	Geake	Posthumus	Stille
Cisky	Gougeon	Rogers	Van Regenmorter
DeGrow	Hoffman	Schuette	

**Excused—1**

Schwarz

**Not Voting—1**

Gast

In The Chair: Hoffman



Senator Conroy offered the following amendments to the substitute:

1. Amend page 19, line 19, by striking out all of section 20 and inserting:

“Sec. 20. (1) For 1997-98, the basic foundation allowance is \$5,462.00 per membership pupil.

(2) From the appropriation in section 11, there is allocated for 1997-98 an amount not to exceed ~~\$8,003,943,500.00~~ \$8,003,684,000.00 to guarantee each district a foundation allowance per membership pupil other than special education pupils and to make payments under this section to public school academies and university schools for membership pupils other than special education pupils. The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance for 1997-98 in the amount specified in subsection (1). If the maximum amount allocated under this section is not sufficient to fully fund payments under this section, and before any proration required under section 11, the amount of the payment to each district, university school, and public school academy shall be prorated by reducing by an equal percentage the total payment under this section to each district, university school, and public school academy. However, if the department determines that proration will be required under this section, the superintendent of public instruction shall notify the department of management and budget, and the department of management and budget shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this section because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the department of management and budget, the department shall not reduce any payments under this section because of proration. The legislature may prevent proration under this section from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to ensure full foundation allowance funding for each district, university school, and public school academy.

(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 a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance in 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 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 district's foundation allowance for the immediately preceding state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 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 \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 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 in the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) 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.

(4) To ensure that a district receives the district's foundation allowance, there is allocated to each district a state portion of the district's foundation allowance in an amount calculated under this subsection. The state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or \$6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil ~~other than special education pupils~~ of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 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, or the Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, 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, except for a district that was notified of such a millage reduction in 1996 after the last permissible date to schedule an election to override that millage reduction, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For each fiscal year after 1994-95, the \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00.

(5) The allocation 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 pursuant to section 105 in a district other than the pupil's district of residence but within the same intermediate district, the allocation 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 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.

(6) Subject to subsection (7) 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, there is allocated under this section for 1997-98 to the authorizing body that is the fiscal agent for the public school academy for forwarding to the public school academy, or to the board of the public university operating the university school, 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 sum of the basic foundation allowance under subsection (1) plus \$500.00, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations in 1997-98 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 1284 of the revised school code, MCL 380.1284. The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. Also, a public school academy that begins operations in 1997-98 after the pupil membership count day shall not receive any funds under this section unless the public school academy provides for the school year a number of hours of pupil instruction that is at least in the same proportion to the minimum number of hours of pupil instruction required under section 1284 of the revised school code, MCL 380.1284, as the number of days of pupil instruction provided by the public school academy for the school year is in proportion to the number of days of pupil instruction required under section 1284 of the revised school code, MCL 380.1284.

(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 allocated under this section 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 shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil ~~other than special education pupils~~ of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 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, or the Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, 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 ~~other than special education pupils~~ 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 a payment under subsection (9); if the number of mills the district may levy on a homestead and qualified agricultural property under section 1211(1) 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 payment 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 payment 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, on property that is not a homestead or qualified agricultural 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 homestead and qualified agricultural property are exempt and not to levy school operating taxes on a homestead and qualified agricultural property as provided in section 1211(1) 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 allocated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental payment in an amount equal to the amount the district would have received per membership pupil had it

levied school operating taxes on a homestead and qualified agricultural property at the rate authorized for the district under section 1211(1) 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. A district shall not receive a separate supplemental payment 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, on property that is not a homestead or qualified agricultural property.

(10) A district or public school academy may use any funds allocated under this section in conjunction with any federal funds for which the district or public school academy otherwise would be eligible.

(11) For a district that is formed or reconfigured after June 1, 1994 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 districts. If an affected district's foundation allowance is less than the basic foundation allowance, the amount of that district's foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance.

(12) 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.

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

(14) 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 18.1101 TO 18.1594, 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. 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.

(15) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (14)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

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

(17) As used in this section:

(a) "Combined state and local revenue per membership pupil" 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, divided by the district's membership EXCLUDING SPECIAL EDUCATION PUPILS.

- (b) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.
- (c) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.
- (d) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.
- (e) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.
- (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.
- (g) "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.
- (h) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.
- (i) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.
- (j) "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.
- (k) "Taxable value per membership pupil" ~~other than special education pupils~~ 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."
2. Amend page 36, line 13, by striking out "\$6,796.00" and inserting "\$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00".
3. Amend page 37, line 16, by striking out "\$6,796.00" and inserting "\$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00".
4. Amend page 38, line 16, after "EXCEED" by striking out "\$6,796.00" and inserting "\$6,500.00 ADJUSTED BY THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR AND \$5,000.00".
5. Amend page 47, line 5, by striking out "\$6,796.00" and inserting "\$6,500.00 adjusted by the dollar amount of the difference between the 1997-98 basic foundation allowance under section 20 and \$5,000.00".
6. Amend page 47, line 17, by striking out "\$6,796.00" and inserting "\$6,500.00 adjusted by the dollar amount of the difference between the 1997-98 basic foundation allowance under section 20 and \$5,000.00".
7. Amend page 53, line 8, after "EXCEED" by striking out "\$6,796.00" and inserting "\$6,500.00 AS ADJUSTED BY THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN THE 1997-98 BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 AND \$5,000.00".
8. Amend page 53, line 15, after "TO" by striking out "\$6,796.00" and inserting "EXCEED \$6,500.00 AS ADJUSTED BY THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN THE 1997-98 BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 AND \$5,000.00".
9. Amend page 54, line 15, by striking out all of section 81 and adjusting the totals in section 11 accordingly. The question being on the adoption of the amendments to the substitute,

Senator DeGrow moved that Senator Gast be temporarily excused from the balance of today's session. The motion prevailed.

Senator Schwarz entered the Senate Chamber.

The President pro tempore, Senator Schwarz, resumed the Chair.

Senator V. Smith 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 not voting therefor, as follows:

**Roll Call No. 484**

**Yeas—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Nays—19**

Bennett	Emmons	North	Shugars
Bullard	Geake	Posthumus	Steil
Cisky	Gougeon	Rogers	Stille
DeGrow	Hoffman	Schuette	Van Regenmorter
Dunaskiss	McManus	Schwarz	

**Excused—1**

Gast

**Not Voting—1**

Bouchard

In The Chair: Schwarz

Senator A. Smith offered the following amendment to the substitute:

1. Amend page 16, line 11, by striking out all of section 11E and inserting:

“SEC. 11E. IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND THE SUM OF \$211,110,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1998. THIS APPROPRIATION IS FOR PAYING MONEY DAMAGES TO DISTRICTS AND INTERMEDIATE DISTRICTS WHO WERE PLAINTIFFS IN THE CONSOLIDATED CASES KNOWN AS DURANT V STATE OF MICHIGAN, SUPREME COURT DOCKET NO. 104458-104492. THE AMOUNT PAID TO EACH DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION SHALL BE THE AMOUNT OF THE DAMAGE AWARDED TO THE DISTRICT OR INTERMEDIATE DISTRICT, AS CALCULATED BY THE DEPARTMENT IN ACCORDANCE WITH THE SUPREME COURT’S JULY 31, 1997 OPINION IN THAT CASE. THE ENTIRE AMOUNT OF THE PAYMENT TO EACH DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION SHALL BE MADE ON THE FIRST SCHEDULED PAYMENT DATE UNDER SECTION 17B(1) THAT OCCURS AFTER THE EFFECTIVE DATE OF THIS SECTION. THIS APPROPRIATION IS FROM THE SCHOOL AID FUND SAVINGS REALIZED DUE TO THE ADJUSTMENTS UNDER SECTION 20(1) AND (6) AND SECTION 81(1).”.

The question being on the adoption of the amendment to the substitute,

Senator V. Smith 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 not voting therefor, as follows:

**Roll Call No. 485****Yeas—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O’Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Nays—20**

Bennett	Dunaskiss	McManus	Schwarz
Bouchard	Emmons	North	Shugars

Bullard  
Cisky  
DeGrow

Geake  
Gougeon  
Hoffman

Posthumus  
Rogers  
Schuette

Steil  
Stille  
Van Regenmorter

**Excused—1**

Gast

**Not Voting—0**

In The Chair: Schwarz

Senator Peters offered the following amendment to the substitute:

1. Amend page 35, line 4, by striking out “\$232,000,000.00” and inserting “\$252,000,000.00” and adjusting all subtotals, totals and sections accordingly.

The question being on the adoption of the amendment to the substitute,

Senator V. Smith 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 not voting therefor, as follows:

**Roll Call No. 486**

**Yeas—16**

Berryman  
Byrum  
Cherry  
Conroy

DeBeaussaert  
Dingell  
Hart  
Koivisto

Miller  
O’Brien  
Peters  
Smith, A.

Smith, V.  
Stille  
Vaughn  
Young

**Nays—19**

Bennett  
Bouchard  
Bullard  
Cisky  
DeGrow

Dunaskiss  
Emmons  
Geake  
Gougeon  
Hoffman

McManus  
North  
Posthumus  
Rogers  
Schuette

Schwarz  
Shugars  
Steil  
Van Regenmorter

**Excused—1**

Gast

**Not Voting—1**

Stallings

In The Chair: Schwarz

Senator V. Smith moved that Senator Stallings be temporarily excused from the balance of today’s session.  
The motion prevailed.

Senators Bouchard, Bullard and Dunaskiss offered the following amendments to the substitute:

1. Amend page 20, line 1, after "PUPIL" by inserting a comma and "AND THE AMOUNT OF EACH DISTRICT'S ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT EXCEED THAT DISTRICT'S PER PUPIL SAVINGS ASSOCIATED WITH CHANGES MADE IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL ASSUMPTIONS AS A RESULT OF SENATE BILL NO. 719 OF THE 89TH LEGISLATURE".

2. Amend page 25, line 18, after "PUPIL" by inserting a comma and "AND THE AMOUNT OF THE ADJUSTMENT SHALL NOT EXCEED THE PUBLIC SCHOOL ACADEMY'S OR UNIVERSITY SCHOOL'S PER PUPIL SAVINGS ASSOCIATED WITH CHANGES MADE IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL ASSUMPTIONS AS A RESULT OF SENATE BILL NO. 719 OF THE 89TH LEGISLATURE".

3. Amend page 55, line 5, after "0.0344." by inserting "HOWEVER, THE AMOUNT OF THE ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT EXCEED THE INTERMEDIATE DISTRICT'S SAVINGS ASSOCIATED WITH CHANGES MADE IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL ASSUMPTIONS AS A RESULT OF SENATE BILL NO. 719 OF THE 89TH LEGISLATURE.".

The amendments to the substitute were adopted.

Senator DeGrow offered the following amendments to the substitute:

1. Amend page 45, line 22, after "allocated" by striking out "\$813,013,300.00" and inserting "\$813,103,300.00" and adjusting all subtotals, totals and sections accordingly.

2. Amend page 45, line 24, by striking out "\$717,079,900.00" and inserting "\$717,169,900.00" and adjusting all subtotals, totals and sections accordingly.

The amendments to the substitute were adopted.

Senators Shugars and Schuette offered the following amendments to the substitute:

1. Amend page 11, line 18, by striking out all of subsection (6) and inserting:

"(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for ~~nonpublic~~ ANY OF THE FOLLOWING:

(A) NONPUBLIC part-time pupils. ~~, for pupils~~

(B) PUPILS receiving 1/2 or less of their instruction in a district other than their district of residence. ~~, for pupils~~

(C) PUPILS enrolled in a public school academy or university school. ~~, for pupils~~

(D) PUPILS enrolled in a district other than their district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105. ~~, for pupils~~

(E) PUPILS enrolled in a district other than their district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105. ~~, or for pupils~~

(F) PUPILS enrolled in a district other than their district of residence if the pupils have been continuously enrolled in the educating district since a school year in which the pupils enrolled in the educating district under section 105 and in which the educating district enrolled nonresident pupils in accordance with section 105.

(G) A NONRESIDENT PUPIL WHO HAS REPORTED OR WHOSE PARENT OR LEGAL GUARDIAN HAS REPORTED TO LAW ENFORCEMENT OFFICIALS AND TO SCHOOL OFFICIALS OF THE PUPIL'S DISTRICT OF RESIDENCE THAT THE PUPIL HAS BEEN THE VICTIM OF AN ACT CONSTITUTING CRIMINAL SEXUAL ASSAULT OR OTHER CRIMINAL ASSAULT, OR WHO HAS REPORTED OR WHOSE PARENT OR LEGAL GUARDIAN HAS REPORTED TO SCHOOL OFFICIALS OF THE PUPIL'S DISTRICT OF RESIDENCE THAT THE PUPIL HAS BEEN THE VICTIM OF AN ACT CONSTITUTING A VIOLATION OF THE DISTRICT'S SEXUAL HARASSMENT POLICY ADOPTED UNDER SECTION 1300A OF THE REVISED SCHOOL CODE, MCL 380.1300A, IF THE REPORT INDICATES THAT THE ACT MEETS 1 OR BOTH OF THE FOLLOWING:

(i) THE ACT OCCURRED ON PROPERTY OWNED BY OR UNDER THE CONTROL OF THE DISTRICT OF RESIDENCE, ON A VEHICLE USED BY THE DISTRICT OF RESIDENCE OR UNDER CONTRACT WITH THE DISTRICT OF RESIDENCE TO TRANSPORT PUPILS TO OR FROM SCHOOL, OR AT A SCHOOL-RELATED ACTIVITY SPONSORED OR APPROVED BY THE DISTRICT OF RESIDENCE.

(ii) THE ACT WAS COMMITTED BY 1 OR MORE OTHER PUPILS ENROLLED IN THE SCHOOL THE NONRESIDENT PUPIL WOULD OTHERWISE ATTEND IN THE DISTRICT OF RESIDENCE OR BY AN EMPLOYEE OF THE DISTRICT OF RESIDENCE. ~~In addition, if~~ IF a district that is not a first class district educates pupils who reside in a first class district and if the primary instructional site for those pupils is located within the boundaries of the first class district, the educating district must have the approval of the first class district to count those pupils in membership. As used in this subsection, "first class district" means a district organized as a school district of the first class under the revised school code."

2. Amend page 13, line 14, by striking out all of subsection (13) and inserting:

"(13) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil ;

~~a pupil enrolled in a district other than the pupil's district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105; a pupil enrolled in a district other than the pupil's district of residence if the pupil has been continuously enrolled in the educating district since a school year in which the pupil enrolled in the educating district under section 105 and in which the educating district enrolled nonresident pupils in accordance with section 105; or a pupil served by an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105~~ OR A PUPIL DESCRIBED IN SUBSECTION (6)(D) TO (G). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.”.

The question being on the adoption of the amendments to the substitute, Senator Shugars requested the yeas and nays.

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

Senators Stallings and Gast entered the Senate Chamber.

The amendments were adopted, a majority of the members voting therefor, as follows:

**Roll Call No. 487**

**Yeas—37**

Bennett	Dingell	McManus	Shugars
Berryman	Dunaskiss	Miller	Smith, A.
Bouchard	Emmons	North	Smith, V.
Bullard	Gast	O'Brien	Stallings
Byrum	Geake	Peters	Steil
Cherry	Gougeon	Posthumus	Stille
Cisky	Hart	Rogers	Van Regenmorter
Conroy	Hoffman	Schuette	Vaughn
DeBeaussaert	Koivisto	Schwarz	Young
DeGrow			

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schwarz

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

The motion prevailed.

Senator Schuette's statement is as follows:

I rise in support of this amendment because this amendment is eloquently stated by Senator Shugars. It really captures the whole premise about what educational freedom is about— parents being in charge of their child's educational journey. This bill really is not about education freedom, but also about education security.

What the language of the amendment does is say that no longer will we tolerate any child being victimized, brutalized, traumatized by a criminal act or sexual harassment, then be forced to go back to that same school house and be in the same school complex or building with the perpetrators who did such a brutal act. We're saying "no," we're not going to tolerate that anymore. We've got to unlock the school house door and let these kids go to the school of their choice and exercise personal freedom so that their educational journey can be one of ideas and learning and trying to build the skills and tools so they can be everything that child or young lady, in this instance, or young boy, in other instances, can be.



We're simply letting parents be in charge with this amendment—simply letting parents have the freedom. Kids have the security to learn in an educational environment that we all want for any child and we simply have to unlock the door, give parents the keys and make sure the kids have the freedom and parents have the freedom to learn in a security environment. That's the purpose of this amendment. I would urge strong support for this.

Senator Shugars' statement is as follows:

When I heard about the Durant case that started approximately 17 years ago, long before I got involved in an elected position. It took not the Milliken or Blanchard Administration, but it's taken the Engler Administration as it resolves this problem. I just want to share with my colleagues that I personally feel that this money should probably be awarded to the taxpayers. I think that this money was paid rather than from the state coffers, it was paid from the local school coffers and the property taxes in the 1980's were increased to pay for the special education services. So that when the court came down and I think their ruling was correct, and the award is probably incorrect, that we probably should of funded some of the special education services because we mandated some of those things. But I think the money should go back to the taxpayers, the local property tax people that paid the taxes. But, because the court ruled for the plaintiffs, we couldn't tell them to send it back to the taxpayers. This is probably the best alternative that we have to resolve this problem. Just a footnote; and I am not certain of this; but I was told that on the Supreme Court, the people that make the decision. Most of them are appointed in the convention process that probably are from the other side of the aisle. I think they put us in a position that we couldn't refund these dollars back to the taxpayers.

The substitute, as amended, was adopted, a majority of the members serving 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. 488**

**Yeas—21**

Bennett	Emmons	McManus	Schwarz
Bouchard	Gast	North	Shugars
Bullard	Geake	Posthumus	Steil
Cisky	Gougeon	Rogers	Stille
DeGrow	Hoffman	Schuetz	Van Regenmorter
Dunaskiss			

**Nays—16**

Berryman	DeBeaussaert	Miller	Smith, V.
Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young

**Excused—0**

**Not Voting—0**

In The Chair: Schwarz

Senator Gast 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 6, 11, 17b, 20, 31a, 51a, 81, and 107 (MCL 388.1606, 388.1611, 388.1617b, 388.1620, 388.1631a, 388.1651a, 388.1681, and 388.1707), sections 6, 11, 17b, 20, 51a, 81, and 107 as amended by 1997 PA 93, and section 31a as amended by 1997 PA 24, and by adding sections 11e, 11f, 20k, 29, and 31c.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

### Protests

Senators Cherry, A. Smith, Conroy, Hart, DeBeaussaert, Byrum and Peters, under their constitutional right of protest (Art. IV, Sec. 18), protested against the passage of Senate Bill No. 240.

Senators Cherry, Conroy and A. Smith moved that the statements they made during the discussion of the bill be printed as their reasons for voting "no."

The motion prevailed.

Senator Cherry's statement, in which Senator A. Smith concurred, is as follows:

I rise to oppose Senate Bill No. 240 because, ultimately, what this bill, in conjunction with other bills in the package, does is to really ask Michigan school kids to pay twice the Durant problem. They pay the first time, here, in Senate Bill No. 240 when the foundation allowance is reduced. They pay a second time a few years down the road when they have to pay back the bonds that are being used to fund part of the Durant decision. It seems to me the court placed the problem with not paying for mandates squarely on the shoulders of the State, not at school kids. I don't support making kids pay twice to solve this problem.

Again, for those of you who have voted for all those bills in this package, let me give you a phone number, 1-800-485-1075, you'll find that on the front page of USA TODAY under the title "Debt buster hotline." In that, it says, "Need advice on reducing your debt, credit counselors are ready to answer your questions, dangerous bridges built on plastic." You may want to try that number when you leave session today.

Senator Conroy's first statement as follows:

This amendment has to do with a class size project that the whole Legislature passed, and the Governor has indicated that he supports it, but it was vetoed within the veto message he delivered that took the at-risk funds as well. There are some people that would say that to resurrect that small class size during the school year isn't prudent. There are at least 12 school districts that I have in front of me that say they will implement the low class size project, if we pass it and this would just provide half of the money instead of \$20 million for the low class size, this would be \$10 million and allow those districts to apply this fall and to move it into their system in the second semester. That would make it a four and one half year project instead of a four year project. But as Senator DeGrow said yesterday, it isn't a money thing, it is just rather or not the school districts can get it going and operate it officially. Well, at least 12 of them here in front of me have indicated that they can. So this would lower those class sizes to those districts that apply, down to 17. Not to exceed 19 in any classroom. Keep in mind that the Flint MEAP scores went up 43% in reading in the 4th grade this year and 18% in math. It well improved the academics around the state for those schools that apply for these funds. I urge your adoption of this amendment.

Senator Conroy's second statement is as follows:

As a part of this business of changing the expectation of the pension fund which virtually wipes away, just magically wipes away, the \$4 billion debt that we owe to the pension fund, we are also in this bill, telling the school districts that we're going to cut you about \$110 per child throughout the state to the tune of \$240 million. The bureaucrats call this rebasing and they say rebasing because none of your constituents will know what it means, except for the superintendents. The superintendents will know that we are cutting their foundation by \$240 million, that is both K-12 and intermediate school districts. So, instead of giving the school districts the benefit of this 3.44% and instead of allowing them to cut their payroll by 3.44%, we are taking that money away from them in the foundation allowance. It is forever gone. That is money the children will never see. They will never get those computers, they may never get some of those books they need to read. They may never get some of those enhancements that all of us want to make our children more successful, the money will go to the state. This is what you call a big change of heart.

Last summer when we voted on this, we gave this money to the school districts. Those districts down there in Adrian, Bay City and other places would have gotten this enhancement and those budgets would have been enhanced by 3.44%, but now we are taking it away. So we giveth and taketh away. It seems like there may be something in the Bible about that. Maybe it does sanctify it, but I don't think the school districts are going to be too happy with this sanctification. I would urge you to vote for this amendment. This clearly gives those school districts the dollars that are benefitted by the fact of this hocus pocus change that we're making in the actuarial assumptions. It gives it to them. They're responsible for these pensions; we're not responsible. Give them the benefit if they're the ones who are responsible for those pensions. Vote "yes" on this amendment.

Senator Conroy's third statement is as follows:

I don't know where some of these districts are, but I want to recite a few of them. While the average loss in each school district is about \$112, there are varying degrees of losses. Who has Bridgman, they lose \$175 a child. Montrose loses \$148, Elm River Township Schools District, \$203 per child; Shepherd Public Schools, \$129.76; Kalamazoo, \$169; Kalkaska, \$127; Northport, \$183.38 per child; Hartland, \$134; Fitzgerald Public Schools, \$157, Warren Consolidated Schools, \$204, that's for each child; Bolick Creek, wherever that could be, \$169 per child, bless those

children. Birmingham City School District, \$244; West Bloomfield School District, \$194. This is what they lose. This is what you're taking out of their foundation allotment and they will never recover those dollars. Springlake Public Schools, only \$128 per child. So there are a lot of differences that various schools are going to lose, but none of them less than \$110 a piece. I guess that's the average, but it's a lot of money and I don't think we need to do it. I think there is a way in which that debt will go down. It has been going down, it went down \$2 billion since we left. It was 6 billion at the start of the summer, it's now at 4 billion, and with the Clinton economy going so well, it will keep on getting better and better, and that debt will go down as Senator Peters so professionally explained to us. It is just not necessary to do it. It's a bad trade when you permanently take away that foundation grant from those school districts. I think that we shouldn't do it. You're making this a lot more complex than it ought to be. It shouldn't even be a part of the veto restoration bill and I just think it is a bad bill.

Senator Hart's statement is as follows:

I voted "no" because this is a classic example, as it has been spelled out, that we are robbing Peter to pay Paul, when you consider that Peter is already destitute. Worse, this bill calls for a permanent reduction in the public school foundation grant without any assurances that this reduction will be balanced. There are no assurances that the reductions school districts contribute to the retirement plans are permanent. This is bad public policy. Even if one would consider that this bill restores much needed funding for at-risk students, it is a bad deal. It is a bad deal because it puts all students at-risk.

Senator A. Smith's statement is as follows:

You know I don't want everyone to walk away from here today thinking because we solved the Durant situation that allowed us to solve the at-risk money and some of the other problems that are reflected in Senate Bill No. 240. I want to remind you that we had that money in the budget and the governor vetoed it. We didn't need the money from all of this manipulation for a Durant settlement in order to pay the at-risk money of \$235 million dollars. That was already available to us out of the budget vetoes.

We used these three bills today to play a shell game with the people in the state of Michigan and to charge the students of the state of Michigan twice for the cost of settling Durant. They will pay in a reduced foundation and in reduced dollars to their school district. They will pay when they have to pay off the money on the interest.

Senator DeBeaussiaert's statement, in which Senators Byrum and Peters concurred, is as follows:

I voted against this bill and all the other bills in this package because I do think that they represent risky business for the state. I was pleased to learn earlier that Senate Bill No. 240 was going to include some restoration language regarding at-risk students and hold harmless language on special education and restoration of section 20k, the millage reduction guarantee language. If that is all that was included in the bill, I would have been rising now, instead, to ask to be named as a co-sponsor.

Some suggested that because of those provisions that are included that voting against this bill is politically risky, but I think those people should read the rest of the bill and the other bills in this package because as I said I think they are risky business for the state. It puts all children at risk by cutting foundation allowances for every student in Michigan. It puts all tax payers at risk by saddling them with an additional \$400 million in bonds costs by stretching the payments over 15 years, instead of the direct payments over a shorter period. It puts all school districts at risk if the new calculations on retirement are wrong, it lets the state reap the financial rewards for making those changes, and it puts our state's economic future at risk by increasing our state's total debt by an additional \$700 million, without voter approval.

I hope the House of Representatives will improve this package and return to us restoring the at-risk dollars, section 20k, and settling the Durant case and other issues without putting Michigan's children, tax payers and schools at risk. But, until such a package emerges, I must vote "no".

Senators Posthumus, Cherry, Shugars and A. Smith asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Posthumus' first statement is as follows:

I would like to congratulate the Senate because today we have done something very significant to help the school children of this state. Despite the rhetoric we have heard from some, the facts bear out the following:

1. We have passed a comprehensive proposal that will pay off our legal obligation to the Durant School Districts;
2. It restores the at-risk funding so that our students who are at-risk will be taken care of;
3. It hold harmless those school districts who, in the past budget that was passed for the next year that actually had a reduction, were brought back up to where they were before; and
4. It gets rid of a potential legal obligation we will have with all the other school districts in the state who weren't plaintiffs in this suit, but who could come back and sue us.

Now, there have been some who have said that we are putting students at risk. Ladies and gentlemen, I argue that if we don't pass this and if the House of Representatives do not pass this, we are putting all of our students at risk. We are treating all of our school districts fairly—everyone of our school districts, not just those who have had the money, who had \$750,000.00 to sue the state, but all school districts—that we have an obligation to pay for past special education funding, we are paying.

And maybe just as important, we are doing this without having to raid the budget stabilization fund. The proposal that we saw come over from the House would have reduced the budget stabilization fund from \$1.2 billion to about \$600 million. That would put students at risk, because in the future, if we go into a downturn, there will be very few dollars there to put into our school districts when they need it most.

Lastly, and most important—despite what everybody has said here—we are guaranteeing that not one school district in the state will get less money than they are getting today. We are putting \$1 billion in school districts in this state. Every school district will get more money. That is a legal and moral obligation we are meeting. Ladies and gentlemen, I believe that this is the only plan that does that, and I congratulate the Senate for doing it.

Senator Cherry's statement is as follows:

I listened with great interest to that statement and explanation. But, as one who's looked at the legislation before, I am not fooled for a minute. What we've really done, is we have in fact met the Durant obligations. We have dealt with that prospect to special education problem, we have restored the vetoes, and we have done all of that by asking: 1. Our school retirees to pay the costs; we're asking the school kids of the state to pay the cost twice—once with the foundation and secondly with having to put the bill on the bonds as they come due over the next 15 years. We haven't done a thing. We simply passed off the problem to others and then claim credit for solving this problem. Problems are easy to solve when you put them on someone else's shoulder.

What we were doing today as Senate Democrats was asking that the state step forward and shoulder the burden—not ask our children to pay twice—not ask our retirees to foot the bill—not ask the citizens of the state to pay our bills today and tomorrow through bonds.

I feel very good about casting a “no” vote because I want our kids to have an education that I paid for. I have an obligation as a parent and a citizen to invest in my future—not ask them to pay the bill.

Senator Shugars' statement is as follows:

I rise in support of this amendment and I'd like to give a little background as to what it does. This is similar to the bill that we introduced that's called the “School Victim Rights Bill.” This bill came to light after an incident in our district at a school. A young girl, 15 years old, at gunpoint, was victimized and raped by a gang of young men. This young person was victimized and raped in December of last year and the parents of this child wanted to go to another school and wanted to go outside the existing school district and existing Intermediate School District also. It took the parents up to eight months later and involvement from the Governor's office and involvement from our office and a coup of Representatives back home to finally have them change their position and give the child and her parents the opportunity to go to another school outside their school district. After listening to this father of the 15 year old daughter go through three processes to go to a school where they feel is safer and where they can go on and have a learning experience. I think it's unconscionable that we expect a young person to go through the crime of rape and then the judiciary process and then to go down to the local school board and appeal with the school board and explain why they should be able to go to another school. I think that's way too much to ask that family to go through.

What this amendment will do is empower that family, those parents, if they file with the law enforcement officials and the school officials that they can go to any school in the state, they will be released and be able to go to any school. Now, keep in mind, if you file a report with the law enforcement agency, that's a criminal offense if you file a false report and we feel that's a good deterrent to prevent abuse on this situation.

I'm sure that all my colleagues will support this amendment because when they think about a child who has been raped, sexually assaulted, sexually harassed, beaten up in school and their parents feel they can no longer have a safe environment to learn in that school and they feel that some other school district is the way to go, I think that you can agree with me that we should empower them to go to whatever they feel is the best school. Keep in mind, unofficially, we worked on this issue back in the Kalamazoo area, a superintendent suggested to us to tell the family, “You know what you ought to do? You ought to go to the other school district and rent an apartment. Rent an apartment so that the 15 year old girl could have a residency in that school district, so she can go to that school legally. I think that's incredible that we would even suggest something like that to our parents!

In conclusion, I urge my colleagues to support this very important School Victim Rights amendment. Think about the young person who is experiencing, in the dugout of a baseball diamond, in the evening, being raped at gunpoint by eight young men. Please think about that when you vote on this amendment.

Senator Posthumus' second statement is as follows:

We certainly are allowed to say anything within reason on the floor of the Senate. But, I can't let some of the comments made by my counterpart go without challenge. Make no mistake about it, children do not pay under this scenario. They may want you to believe that, they may put a lot of rhetoric behind that. But every child in this state

will have more money put behind them because of the passage of this bill; it is guaranteed. Unlike what came over from the House, or unlike what would have happened if we had voted for the democrat amendment today, promising something maybe next year, maybe the following year. Every student is guaranteed with what we passed today. Number 2, not one pension in this state will be reduced because of what we did here today. Don't let anybody mislead you on that. In fact, I might remind our counterparts that the pension fund is more stable today, and will be more stable. Because in the previous democrat administration the income assumption was 10%, today we are at 8.3%. We are assuming almost a full point and a half less than the democratic governor wanted to have as the assumption.

Senator A. Smith's statement is as follows:

You know I don't want everyone to walk away from here today thinking because we solved the Durant situation that allowed us to solve the at-risk money and some of the other problems that are reflected in Senate Bill No. 240. I want to remind you that we had that money in the budget and the governor vetoed it. We didn't need the money from all of this manipulation for a Durant settlement in order to pay the at-risk money of \$235 million dollars. That was already available to us out of the budget vetoes.

We used these three bills today to play a shell game with the people in the state of Michigan and to charge the students of the state of Michigan twice for the cost of settling Durant. They will pay in a reduced foundation and in reduced dollars to their school district. They will pay when they have to pay off the money on the interest.

By unanimous consent the Senate proceeded to the order of

### Resolutions

Senators DeGrow and V. Smith offered the following resolution:

#### **Senate Resolution No. 97.**

A resolution to amend the Standing Rules of the Senate.

Resolved by the Senate, That the Standing Rules of the Senate be hereby amended to read as follows:

#### **“1.101 PRESIDING OFFICER**

a) The Lieutenant Governor shall be the President of the Senate and shall preside over all sessions of the Senate or, in his or her absence, the President pro tempore, Assistant President pro tempore, or Associate President pro tempore shall preside.

b) The Lieutenant Governor may vote only when the Senators are equally divided in their vote (SEE Const. Art. 5, Sec. 25).

c) In the absence of the President of the Senate, President pro tempore, Assistant President pro tempore, or Associate President pro tempore, the Secretary of the Senate shall preside until the Senate shall appoint a Senator to act as presiding officer or until the President of the Senate, President pro tempore, Assistant President pro tempore, or Associate President pro tempore shall appear. In the absence of all, or all but one Senator, the Secretary of the Senate shall preside.

#### **1.102 AUTHORITY OF THE PRESIDENT OF THE SENATE**

a) The presiding officer shall call the Senate to order at the hours provided by the Constitution, by these rules, or at the hour established by the Senate at its last meeting.

b) UNLESS RULE 1.205 B) IS IN EFFECT, ~~Following~~ FOLLOWING the invocation, the presiding officer shall instruct the Secretary of the Senate to ~~open the electronic voting system, if operational, for one minute to record the roll~~ ATTENDANCE. THE ATTENDANCE SHALL BE TAKEN BY USING THE ELECTRONIC VOTING SYSTEM FOR ONE MINUTE. EXCEPT FOR THE FIRST SESSION IN JANUARY OR IF THE ELECTRONIC VOTING SYSTEM IS NOT OPERATIONAL, THE PRESIDING OFFICER SHALL INSTRUCT THE SECRETARY OF THE SENATE TO CALL THE ROLL ORALLY AND RECORD AND ANNOUNCE THE RESULTS.

#### **1.103 THE PRESIDENT OF THE SENATE'S CONTROL WITHIN THE CHAMBER**

The presiding officer shall preserve order and decorum and shall have general control within the Chamber. During every session of the Senate, the ~~Sergeant at Arms~~ SERGEANT AT ARMS is under the direct supervision of the presiding officer. Every question of order and procedure shall be decided by the presiding officer, subject to an appeal by the Senate.

#### **1.104 ELECTION OF SENATE OFFICERS**

a) A President pro tempore, Assistant President pro tempore, and Associate President pro tempore shall be elected by a vote of a majority of the Senators elected and serving. They shall be elected at the first session of a quadrennium. All officers elected by the Senate are to hold office until their successors are elected and qualified or until the expiration of their term, whichever occurs first.

b) Prior to the commencement of the quadrennium session, the majority party shall meet in an organizational caucus and elect a Majority Leader, Majority Floor Leader, Majority Whip, Majority Caucus Chairperson, Assistant Majority Leader, Assistant Majority Floor Leader, Assistant Majority Whip, and Assistant Majority Caucus Chairperson. At a similar organizational caucus, the minority party shall elect a Minority Leader, Minority Floor Leader, Minority Whip, Minority Caucus Chairperson, Assistant Minority Leader, Assistant Minority Floor Leader, Assistant Minority Whip, and Assistant Minority Caucus Chairperson.

c) All majority party Senate Officers shall serve at the pleasure of the majority party caucus. All minority party Senate Officers shall serve at the pleasure of the minority party caucus.

d) All majority and minority caucuses shall be subject to the provisions of SECTION 8 OF the Open Meetings Act (SEE MCL 15.268).

#### **1.105 APPOINTMENT OF COMMITTEES**

a) The Senate Majority Leader shall appoint all committees except when the Senate shall otherwise order. Except for the Appropriations Committee, the Senate Majority Leader may appoint subcommittees of standing committees when some of the members of that subcommittee are not also members of that standing committee. Such subcommittees shall contain at least one majority member and one minority member who are members of that standing committee and shall have one more majority party member than minority party member. ~~These subcommittees shall be created for a period of time not to exceed 6 months.~~

b) The Senate Majority Leader shall make appointments of minority party members from a list submitted by the Senate Minority Leader, and shall consider the preferences, seniority, and experience of the members in making appointments. The Senate Majority Leader may accept the list submitted by the Senate Minority Leader in whole or in part. If the Senate Majority Leader rejects names on the list and their corresponding committee assignments, the Senate Minority Leader shall submit replacement nominations.

c) All appointments to standing, AND select, ~~and interim~~ committees and subcommittees appointed by the Senate Majority Leader shall be subject to the approval of the Senate given by a majority of the Senators elected and serving. All appointments to conference committees shall be effective upon appointment by the Senate Majority Leader until disapproved by the Senate given by a majority of the Senators elected and serving.

#### **1.106 ELECTION OF A SECRETARY OF THE SENATE AND DUTIES**

A Secretary of the Senate shall be elected as an officer of the Senate. The Secretary of the Senate shall take and subscribe to the Constitutional Oath of Office for the true and faithful discharge of the duties of office. THE SECRETARY OF THE SENATE IS RESPONSIBLE FOR THE CONSTITUTIONAL AND STATUTORY DUTIES OF THIS OFFICE AND IS ALSO AUTHORIZED TO SIGN PAPERS, FORMS, DOCUMENTS AND CONTRACTS ON BEHALF OF THE SENATE.

#### **1.108 SENATE BROADCAST**

THE SECRETARY OF THE SENATE, WITH THE CONCURRENCE OF THE SENATE MAJORITY LEADER, IS AUTHORIZED TO BROADCAST SENATE SESSION.

#### ~~1.108~~ **1.109 SENATE JOURNALS**

a) The Secretary of the Senate shall keep a correct Journal of each day's proceedings of the Senate, supervise its publication, and make corrections from day to day as may be necessary. ~~The Secretary of the Senate shall have copies of the daily Journal placed in the files of the President and Senators.~~ During the consideration and passage of appropriation bills, the Secretary of the Senate is authorized to correct totals that may have been affected by amendments made to items in the bill. The corrections shall be made in the bill and the Journal.

b) THE SECRETARY OF THE SENATE SHALL HAVE COPIES OF THE JOURNAL DISTRIBUTED TO THE OFFICES OF THE PRESIDENT OF THE SENATE AND SENATORS DAILY, AND SHALL MAKE COPIES AVAILABLE TO THE GENERAL PUBLIC.

c) When the Senate goes into Executive Session, the proceedings of the Senate shall be kept in a separate Journal, which shall be open to inspection by Senators only, unless otherwise ordered. Such Journal shall be published after the close of the session, at the end of the regular Journals of the Senate proceedings, unless otherwise ordered BY THE SENATE.

#### ~~1.109~~ **1.110 INTRODUCTION OF BILLS AND JOINT RESOLUTIONS**

a) All bills and joint resolutions to be introduced shall be submitted to the Secretary of the Senate TO BE AVAILABLE for introduction on the next succeeding ~~session~~ SENATE LEGISLATIVE day, and accompanied by 12 true copies. Once submitted to the Secretary of the Senate, all bills and joint resolutions become the property of the Senate and cannot be withdrawn. Each bill, CONFERENCE REPORT, substitute bill and joint resolution shall be approved as to form and numbering of sections by the Legislative Service Bureau prior to being submitted for introduction. Bills and joint resolutions may be submitted for introduction during the interim between sessions.

b) Each Senate bill and joint resolution when introduced and each House bill and joint resolution when first received from the House shall be read a first and second time by title.

c) SENATORS MAY MOVE TO CO-SPONSOR A SENATE BILL OR SENATE JOINT RESOLUTION WHEN IT IS IN POSSESSION OF THE SENATE AND NOT IN A SENATE COMMITTEE. THE FIRST NAMED MEMBER IS THE SPONSOR. A SPONSOR OR CO-SPONSOR MAY MOVE TO REMOVE HIS OR HER NAME FROM A SENATE BILL OR SENATE JOINT RESOLUTION WHEN IT IS IN POSSESSION OF THE SENATE AND NOT IN A SENATE COMMITTEE, PROVIDED THAT AT LEAST ONE SENATOR REMAINS LISTED AS THE SPONSOR.

#### ~~1.110~~ **1.111 NUMBERING, LETTERING AND PRINTING OF BILLS AND JOINT RESOLUTIONS**

a) The Secretary of the Senate shall assign Senate bill numbers to all Senate bills in the order they are submitted for introduction. All joint resolutions shall be assigned letters in the order they are submitted for introduction.

b) The Secretary of the Senate shall attend to the printing or reproduction of all bills, joint resolutions, acts, or documents ordered printed or reproduced by the Senate. The heading of every bill and joint resolution ordered reproduced shall contain the number of the bill or letter of the joint resolution, name of the Senator or Senators introducing the bill or joint resolution, date of introduction, and the name of the committee to which the bill or joint resolution is referred (SEE Const. Art. 4, Sec. 26).

~~1.111~~ **1.112 ANNOUNCEMENT OF PRINTING AND ENROLLMENT OF BILLS AND JOINT RESOLUTIONS**

The Secretary of the Senate shall ~~enter~~ PRINT in the Journal each day the number of all Senate and House bills AND LETTERS OF ALL JOINT RESOLUTIONS which have been printed or reproduced and ~~placed in the files of the~~ DISTRIBUTED TO THE OFFICES OF THE PRESIDENT OF THE SENATE AND Senators, and the numbers of the SENATE bills which have been enrolled and presented to the Governor.

~~1.112~~ **1.113 CARE AND PRESERVATION OF BILLS AND RESOLUTIONS**

The Secretary of the Senate shall be responsible to the Senate for the care and preservation of every bill AND RESOLUTION introduced in the Senate and each bill AND RESOLUTION received from the House, which responsibility shall only be relieved by a receipt from an authorized person.

~~1.113~~ **1.114 ENROLLMENT OF BILLS AND PRESENTATION TO THE GOVERNOR**

a) After a Senate bill has passed both Houses, the Secretary of the Senate shall attend to the enrollment printing. The Secretary of the Senate shall present the enrolled bill to the Governor, ~~taking~~ OBTAINING a receipt ~~therefor~~, on which the EXACT date and time shall be shown for the bill deposited in the Executive Office.

B) THE SECRETARY OF THE SENATE MAY BE AUTHORIZED BY A MOTION TO ENROLL A SENATE BILL WHILE THE SENATE IS NOT IN SESSION IF THAT BILL HAS PASSED BOTH HOUSES AND NO ACTION IS PENDING. THE SECRETARY OF THE SENATE SHALL NOTIFY THE SENATE OF SUCH ACTION ON THE NEXT SENATE LEGISLATIVE DAY.

C b) When a SENATE bill is approved by the Governor, the Secretary of the Senate shall obtain a receipt from the Governor's office verifying the exact date and time the bill was filed with the Secretary of State. At the end of each year, the Secretary of the Senate shall deposit with the Secretary of State the official printed copy of the SENATE bill as passed BY both Houses and ~~take~~ OBTAIN A receipt ~~therefor~~.

~~1.114~~ **1.115 ENROLLMENT OF JOINT RESOLUTIONS**

a) After a Senate joint resolution has been adopted by both Houses, the Secretary of the Senate shall attend to the enrollment printing. The Secretary of the Senate shall certify and file the enrolled joint resolution with the Secretary of State and others as directed by the joint resolution.

B) THE SECRETARY OF THE SENATE MAY BE AUTHORIZED BY A MOTION TO ENROLL A SENATE JOINT RESOLUTION WHILE THE SENATE IS NOT IN SESSION IF THAT JOINT RESOLUTION HAS BEEN ADOPTED BY BOTH HOUSES AND NO ACTION IS PENDING. THE SECRETARY OF THE SENATE SHALL NOTIFY THE SENATE OF SUCH ACTION ON THE NEXT SENATE LEGISLATIVE DAY.

C b) When filing ~~the~~ AN enrolled SENATE joint resolution with the Secretary of State, the Secretary of the Senate shall obtain a receipt verifying the exact date and time filed. At the end of each year, the Secretary of the Senate shall deposit with the Secretary of State the official printed copy of the SENATE joint resolution and ~~take~~ OBTAIN A receipt ~~therefor~~.

~~1.115~~ **1.116 BILL AND RESOLUTION HISTORY**

The Secretary of the Senate shall keep a record and index of all bills AND RESOLUTIONS received by the Senate. This record shall include the title, bill OR RESOLUTION number, JOINT RESOLUTION LETTER, name of the Senator or Senators introducing the bill OR RESOLUTION, name of the committee to which the bill OR RESOLUTION is referred, and an entry of all action, including the date, taken on the bill OR RESOLUTION.

~~1.116~~ **1.117 SENATE ADMINISTRATION AND OFFICE BUDGETS**

a) The Senate Majority Leader shall assign duties to Senate employees not specified by other rules, and shall approve all expenses for the operation of the Senate, except as provided by law.

b) In the absence of the Senate Majority Leader, the Assistant Majority Leader shall assume the duties and responsibilities of the Senate Majority Leader.

c) The Secretary of the Senate ~~;~~ SHALL CREATE A BUDGET with the concurrence of the Senate Majority Leader, ~~and following discussions~~ DISCUSS IT with the Senate Minority Leader, ~~shall present a detailed budget~~ AND PRESENT IT to the Committee on Appropriations at the beginning of each budget year. The form of the budget shall parallel, as closely as practical, the departmental budgets presented to the Committee on Appropriations.

d) The Senate financial records shall be open for public inspection. Upon a request which describes the financial record sufficiently to enable the Senate to find the financial record, a person has a right to inspect, copy, or receive copies of that financial record of the Senate. Documents shall be available for inspection during normal business hours. The Secretary of the Senate shall keep a record of these requests. A copy of the Senate financial records shall be on file with the Secretary of the Senate, who shall have overall authority to administer the Senate financial records under the direction of the Senate Majority Leader. The Secretary of the Senate shall provide to each Senator access to information regarding the status of the Senator's staff account, office operations account, and committee operations account for any standing committee that he or she chairs. The Senate Majority Leader shall have access to the reports for the accounts of all Senators.

1) When the Senate receives a written request for a public record it shall immediately, but not more than 5 business days after the day the request is received unless otherwise agreed to in writing by the person making the request, respond to the request by 1 of the following:

A) Grant the request.

B) Issue a written notice to the requesting person denying the request.

C) Grant the request in part and issue a written notice to the requesting person denying the request in part.

D) Under unusual circumstances, issue a notice extending for not more than 10 business days the period during which the Senate shall respond to the request. The Senate shall not issue more than 1 notice of extension for a particular request.

If the Senate fails to respond to the written request within these guidelines, there will be a fine of \$250 and all Senate copying and inspection fees shall be waived.

2) As used in this section, "financial record" means a budget, account, contract, purchase order, an expenditure authorization, voucher, check, warrant, lease, audit report, balance sheet, travel voucher, or other such summaries of financial transactions.

The following information contained in Senate financial records is exempt from disclosure under this rule:

A) Information of a personal nature contained in financial records where the public disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy is exempt from disclosure under this rule. Such information would include, but not be limited to, the following:

(i) An employee's social security account number, financial institution record, electronic transfer fund number, deferred compensation, savings bonds, W-2 and W-4 forms, and any court enforced judgment.

(ii) An employee's benefit selection.

(iii) Telephone bill detail including the telephone number and name of individual called.

(iv) Unemployment compensation and workers' disability compensation records.

B) Records and information specifically described and exempted from disclosure under statute or subject to attorney-client privilege.

C) A bid or proposal by a person to enter into a contract or agreement, until the time for the public opening of bids or proposals, or if a public opening is not to be conducted, until the time for the receipt of bids or proposals has expired.

D) Commercial or financial information or trade secrets voluntarily provided to the Senate for use in developing government policy if submitted upon a promise of confidentiality by the Senate.

E) Communications, notes, and electronic data within the Senate or between the Senate and other public bodies of an advisory nature to the extent that they cover other than purely factual materials and are preliminary to the final Senate determination of policy or action.

3) The Senate may charge a reasonable fee for providing a copy of a financial record. The fee shall be limited to actual mailing costs and to the actual incremental cost of duplication or publication including labor, the cost of search, examination, review, and the deletion of exempt information from nonexempt information.

4) The Senate may also charge a reasonable fee for providing for the inspection of financial records. This fee may include the actual incremental cost of supervising the inspection including labor, the cost of search, examination, review, and the deletion of exempt information from nonexempt information.

The Senate may adopt any such other rules and policies as are necessary to provide for the orderly dissemination of materials to the public.

e) Each Senator shall be allotted separate budget amounts for the annual staff account and the annual office operations account, as determined by the Senate Majority Leader, to be used on a fiscal year basis. Each standing committee chairperson shall be allotted a separate budget amount for the annual committee operations account, as determined by the Senate Majority Leader. The amounts allocated to these accounts may be adjusted for all Senate offices by the Senate Majority Leader. Any unused amount in a fiscal year shall not be carried into the succeeding year. A Senator shall not exceed the annual limits for each of these accounts without approval of the Senate Majority Leader.

f) The Senate Majority Leader shall establish guidelines to allow Senators to transfer a limited amount of funds between their own staff account and their office operations account.

g) The Secretary of the Senate shall exercise supervisory care and control of the Senate Chamber, all Senate rooms, corridors, furniture, and equipment. Upon approval of the Senate Majority Leader, the Secretary of the Senate shall purchase all necessary furniture, carpet, equipment, postage, supplies, and services for use by the Senate.

h) The Secretary of the Senate shall install and maintain any electro-mechanical equipment approved for use by the Senate.

i) The Secretary of the Senate shall have responsibility for the development and maintenance of a system for preserving records of the Senate and its committees. The Secretary of the Senate shall issue guidelines for the organization and preservation of these records.

j) The Secretary of the Senate shall be responsible for keeping the Senate seal and for affixing the Senate seal to official Senate documents, as authorized by the Senate Majority Leader. The Senate seal shall be comprised of the coat of arms of the State of Michigan encompassed by the words: "Senate - State of Michigan".

k) The Secretary of the Senate shall maintain a schedule of Senate committee rooms.



J) The Secretary of the Senate shall make and maintain an official tape of all sessions of the Senate. Copies of the official tape shall be made only upon application approved by the Senate Majority Leader. All official tapes of the Senate sessions shall be transferred to the State Archives four years following the end of each biennial session of the Senate.

~~1.117~~ **1.118 SECRETARY OF THE SENATE'S STAFF**

With the approval of the Senate Majority Leader, the Secretary of the Senate shall appoint a staff to conduct the business of the Senate.

~~1.118~~ **1.119 DUTIES OF THE SERGEANT AT ARMS SERGEANT AT ARMS**

a) The ~~Sergeant at Arms~~ SERGEANT AT ARMS shall be the chief security officer of the Senate. Under the direction of the Senate Majority Leader, the Secretary of the Senate shall supervise and direct the work of the ~~Sergeant at Arms~~ SERGEANT AT ARMS, Assistant ~~Sergeants at Arms~~ SERGEANT AT ARMS, and Pages.

b) The ~~Sergeant at Arms~~ SERGEANT AT ARMS shall attend the Senate during its sessions and maintain order under the direction of the presiding officer. The ~~Sergeant at Arms~~ SERGEANT AT ARMS shall execute the commands of the presiding officer and of the Senate, and all processes issued by authority thereof.

c) The ~~Sergeant at Arms~~ SERGEANT AT ARMS shall have general charge, and maintain order, in the gallery, Chamber, and committee rooms of the Senate. The ~~Sergeant at Arms~~ SERGEANT AT ARMS shall see that all staff and visitors are seated.

~~1.119~~ **1.120 EXECUTIVE SESSION**

On a motion made and carried that the Senate go into executive session, the presiding officer shall direct all persons, except Senators, the Secretary of the Senate, and personnel as authorized by the Senate, to withdraw. THE VOTE OF A MAJORITY OF THE SENATORS VOTING SHALL BE REQUIRED ON A MOTION FOR EXECUTIVE SESSION, EXCEPT FOR EXECUTIVE SESSIONS CALLED UNDER RULE 2.104. During an executive session, the doors shall remain closed and every Senator and officer shall keep confidential all proceedings and matters enjoined by order of the Senate (SEE CONST. ART. 4, SEC. 20).

**1.201 OATH OF OFFICE**

The oath of office to Senators-elect shall be administered following the November general election up to and including the first day of regular session, or as soon thereafter as a Senator-elect may appear. The oath shall be administered by the Lieutenant Governor, a Justice of the Supreme Court, a Judge of the Court of Appeals, or the Secretary of the Senate (SEE CONST. ART 11, SEC. 1).

**1.202 CONTESTED ELECTIONS**

a) A PETITION FOR A RECOUNT SHALL BE FILED NOT LATER THAN 48 HOURS FOLLOWING THE COMPLETION OF THE CANVASS OF THE VOTES CAST AT AN ELECTION. ~~In cases of contested elections, notice~~ A COPY OF THE PETITION ~~setting forth the grounds of the contest~~ shall be given by the contestant to the Secretary of the Senate (SEE MCL 168.879). ~~not later than the January 7 following the general election, or not later than 20 days after the special election. Questions arising from election contests shall be decided by a vote of a majority of the Senators elected and serving.~~ NOTICE OF RECEIPT OF THE PETITIONS SHALL BE ANNOUNCED BY THE SECRETARY OF THE SENATE AND PRINTED IN THE JOURNAL.

b) Each contestant requesting a recount shall deposit with the Secretary of ~~the Senate~~ STATE, BUREAU OF ELECTIONS, the amount provided by law for each precinct in which he or she has requested a recount (SEE MCL 168.881). ~~If the Senate refuses the recount, the deposits shall be returned or, if a contestant is seated after a recount, his or her deposit shall be returned. In any other case, the money shall be paid into the general fund.~~

C) UPON COMPLETION OF A RECOUNT, THE BOARD OF STATE CANVASSERS SHALL FORWARD A REPORT OF THE RESULTS TO THE SECRETARY OF THE SENATE AND THE REPORT SHALL BE ANNOUNCED BY THE SECRETARY OF THE SENATE AND PRINTED IN THE JOURNAL (SEE MCL 168.879).

D) IN THE CASE OF TWO OR MORE PERSONS HAVING EQUAL AND THE HIGHEST NUMBER OF VOTES FOR ANY OFFICE, AS CANVASSSED BY THE BOARD OF STATE CANVASSERS, THE BOARD OF STATE CANVASSERS SHALL CERTIFY THE RESULT OF THE CANVASS TO THE LEGISLATURE AND IN JOINT CONVENTION THE LEGISLATURE SHALL CHOOSE ONE OF SAID PERSONS TO FILL THE OFFICE. WHEN THE DETERMINATION OF THE BOARD OF STATE CANVASSERS IS CONTESTED, THE LEGISLATURE IN JOINT CONVENTION SHALL DECIDE WHICH PERSON IS ELECTED (SEE MCL 168.846).

**1.203 PROCEDURE FOR EXCLUSION**

A) A Senator-elect shall not be given the oath of office or seated as a Senator if he or she has been convicted of subversion or has, within the preceding 20 years, been convicted of a felony involving breach of the public trust (SEE CONST. ART. 4, SEC. 7). Upon finding by a majority vote of the Senators elected and serving that a Senator-elect has committed an offense within the provisions of this rule, he or she shall be declared to be unqualified for membership in the Senate and his or her office declared vacant.

B) QUESTIONS ARISING FROM CHALLENGES TO THE ELECTIONS OR RETURNS OF ITS MEMBERS SHALL BE DECIDED BY A VOTE OF A MAJORITY OF THE SENATORS ELECTED AND SERVING (SEE CONST. ART. 4, SEC. 16). IN CASES OF CONTESTED ELECTIONS OR RETURNS, NOTICE SETTING FORTH THE GROUNDS OF THE CONTEST SHALL BE GIVEN BY THE CONTESTANT TO THE SECRETARY OF THE SENATE NOT LATER THAN JANUARY 7 FOLLOWING THE GENERAL ELECTION, OR NOT LATER THAN 20 DAYS FOLLOWING THE SPECIAL ELECTION.

C) THE SENATE, WITH CONCURRENCE OF TWO-THIRDS OF ITS MEMBERS ELECTED AND SERVING, MAY EXPEL A MEMBER. THE REASONS FOR SUCH EXPULSION SHALL BE PRINTED IN THE JOURNAL (SEE Const. Art. 4, Sec. 16).

#### **1.204 EXCUSED ABSENCE**

The Senate may excuse any Senator from attendance for any stated period, and the excused absence shall be ~~entered~~ PRINTED in the Journal. The Senate may revoke an excuse at any time.

#### **1.205 SENATORS DEEMED PRESENT UNLESS EXCUSED**

a) A Senator who answers an attendance roll call or who enters after an attendance roll call and reports his or her presence to the Secretary of the Senate shall be considered present thereafter unless an excused absence is granted.

b) A Senator may be recognized prior to the INVOCATION AND THE attendance roll call only for the purpose of presenting a motion to adjourn. Should such a motion to adjourn prevail, there shall be no official INVOCATION AND attendance roll call for that day.

#### **1.208 EXPENSE REIMBURSEMENT**

Expense reimbursement for travel, lodging, meals, registration fees, and related items shall be made in accordance with an established set of regulations as ~~predetermined~~ DETERMINED and ~~prepublished~~ PUBLISHED by the Senate Majority Leader. The regulations shall set forth the guidelines for amounts, methods of payment, and time of payment for such items. When, in the judgment of the Senate Majority Leader, the regulations need revision, the Senate Majority Leader may make the revision upon 15-day notice to all Senators. The regulations shall include the following:

a) Out-of-state expenses of a Senator, or Senate employee, shall not be paid by the Senate unless a WRITTEN request ~~is filed in writing with the Secretary of the Senate and approved by the committee chairperson, if applicable,~~ HAS BEEN APPROVED BY THE PARTIES SPECIFIED IN THE REGULATIONS and BY the Senate Majority Leader, AND HAS BEEN FILED WITH THE SECRETARY OF THE SENATE prior to departure.

b) The request shall state the purpose for making the trip, the relevance of the trip to legislative matters, and an estimate of the cost.

c) A Senator, or Senate employee, shall file a written and signed post-travel report with the Secretary of the Senate not more than 20 calendar days after returning. These reports shall be retained by the Secretary of the Senate until no longer required by law. If a report is not filed within 20 calendar days after returning, expenses ~~shall~~ MAY not be reimbursed by the Senate. Senate funds received in advance of departure shall be returned in full if the report is not filed within 20 calendar days after returning. The report shall include a summary of the relevant legislative information, material pertinent thereto, and itemized expenditures.

d) An expenditure for travel by a Senator, or Senate employee, shall not be paid by the Senate unless that expenditure is itemized and receipted (except in cases in which receipts are not ordinarily provided).

e) Expenses for out-of-state travel by Senators shall be ~~entered~~ PRINTED in the Journal on a quarterly basis.

f) A Senator, or an employee of a Senator, shall not incur out-of-state travel expenses after the Senator is defeated in a Senate primary or general election, or upon the failure of the Senator to file for election while serving the balance of his or her unexpired term, unless approved by the Senate Majority Leader.

#### **1.302 ATTENDANCE AND VOTING**

Every Senator ~~shall~~ IS EXPECTED TO vote on each roll call vote, unless absent or prohibited from voting by Rule 1.306. A SENATOR WHO MISSES A ROLL CALL VOTE MAY REQUEST THAT A STATEMENT BE PRINTED IN THE SENATE JOURNAL REFLECTING HOW HE OR SHE WOULD HAVE VOTED.

#### **1.306 DISCLOSURE AND DISQUALIFICATION**

A Senator having a personal, private, or professional interest in a bill, of which he or she has knowledge, shall not vote on the bill and shall disclose in writing his or her interest in the bill. A personal, private, or professional interest in a bill is an interest that would provide a benefit particular to a Senator or a benefit particular to any individual or entity to whom the Senator is financially or legally obligated or is personally related. The disclosure shall be filed with the Secretary of the Senate to be ~~entered~~ PRINTED in the Journal immediately following the record of the vote on the bill. If a Senator votes on a bill that might appear at the time of the vote to provide a benefit particular to that Senator or a benefit particular to any individual or entity to whom the Senator is financially or legally obligated or is personally related, a Senator may submit a statement explaining his or her reasons for voting. The statement shall be ~~entered~~ PRINTED in the Journal.

#### **1.309 ADVISORY OPINIONS**

All questions relating to the interpretation and enforcement of these rules concerning legislative conduct and ethics shall be referred to the Committee on Government Operations. A Senator who has a question regarding legislative conduct and ethics may submit a factual situation to the Committee on Government Operations with a request for an advisory opinion establishing the standard of public duty. The Committee shall respond to each inquiry. All opinions shall, after hearing, be numbered, dated, and ~~entered~~ PRINTED in the Journal. No opinion shall identify the requesting Senator without his or her consent.

#### **2.101 AUTHORIZATION FOR STANDING COMMITTEES**

Permanent standing committees, when created by rule of the Senate, shall exist and function both during and between sessions (SEE MCL 4.221).

## 2.102 POWERS AND RESPONSIBILITIES OF COMMITTEES

a) Any Senator, while acting as a member of a committee, shall have authority to administer oaths to such persons as shall be examined before the committee of which he or she is a member (SEE MCL 4.85).

b) Any committee may, by resolution of the Senate, be authorized to administer oaths, subpoena witnesses, and examine the books and records of any persons, partnerships, or corporations involved in a matter properly before any committee (SEE MCL 4.101).

c) Any witness, or attorney representing a witness, may be punished for contempt by the Legislature (SEE MCL 4.82 AND 4.101), UNDER EITHER OF THE FOLLOWING CIRCUMSTANCES ~~IF~~:

1) During a committee investigation and pursuant to a committee subpoena, he or she:

a) Refuses to be sworn or testify, or

b) Fails on demand to produce any papers, books, or documents ~~touching~~ IN REGARDS TO any matter under investigation, or

c) Otherwise neglects or refuses to obey the committee subpoena.

2) He or she is guilty of ~~contempt, meaning a deliberate interference~~ DELIBERATELY INTERFERING with the duties and powers of the Legislature ~~;~~ while in attendance at a committee hearing.

d) Contempt of the Legislature shall be punishable as provided by law ( SEE MCL 4.82 and 4.83).

## 2.103 STANDING COMMITTEES

The standing committees of the Senate shall be:

Agriculture and Forestry (5 members)

Appropriations (13 members)

Economic Development, International Trade and Regulatory Affairs (5 members)

Education (5 members)

Families, Mental Health and Human Services (5 members)

Finance (5 members)

Financial Services (5 members)

Gaming and Casino Oversight (5 members)

Government Operations (5 members)

Health Policy and Senior Citizens (5 members)

Human Resources, Labor and Veterans Affairs (5 members)

Judiciary (7 members)

Local, Urban and State Affairs (5 members)

Natural Resources and Environmental Affairs (5 members)

Technology and Energy (5 members)

Transportation and Tourism (5 members)

Statutory standing committees:

Administrative Rules (5 members) (SEE MCL 24.235)

Legislative Council (6 members and 3 alternates) (SEE MCL ~~4.313~~ 4.1103)

Legislative Retirement Board of Trustees (4 members) (SEE MCL 38.1026)

Michigan Capitol Committee (4 members) (SEE MCL 4.1701)

## 2.104 COMMITTEE ON GOVERNMENT OPERATIONS

a) All appointments to office submitted by the Governor, and any other executive business, shall be referred to the Committee on Government Operations. No appointment shall be voted upon until it has been printed in the Journal.

1) ANY APPOINTMENT NOT DISAPPROVED WITHIN 60 SESSION DAYS AFTER RECEIPT SHALL STAND CONFIRMED (SEE CONST. ART. 5, SEC. 6). ~~All appointments shall be considered in open session, unless a majority of the Senators voting thereon shall vote in favor of an executive session.~~

2) On all appointments to office reported favorably, the question shall be on advising and consenting to the appointment. On all appointments reported unfavorably or without recommendation, the question shall be on the disapproval of the appointment.

3) The vote of a majority of the Senators elected and serving shall be required to approve or disapprove any appointment to office submitted by the Governor. ANY APPOINTMENTS CONSIDERED BY THE SENATE SHALL BE IN OPEN SESSION, UNLESS A MAJORITY OF THE SENATORS ELECTED AND SERVING SHALL VOTE IN FAVOR OF AN EXECUTIVE SESSION. ~~Any appointment not disapproved within 60 Senate session days after receipt shall stand (Const. Art. 5, Sec. 6).~~

b) If an appointment is made at a time ~~such that~~ WHEN THE 60 days would lapse during an extended recess of the Senate, the Senate Majority Leader ~~or Senate Minority Leader~~ may schedule a session of the Senate for the sole purpose of carrying out the Senate's constitutional duties to advise and consent on gubernatorial appointments. The Senate Majority Leader ~~or Senate Minority Leader~~ shall notify the Secretary of the Senate at least ~~ten~~ 10 calendar days prior to the date of the scheduled session. The Secretary of the Senate shall take all reasonable steps to notify the members of the Senate of the scheduled session.

C) EXECUTIVE ORDERS ISSUED BY THE GOVERNOR DEALING WITH MATTERS OF EXECUTIVE REORGANIZATION SHALL BE REFERRED TO THE COMMITTEE ON GOVERNMENT OPERATIONS. ANY EXECUTIVE ORDER DEALING WITH MATTERS OF EXECUTIVE REORGANIZATION NOT DISAPPROVED WITHIN 60 CALENDAR DAYS OF A REGULAR SESSION, OR A FULL REGULAR SESSION IF OF SHORTER DURATION, AFTER RECEIPT SHALL STAND. UNLESS DISAPPROVED IN BOTH HOUSES BY A RESOLUTION CONCURRED IN BY A MAJORITY OF THE MEMBERS ELECTED TO AND SERVING IN EACH HOUSE, THE EXECUTIVE ORDER SHALL BECOME EFFECTIVE AT A DATE THEREAFTER TO BE DESIGNATED BY THE GOVERNOR (SEE CONST. ART. 5, SEC. 2).

D) EXECUTIVE ORDERS DEALING WITH MATTERS OF APPROPRIATIONS OR EXPENDITURE REDUCTIONS SHALL BE REFERRED TO THE COMMITTEE ON APPROPRIATIONS (SEE MCL 18.1391).

### **2.106 CALLING OF A COMMITTEE**

It shall be the duty of any committee to meet at the call of the chairperson, or on the written request of a majority of the members of the committee. The call or request must contain the date, time, and place of the meeting. No committee of any status shall sit during a session of the Senate, EXCEPT DURING RECESS, unless leave is granted by the Senate. No committee shall use the Senate Chamber for a public hearing during any regular or special session of the Legislature.

### **2.107 NOTICE OF MEETINGS AND PUBLIC HEARINGS**

a) A committee may hold a meeting or public hearing on any issue relevant to the subject matter of the committee. Notice of the meeting or hearing, its subject, date, time, and place, shall be given in writing to the Secretary of the Senate who shall ~~publish~~ PRINT it in the Journal and on the Senate calendar and post it where appropriate (SEE Const. Art. 4, Sec. 17). Oral notice of the meeting or public hearing may be given to the Senate during a session by the chairperson, or a member, of the committee holding the meeting or public hearing.

b) Notice of all committee meetings and public hearings shall comply with the Michigan Open Meetings Act (SEE MCL 15.261-275).

### **2.108 COMMITTEE STAFFING**

In addition to the allocation for staff as provided in Rule ~~1.116(e)~~ 1.117(e), the committee chairperson may appoint additional committee personnel as authorized by the Senate Majority Leader. The Senate Majority Leader may authorize joint utilization of personnel with the House of Representatives and may authorize the Senate to share in the cost.

### **2.109 COMMITTEE EXPENSES**

No committee may receive reimbursement for expenses unless authorized by the Senate Majority Leader. A report of committee expenses, prepared by the chairperson and the Secretary of the Senate from the documents on file in the Secretary of the Senate's office and approved by the chairperson, shall be filed quarterly with the Secretary of the Senate. The report shall include the date, payee, amount, and purpose of the expenditure. The Secretary of the Senate shall ~~enter~~ PRINT in the Journal that the expense report is on file and open for public inspection.

### **2.201 COMMITTEE QUORUM**

A quorum of a committee is a majority of the committee. The ~~concurrence~~ AFFIRMATIVE VOTE of a majority of the committee members serving is required to report any matter to the Senate. A member must ~~actually~~ be present ~~when~~ AT THE TIME a roll call is taken for his or her vote to count toward the required majority concurrence.

### **2.202 COMMITTEE RECORDS**

a) Each committee chairperson shall keep ~~an action journal~~ A RECORD OF ITS PROCEEDINGS, ~~recording~~ INCLUDING the date and time of each meeting, the committee members present and absent, and all action on bills and resolutions in the committee with the names and votes of members (SEE CONST. ART. 4, SEC. 17). A member of the committee wishing to explain his or her vote may file a written explanation with the clerk of the committee within two legislative days after the vote is taken, which explanation shall be attached to the ~~action journal~~ MINUTES. All ~~action journals~~ MINUTES shall be available for public inspection during reasonable business hours. The committee ~~action journal~~ RECORD OF ITS PROCEEDINGS shall be transmitted BIENNIALY to the Secretary of the Senate within 30 days of the final adjournment of the Legislature. The Secretary of the Senate shall be responsible for the storage of the committee ~~action journals~~ MINUTES AND RECORDS OF ITS PROCEEDINGS, which shall be available for public inspection upon request.

b) The chairperson of each committee shall keep the committee files, recordings, tapes, records, memoranda, or written documents in storage cabinets which are separate from his or her legislative records. The chairperson shall provide the Secretary of the Senate with the identification numbers of the storage cabinets containing the committee records. The Secretary of the Senate shall tag the designated storage cabinets and maintain a record of this information.

### **2.203 Committee Reports**

a) All committees shall file a report of their activities following each meeting. All reports shall be submitted on a form prescribed and furnished by the Secretary of the Senate. The reports shall include the date, time, and place of the committee meeting, the members in attendance, the vote of each committee member on any bill, resolution, or other business, and the committee's recommendation on immediate effect for any bill and shall be submitted to the Secretary

of the Senate. The committee recommendation for immediate effect shall be considered on House bills at the time of Senate passage and on Senate bills upon their return from the House. ALL COMMITTEES ~~Subcommittees~~ shall submit an attendance report to the Secretary of the Senate within two Senate legislative days of the ~~subcommittee~~ COMMITTEE meeting. The Secretary of the Senate shall cause all committee reports and ~~subcommittee~~ attendance reports to be ~~entered~~ PRINTED in the Journal.

b) EXCEPT FOR A COMMITTEE REPORT RECOMMENDING A SUBSTITUTE, ~~Any~~ ANY bill, resolution, or other business reported out of any committee shall be filed with the Secretary of the Senate as soon as possible and not later than 4:00 p.m. on the next calendar day (excluding weekends and holidays). ~~except a~~ A committee report recommending a substitute shall be filed not later than 4:00 p.m. on the second calendar day (excluding weekends and holidays). The Secretary of the Senate shall have the authority to retrieve any report not filed by these deadlines.

~~e) All resolutions reported from committee shall be placed on the order of resolutions and laid over one day.~~

C) ~~e)~~ If a bill, joint resolution or other business is reported back to the Senate with the recommendation that it be referred to a second committee, the reported bill, joint resolution or other business, and any amendments, shall be referred to that committee in accordance with Rule 3.106.

D) ~~e)~~ All business not reported by a committee shall be returned to the Secretary of the Senate at the conclusion of each biennium.

### **2.205 MANUAL OF COMMITTEE PROCEDURE**

The rules of parliamentary law and practice in THE MOST RECENT EDITION OF Mason's "Manual of Legislative Procedure" shall govern committee procedure in all cases except when they are inconsistent with the standing rules and published precedents of the Senate and its committees.

### **3.102 ORDER OF BUSINESS**

The order of business of the Senate shall be as follows:

1. Call to Order
2. Invocation
3. Roll Call
4. Motions and Communications
5. Messages from the Governor
6. Messages from the House
7. Conference Reports
8. Third Reading of Bills
9. General Orders ~~of the Day~~
10. RESOLUTIONS
- ~~11.~~ 11. Introduction and Referral of Bills
- ~~12.~~ 12. ~~Resolutions~~ STATEMENTS
- ~~13.~~ 13. Adjournment

### **3.104 ROUTINE BUSINESS QUORUM OF THE SENATE**

A) A MAJORITY OF SENATORS ELECTED AND SERVING SHALL CONSTITUTE A QUORUM (SEE CONST. ART 4, SEC 14).

B) Routine business on which no vote of the Senate is required may be disposed of on any day, with or without a quorum present, and proper entries ~~thereof~~ shall be ~~made~~ PRINTED in the Journal.

C) IN THE ABSENCE OF A QUORUM, A MOTION IS IN ORDER TO ORDER A CALL OF THE SENATE, RECESS OR ADJOURN.

### **3.105 COMMUNICATIONS TO THE SENATE**

The Secretary of the Senate shall compile official communications received by the Senate and shall make them available to all Senators. The presiding officer shall refer all communications which are informational only, to the Secretary of the Senate in one order for their ~~publication~~ PRINTING in the ~~Senate~~ Journal.

### **3.106 COMMITTEE REPORTS ON THE CALENDAR**

a) All committee reports in the possession of the Secretary of the Senate ~~by 4:00 p.m. of the working day prior to a scheduled session~~ shall be placed on the Senate calendar UNDER THE HEADING OF COMMITTEE REPORTS. ~~and the~~ THE Senate calendar shall be closed for printing AT 4:00 P.M. ON TUESDAY, WEDNESDAY AND FRIDAY. ~~If a Monday session is not scheduled, and Senate committee meetings are not scheduled on Friday, Saturday, or Sunday, the Senate calendar for a Tuesday session shall be closed for printing at 4:00 p.m. on Friday. If a Monday session is not scheduled, but~~ IF a Senate committee is scheduled to meet on a Friday, Saturday, or Sunday, the Senate calendar for a Tuesday session shall be closed for printing at ~~9:00~~ 9:30 a.m. on Monday. IF THERE IS A FRIDAY SESSION, THE CALENDAR SHALL BE CLOSED AT 4:00 P.M. ON THURSDAY. IF MONDAY IS A STATE HOLIDAY, THE SENATE CALENDAR FOR TUESDAY SHALL BE CLOSED FOR PRINTING ON FRIDAY AT 12:00 NOON.

b) A Senator may object to ~~the validity of~~ a committee report ON THE BASIS OF ITS SUFFICIENCY OR PROPER AUTHORIZATION. ~~and the~~ THE presiding officer shall place the objection before the Senate for its decision.

c) All committee reports shall be laid over one day. After one session day a committee report shall be considered accepted and the item shall be referred as appropriate.

### **3.201 FIVE DAYS' POSSESSION**

No bill shall be passed or become law at any regular session of the Legislature until it has been printed or reproduced and in possession of the Senate for at least five days (SEE Const. Art. 4, Sec. 26).

### **3.203 REFERENCE REFERRAL OF BILLS AND JOINT RESOLUTIONS**

a) The Senate Majority Leader shall refer all bills and joint resolutions to a standing committee no later than one Senate legislative day after being submitted to the Secretary of the Senate. The presiding officer shall announce the reference of all bills and joint resolutions.

b) The Senate Majority Leader may change the original referral of a bill or joint resolution BY ORAL NOTICE TO THE SENATE OR WRITTEN COMMUNICATION SUBMITTED TO THE SECRETARY OF THE SENATE before the end of session on the next Senate legislative day following the day of the original referral. NOTICES OF THE WRITTEN COMMUNICATION SHALL BE ANNOUNCED BY THE SECRETARY OF THE SENATE DURING SESSION AND BOTH ORAL AND WRITTEN NOTIFICATIONS SHALL BE PRINTED IN THE JOURNAL.

c) It shall be in order at any time before the final passage of any bill or the adoption of any resolution to move its commitment or recommitment.

d) The vote of a majority of the Senators elected and serving shall be required to discharge a committee from further consideration of any item referred to that committee.

### **3.204 RESOLUTIONS AND PETITIONS**

a) All resolutions shall be accompanied by nine true copies. Resolutions which are not subject to provisions in other Senate rules shall be read ONCE by title to the Senate, and referred to the Committee on Government Operations. Once submitted to the Secretary of the Senate, resolutions become the property of the Senate and shall remain in the possession of the Secretary of the Senate. Concurrent resolutions shall be transmitted to the House on adoption.

b) Once a resolution is submitted to the Secretary of the Senate, any Senator and the President of the Senate wishing to co-sponsor it shall complete a form provided by the Secretary of the Senate. A member must be present and specifically request to be named as a co-sponsor of a resolution.

c) After a Senate concurrent resolution has been adopted by both houses and is returned to the Senate, the Secretary of the Senate is authorized to order the printing of the concurrent resolution unless amended by the House or otherwise directed by the Senate.

~~d) Petitions received by the presiding officer, a Senator, or the Secretary of the Senate shall be endorsed by the recipient. The recipient shall deliver the petitions directly to the chairperson or the clerk of the committee which has the subject matter under consideration.~~

### **3.205 PRINTING**

All bills AND JOINT RESOLUTIONS shall be printed or reproduced after introduction, unless otherwise ordered by the Senate. No bill OR JOINT RESOLUTION shall be reported from a standing committee until it has been printed or reproduced (~~Const. Art. 4, Sec. 26~~).

### **3.207 THREE SEPARATE READINGS**

Every bill and joint resolution shall receive three separate readings prior to its being passed or adopted. The ~~President of the Senate~~ PRESIDING OFFICER shall announce whether it is the first, second, or third reading. The first and second readings may be by title only. The third reading of a bill OR JOINT RESOLUTION shall be in full unless otherwise ordered unanimously by the Senate. The third reading of a bill OR JOINT RESOLUTION shall be on a day subsequent to that on which it is read a second time or is reported by the Committee of the Whole (SEE Const. Art. 4, Sec. 26).

### **3.208 INITIATIVE PETITIONS**

A) INITIATIVE PETITIONS RECEIVED BY THE SECRETARY OF THE SENATE FROM THE SECRETARY OF STATE SHALL BE STAMPED WITH THE DATE AND TIME MEASURED IN HOURS AND MINUTES. THE SECRETARY OF THE SENATE SHALL DELIVER THE INITIATIVE PETITION TO THE SENATE MAJORITY LEADER TO BE AVAILABLE FOR REFERRAL TO COMMITTEE ON THE NEXT SENATE LEGISLATIVE DAY (SEE CONST. ART. 2, SEC. 9).

B) EACH INITIATIVE PETITION, WHEN INTRODUCED, SHALL BE READ A FIRST AND SECOND TIME BY TITLE AND REFERRED TO COMMITTEE. WHEN REPORTED OUT OF COMMITTEE, EACH INITIATIVE PETITION SHALL BE PLACED ON THE ORDER OF THIRD READING OF BILLS.

C) ANY LAW PROPOSED BY INITIATIVE PETITION SHALL BE EITHER ENACTED OR REJECTED BY THE LEGISLATURE WITHOUT CHANGE OR AMENDMENT WITHIN 40 DAYS FROM THE TIME SUCH PETITION IS RECEIVED IN THE OFFICE OF THE SECRETARY OF THE SENATE (SEE CONST. ART. 2, SEC. 9).

D) IF THE SENATE REJECTS AN INITIATIVE PETITION, THE SENATE MAY PROPOSE A DIFFERENT MEASURE ON THE SAME SUBJECT BY A YEA AND NAY VOTE ON SEPARATE ROLL CALLS. IN SUCH EVENT, BOTH MEASURES SHALL BE SUBMITTED TO THE ELECTORS FOR APPROVAL OR REJECTION AT THE NEXT GENERAL ELECTION (SEE CONST. ART. 2, SEC. 9).

**3.301 RECOGNITION**

The presiding officer shall recognize Senators to speak in the order in which they press their "request to speak" button, EXCEPT WHEN A SENATOR SEEKS RECOGNITION TO INTRODUCE GUESTS OR TO RAISE A POINT OF ORDER. A Senator, when recognized, shall address the presiding officer, standing at the microphone nearest to his or her desk.

**3.304 MOTION WITHDRAWAL**

Any motion may be withdrawn BY THE MAKER OF THE MOTION before it is amended or adopted.

**3.306 MOTION TO CONSIDERATION FOLLOWING A RECESS**

When a recess is taken during the pendency of any question, the consideration of the question shall be resumed on the reassembling of the Senate.

**3.307 MOTION TO LAY ON THE TABLE**

A motion to lay on the table shall carry with it all pending subsidiary questions except in case of laying an appeal or a motion to reconsider on the table. A motion taken from the table shall be divested of all subsidiary motions except motions to amend. THE VOTE OF A MAJORITY OF THE SENATORS ELECTED AND SERVING SHALL BE REQUIRED FOR A MOTION TO REMOVE ANY ITEM FROM THE TABLE. ITEMS LAID ON THE TABLE MUST FIRST BE REMOVED FROM THE TABLE BEFORE THEY ARE ELIGIBLE FOR FURTHER CONSIDERATION BY THE SENATE.

**3.308 MOVE THE PREVIOUS QUESTION**

a) Any Senator may move the previous question. The previous question shall be ordered by a majority of the Senators voting. The motion for the previous question may be limited by the mover to one or more of the questions preceding the main question. The effect of ordering the previous question shall be to close debate instantly, bringing the Senate to an immediate vote on the pending question or questions in their regular order. If the previous question is ordered on the third reading of a bill OR JOINT RESOLUTION, only amendments to the bill OR JOINT RESOLUTION that have been filed with the Secretary of the Senate prior to the ordering of the previous question shall be considered, but the amendments shall not be debated. The yeas and nays may be demanded on any vote taken while the previous question is in effect.

b) A motion to reconsider is in order under operation of the previous question before voting is completed on all pending items affected by the previous question.

c) A motion for a Call of the Senate shall not be in order after the previous question has been ordered. No Senator shall ~~explain his or her "no" vote~~ DISSENT ORALLY BY MAKING A STATEMENT OF PROTEST while the previous question is in effect. The previous question having been ordered, any question of order or appeal from the decision of the Chair shall be decided without debate.

**3.311 MOTION TO RECONSIDER**

a) No motion for the reconsideration of any vote shall be in order unless:

- 1) The subject matter on which the vote was taken is in the possession of the Senate, and
- 2) It is made on the same day the vote is taken or within the next two Senate legislative days.

b) The same question shall not be reconsidered more than once.

c) The vote of a majority of the Senators elected and serving shall be required to reconsider the vote by which any bill OR JOINT RESOLUTION was passed OR ADOPTED by the Senate.

d) A motion to reconsider may be laid on the table. The tabling of a motion to reconsider the vote by which any bill or JOINT resolution failed to pass OR BE ADOPTED BY the Senate shall require the vote of a majority of the Senators elected and serving and shall postpone indefinitely the consideration of the bill or JOINT resolution.

e) Tabling of a motion to reconsider shall not carry with it the original question but shall be a refusal to reconsider. It shall not be in order to take from the table a motion to reconsider, nor shall the vote whereby any motion to reconsider was laid on the table be reconsidered.

**3.313 MOTION FOR CALL OF THE SENATE**

A CALL OF THE SENATE SHALL BE ORDERED BY A MAJORITY OF THE SENATORS PRESENT, WHETHER A QUORUM OR NOT. AFTER A CALL OF THE SENATE IS ORDERED, THE DOORS SHALL BE CLOSED AND THE SENATORS SHALL NOT BE PERMITTED TO LEAVE THE SENATE FLOOR WITHOUT PERMISSION OF THE SENATE. THE ROLL OF THE SENATE SHALL BE TAKEN BY THE SECRETARY OF THE SENATE AND THE ABSENTEES NOTED. THE SERGEANT AT ARMS, OR PERSONS DULY EMPOWERED BY A MAJORITY OF THE SENATORS VOTING, MAY BE DISPATCHED AND MAY ARREST ANY OR ALL OF THE SENATORS ABSENT WITHOUT LEAVE.

**3.401 TWO READINGS BEFORE AMENDMENT**

No bill OR JOINT RESOLUTION shall be amended until it has been read twice.

**3.403 PRINTING OF AMENDMENTS IN THE JOURNAL**

a) No bill or joint resolution which has been reported with amendment or amendments by any committee shall be considered in Committee of the Whole until the amendment or amendments have been printed in the Journal. No bill

or joint resolution amended in Committee of the Whole shall be considered on Third Reading of Bills until all amendments made in Committee of the Whole have been printed in the Journal.

b) All amendments shall be submitted in writing and with 7 SEVEN copies AND ALL SUBSTITUTES SHALL BE SUBMITTED WITH 10 COPIES.

### **3.503 FINAL PASSAGE BY REQUIRED VOTE**

a) The vote on the final passage of any bill or the adoption of any joint resolution shall be taken by yeas and nays, which shall be ~~entered~~ PRINTED in the Journal (SEE Const. Art. 4, Sec. 26).

b) The final vote on all joint resolutions ratifying a proposed amendment to the federal Constitution shall be by record roll call.

c) When any bill or joint resolution receives the constitutionally required assent, that fact shall be certified on the bill or joint resolution by the Secretary of the Senate.

D) WHEN A BILL IS GIVEN IMMEDIATE EFFECT BY A TWO-THIRDS VOTE OF THE SENATORS ELECTED AND SERVING, THAT ACTION REMAINS IN EFFECT AS THE BILL PROCEEDS THROUGH THE LEGISLATIVE PROCESS, UNLESS THE VOTE FOR IMMEDIATE EFFECT IS RECONSIDERED AND DEFEATED.

### **3.504 DEMAND FOR RECORDED VOTE**

The record of the votes and names of the Senators voting on any question shall be ~~entered~~ PRINTED in the Journal at the request of one-fifth of the Senators present (SEE Const. Art. 4, Sec. 18), EXCEPT DURING THE COMMITTEE OF THE WHOLE.

### **3.505 VOTING**

a) After a question is stated by the Chair, no motion shall be in order and no Senator shall be entitled to speak until the roll call is finished and the result is declared.

b) The electronic voting system shall be used, if operational, to determine the question before the body when the vote is taken by ~~yeas and nays~~ ROLL CALL or by division, and shall display the votes of each Senator and the running total. ~~When the Senate is ready to vote on a question (and the vote is recorded by the electronic voting system), the presiding officer shall announce: "The question before the body is (designating the matter to be voted on). All in favor of the question shall vote 'aye', all opposed shall vote 'no'. The Senate shall proceed to vote."~~ AT THE DIRECTION OF THE PRESIDING OFFICER, ~~The~~ THE Secretary of the Senate shall immediately activate the electronic voting system FOR ONE MINUTE for a ~~record~~ roll call vote, AFTER WHICH ~~The electronic voting system shall be activated for one minute. After one minute has elapsed,~~ the vote shall be closed and no further votes shall be entered in the record. If all Senators present have voted before one minute has elapsed, the presiding officer ~~shall~~ MAY state: ~~"Without objection, the vote will be closed."~~ ASK SENATORS IF THERE IS OBJECTION TO CLOSING THE VOTE. If no Senator objects, the presiding officer shall instruct the Secretary of the Senate to close the board immediately and record the vote.

C) THE PRESIDING OFFICER MAY CLOSE A DIVISION VOTE AT HIS OR HER DISCRETION WHEN IT APPEARS THAT ALL MEMBERS PRESENT HAVE HAD A REASONABLE OPPORTUNITY TO VOTE.

D) IF THE ELECTRONIC VOTING SYSTEM IS NOT OPERATIONAL, THE PRESIDING OFFICER SHALL DIRECT THE SECRETARY OF THE SENATE TO CONDUCT A ROLL CALL OR A DIVISION VOTE ORALLY, AND TO RECORD AND ANNOUNCE THE RESULTS.

E e) A Senator shall not vote for another Senator. A person not a Senator shall not vote for any Senator. In addition to penalties prescribed by law, any Senator may be punished as the Senate may determine for voting for another Senator. If a person not a Senator votes or attempts to vote, he or she, in addition to penalties prescribed by law, shall be barred from the Senate floor for the remainder of the session and may receive further punishment as the Senate deems proper.

### **3.506 A SENATOR'S RIGHT TO DISSENT**

a) A Senator may dissent from or protest against any act, proceeding, or resolution which he or she believes is injurious to any person or the public, and have the reason for his or her dissent ~~entered~~ PRINTED in the Journal (SEE Const. Art. 4, Sec. 18).

b) A Senator may dissent orally by making a statement of protest NOT TO EXCEED FIVE MINUTES, ( unless the previous question is in effect ), or moving that a statement made personally during session on any order of business other than ~~General Orders~~ DURING THE COMMITTEE OF THE WHOLE be his or her protest. A Senator may also dissent by concurring with another Senator's protest or statement previously moved to be ~~entered~~ PRINTED in the Journal during that day's session. DISSENT STATEMENTS NOT MADE DURING THE DEBATE PRECEDING OR IMMEDIATELY FOLLOWING THE VOTE FROM WHICH A SENATOR IS DISSENTING SHALL BE MADE UNDER THE ORDER OF BUSINESS OF STATEMENTS.

c) A Senator may dissent in writing NOT TO EXCEED 1,000 WORDS if:

- 1) He or she gives oral notice during session of an intent to file a written protest,
- 2) On that day or prior to the end of session on the next Senate legislative day, a signed copy of the written protest is placed on each Senator's desk and filed with the Secretary of the Senate, and



3) No objections are raised and sustained by the end of session on the first Senate legislative day following the day oral notice was given.

d) All protests submitted in any of the above manners shall be printed in the Journal, except the Senate may refuse to print statements or material containing insulting and contemptuous matter under the guise of a protest.

e) No statement of any Senator shall be ~~entered~~ PRINTED in the Journal unless moved by that Senator.

### **3.507 ANNOUNCEMENTS AND STATEMENTS**

A) ANNOUNCEMENTS MAY BE MADE DURING ANY ORDER OF BUSINESS. ANNOUNCEMENTS ARE REMARKS CONCERNING THE SESSION SCHEDULE, COMMITTEE MEETINGS, INTRODUCTION OF GUESTS, CONGRATULATIONS, CONDOLENCES OR ILLNESS, REQUESTS TO CO-SPONSOR BILLS AND RESOLUTIONS, REQUESTS TO BE REMOVED AS A SPONSOR OR CO-SPONSOR OF BILLS AND RESOLUTIONS, PAST VOTE INTENTIONS OR INTENTIONS OF INTRODUCING LEGISLATION OR RESOLUTIONS.

B) STATEMENTS ON TOPICS, ISSUES OR ITEMS NOT PROPERLY BEFORE THE SENATE SHALL BE MADE DURING THE ORDER OF BUSINESS OF STATEMENTS. DISSENT STATEMENTS MAY BE MADE UNDER THE ORDER OF BUSINESS OF STATEMENTS.

C) EACH STATEMENT SHALL BE LIMITED TO FIVE MINUTES ORALLY OR, IF SUBMITTED IN WRITING, SHALL BE NO GREATER THAN 1,000 WORDS.

D) WITH THE LEAVE OF THE SENATE, THE PRESIDENT OF THE SENATE MAY REQUEST THAT A STATEMENT MADE BY THE PRESIDENT BE PRINTED IN THE JOURNAL.

### **3.601 GENERAL APPROPRIATION BILLS**

The general appropriation bills for the succeeding fiscal year covering items set forth in the budget shall be passed or defeated in the Senate before it passes any appropriation bill for items not in the budget, except bills supplementing appropriations for the current fiscal year's operation (SEE CONST. ART. 4, SEC. 31).

### **3.602 BILLS REQUIRING APPROPRIATIONS**

Any bill containing an appropriation TO CARRY OUT ITS PURPOSE shall be considered an appropriation bill (SEE CONST. ART. 4, SEC. 31). Appropriation bills, when reported back to the Senate favorably by a committee other than the Committee on Appropriations, shall, together with amendments proposed by that committee, be referred to the Committee on Appropriations for consideration.

### **3.701 FAVORABLE REPORTS**

All bills and joint resolutions reported back to the Senate favorably shall be referred to the Committee of the Whole with amendments, if any, proposed by the committee, which amendments shall be considered first by the Committee of the Whole. Any bill or joint resolution may, after having been reported favorably to the Senate by a committee, be referred to a second committee. If the second committee reports the bill or joint resolution back to the Senate, the report shall include amendments, if any, that were recommended by the first committee. The reported bill OR JOINT RESOLUTION, and any amendments, shall be referred to the Committee of the Whole.

### **3.703 BILLS AND JOINT RESOLUTIONS CONSTITUTING GENERAL ORDERS**

a) Bills AND JOINT RESOLUTIONS referred to the Committee of the Whole shall constitute General Orders and shall be considered in the Committee of the Whole on a day subsequent to such referral in the order of their reference, unless the Senate or the Committee of the Whole otherwise determines.

b) No bill or joint resolution shall bypass consideration by the Committee of the Whole.

### **3.705 RULES IN THE COMMITTEE OF THE WHOLE**

a) The rules of the Senate shall be observed in the Committee of the Whole so far as may be applicable, except limiting debate, ordering the previous question, SUSPENSION OF RULES, or taking the yeas and nays. HOWEVER, NO SPEECH SHALL EXCEED FIVE MINUTES. A motion that the Committee rise shall always be in order and decided without debate. Motions in the Committee of the Whole recommending action by the Senate shall take precedence in the same order as identical motions made during a session of the Senate. ~~A motion~~ MOTIONS to RECESS OR reconsider ~~is~~ ARE in order in the Committee of the Whole.

B) NO STATEMENT MADE DURING THE COMMITTEE OF THE WHOLE SHALL BE PRINTED IN THE JOURNAL.

C) ~~b)~~ In the event the Senate is in session in the Committee of the Whole at 11:55 p.m., it shall be the duty of the chairperson to declare the Committee of the Whole to have risen. The Committee of the Whole shall automatically rise and the presiding officer of the Senate shall resume the chair.

### **3.707 CALL OF THE SENATE**

~~A Call of the Senate shall be ordered by a majority of the Senators present, whether a quorum or not. After a Call of the Senate is ordered, the doors shall be closed and the Senators shall not be permitted to leave the Senate floor without permission of the Senate. The Sergeant at Arms, or persons duly empowered by a majority of the Senators voting, may be dispatched and may arrest any or all of the Senators absent without leave, as the majority has agreed, at the expense of the absent Senators, respectively, unless the Senate, when a quorum is convened, shall determine otherwise.~~

### 3.802 MANUAL OF LEGISLATIVE PROCEDURE

The rules of parliamentary practice in THE MOST RECENT EDITION OF Mason's "Manual of Legislative Procedure" shall govern all cases except when they are inconsistent with the Standing Rules and precedents of the Senate.

### 3.803 RULES OF A NEWLY CONVENED SENATE

The Senate rules which are in effect when the Senate adjourns sine die in an even numbered year shall be the temporary rules of the Senate when it convenes at twelve o'clock noon on the second Wednesday in January of the following odd numbered year and shall remain in effect until other temporary or permanent rules are adopted (SEE MCL 4.42).

### 3.804 AMENDMENT OR REPEAL OF SENATE RULES

The repeal or amendment of any rule shall be accomplished only by resolution. All proposed amendments or repeals of Senate rules shall be referred to the Committee on Government Operations for consideration. The adoption of a proposed resolution for the repeal or amendment of any rule shall require a majority of the Senators ~~present~~ ELECTED AND SERVING.

### 3.805 SUSPENSION OF RULES

The suspension of any Senate rule OR ADOPTED PARLIAMENTARY AUTHORITY shall require a majority of the Senators elected and serving.

### 3.902 FLOOR PRIVILEGE AND CONDUCT

A) A session of the Senate shall be defined, for the purposes of this rule, as any period of time when the Senate is in session, any recess, and any 15-minute period before the Senate convenes and five minutes after it adjourns. THE SENATE FLOOR IS DEFINED AS THE SENATE CHAMBER AND ADJOINING ROOMS S212, S204 (E. LAKIN BROWN ROOM), S204A, S201 AND S207. Access to the Senate floor shall be restricted as outlined below during any session of the Senate, EXCEPT THAT MEMBERS OF THE PUBLIC ARE PERMITTED IN ROOM S204 WHEN A SCHEDULED PRESS CONFERENCE IS HELD THERE DURING SESSION. ÷

1) No person, other than the following, shall be admitted to the Senate floor:

- a) Senators or Representatives
- b) The President of the Senate
- c) The Governor
- d) Senators or Representatives in Congress
- e) Former Michigan Legislators
- f) The Secretary of the Senate and his or her support staff
- g) Legislative staff as authorized in guidelines issued by the Senate Majority Leader
- h) One representative of the Governor
- i) ~~A member~~ MEMBERS of the immediate family of a Senator or the President of the Senate
- j) Registered members of the media pursuant to Rule 3.901

K) A GUEST WHO HAS BEEN INVITED BY A SENATOR TO OFFER THE INVOCATION, AND AN IMMEDIATE FAMILY MEMBER OF THAT GUEST.

2) No registered lobbyist agent, including former Legislators, shall be allowed on the Senate floor. ~~OR~~ THEY SHALL NOT BE ALLOWED in the hallway behind the Senate rostrum, UNLESS EN ROUTE TO OR FROM THE LIEUTENANT GOVERNOR'S OFFICE (S215) OR THE ELIJAH MYERS ROOM (S208).

B) No person shall engage in any conduct on the Senate floor during any session of the Senate which undermines the decorum of the Senate. All persons who are admitted to the Senate floor shall observe the following guidelines:

1) No Senator shall speak ~~unless~~ UNTIL recognized by the presiding officer, UNLESS THE SENATOR RISES TO MAKE A POINT OF ORDER.

2) EXCEPT AS OTHERWISE OUTLINED IN OTHER SENATE RULES, ~~No~~ NO Senator shall speak on any matter not properly before the Senate. ~~, unless granted permission by a majority of the Senators present.~~

3) No Senator shall speak more than twice in any one debate on the same day, without leave of the Senate, except the Senator who sponsored the matter under consideration, ~~and~~ the chairperson of the committee which reported it AND THE CHAIRPERSON OF THE SUBCOMMITTEE WHICH CONSIDERED THE MATTER. EACH SPEECH SHALL NOT EXCEED FIVE MINUTES OR, IF SUBMITTED IN WRITING, NOT EXCEED 1,000 WORDS, EXCEPT THERE IS NO LIMIT ON THE LENGTH OF A SPEECH ON THIRD READING OF BILLS.

4) No Senator shall speak impertinently, attack the motives of any Senator who proposes or advocates a particular position, use indecent language or other disorderly words, or refer to another Senator by name in a disparaging way.

5) No person other than a Senator or the President of the Senate shall pass through the well of the Senate Chamber which is immediately in front of the Senate rostrum.

6) No person shall pass between the presiding officer and a Senator who is speaking.

7) No person other than a Senator or the President of the Senate shall use the center aisle of the Chamber.

8) No person other than a Senator shall sit in a Senator's chair.

9) No staff shall be allowed on the Senate floor unless they wait in the majority or minority lounge or the lounge at the rear of the Chamber until they are needed by a Senator and shall then be seated at a Senator's desk.

10) No member of the media shall be allowed on the Senate floor unless he or she is in the media's designated area, except as otherwise provided in Rule 3.901.

11) No smoking shall be permitted on the Senate floor. Room ~~S-206~~ S202 is a designated smoking area for ~~members~~ SENATORS."

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator DeGrow moved that the rule be suspended.

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

The resolution was adopted, a majority of the members present having voted therefor.

Senators Stille, Rogers, Van Regenmorter, Emmons, McManus, Bullard, Schuette, Bennett and Gast offered the following resolution:

**Senate Resolution No. 98.**

A resolution to urge the plaintiff school districts in the Durant case to spend the money resulting from the court settlement in a manner consistent with the limitations on nonplaintiff school districts to fund technology and infrastructure improvement projects.

Whereas, The plaintiffs in the Durant Case have been awarded monies by the Michigan Supreme Court to fund the costs of special education and other state mandated programs incurred during the 1991, 1992, and 1993 Fiscal Years; and

Whereas, The amount awarded totals an estimated \$211 million that the taxpayers of the plaintiff school districts have already paid in the form of higher property taxes or project specific bond programs; and

Whereas, The Michigan Supreme Court has determined that the monies disbursed pursuant to the award may be spent at the sole discretion of the plaintiff school districts, noting in their order that:

Although we have no concern regarding the correctness of awarding damages to the taxpayer, we stop short of ordering any particular method of distribution because each of the affected districts and its respective taxpayers have sustained discrete harms that are beyond the capability of the Court to evaluate. Instead, we award damages to the plaintiff school districts with the expectation that the democratic process will inform and shape distribution of the award. In so doing, each board of education will exercise its discretion to determine and tailor its award in a manner that best fits the needs of its constituents. Appropriate remedies include, but are not limited to, distributing the award to taxpayers in relation to the amount of increased taxes they paid during 1991-92, 1992-93, and 1993-94 as a result of increase in millage over base year 1978-79 due to underfunding, distributing the award to all property-owning taxpayers, to all local taxpayers, or use of the award by the district for other public purpose.

; and

Whereas, The payments authorized by Senate Bill No. 52 to be made to the nonplaintiff school districts will be restricted solely to expenditures on technology and infrastructure improvements; now, therefore, be it

Resolved by the Senate, That we urge the plaintiff school districts in the Durant case to spend the money resulting from the court settlement in a manner consistent with the limitations on nonplaintiff school districts to fund technology and infrastructure improvement projects; and be it further

Resolved, That a copy of this resolution be transmitted to each plaintiff school district in the Durant Case decision.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator DeGrow moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Stille requested the yeas and nays.

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

The resolution was adopted, a majority of the members voting therefor, as follows:

**Roll Call No. 489**

**Yeas—18**

Bennett  
Cisky  
DeGrow  
Emmons  
Gast

Geake  
Gougeon  
Hoffman  
McManus  
North

Posthumus  
Rogers  
Schuette  
Schwarz

Shugars  
Steil  
Stille  
Van Regenmorter

**Nays—17**

Berryman	DeBeausaert	Miller	Smith, V.
Bouchard	Dingell	O'Brien	Stallings
Byrum	Hart	Peters	Vaughn
Cherry	Koivisto	Smith, A.	Young
Conroy			

**Excused—0****Not Voting—2**

Bullard	Dunaskiss
---------	-----------

In The Chair: Schwarz

**Protests**

Senators A. Smith, Young, Byrum and Conroy, under their constitutional right of protest (Art. IV, Sec. 18), protested against the adoption of Senate Resolution No. 98.

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

The motion prevailed.

Senator A. Smith’s statement, in which Senator Young concurred, is as follows:

I voted “no” on the resolution because I think the Senate that chose not to fully fund the Durant School District plaintiffs has no right to suggest to them how they ought to spend the dollars they will be awarded over a period of 25 months. These are school districts that took millions of dollars out of their operational budget that served both special education and general education students over the course of 17 years. Deprived areas of their programs and deprived students in the schools of not only technology and infrastructure, but textbooks, courses, school counselors and equipment that would allow them to run science experiments.

Now, we are going to say to them, “you don’t have the wisdom to spend the money that we’ve given you and to meet your needs.” Well they had the wisdom to make the program cuts on a year to year basis. They certainly have the capacity as board members of an administration of spending those dollars.

Senator Byrum’s statement, in which Senator Conroy concurred, is as follows:

I rise to oppose the adoption of the resolution. Very simply put, we have had hours and hours of debate on this floor covering eliminating the school code and letting local school districts determine what is appropriate for their student body to eliminating teacher certification and giving that authority back to local school districts. But, yet when it comes to the money side of things, we can’t help but want to micro-manage school districts.

Well, we can’t have it both ways. Now, for my colleagues that stand up on the floor of the Senate and time and time again want to give local control, local control, local control, I submit to you that if you really believe in local control then you ought to let the locals spend the money. We ought not micro-manage and tell them that, “yes, you need technology. You do not need textbooks.”

Senator Young’s statement is as follows:

I sit here and I listen to and kind of watch some of the movements of what we’ve been doing and then all of sudden here comes a resolution which as indicates is not binding but it is purely suggestion. Well, you know that suggestion, I think, sends the wrong message. I mean, here we have a situation where we have Durant School Districts who fought—and I keep hearing 17 years. I keep hearing not the Milliken administration couldn’t do it, the Blanchard administration couldn’t do it, but you know for the last 17 years I bet your governor was also here doing it. And in doing it he was part of the Durant problem.

So, I assume if I were to burn a house down and I shouldn't have that I would in fact would want to renovate it to at least make it better. But in making it better, I would think that I would have to have the ability to construct that new kitchen, construct that new living room and construct that new dining room at my own behest. But no. What we are going to say here is that we took money from you and now we're going pout and tell you how to use it because we really don't want to give it to you.

I think what has been demonstrated is that we don't really want to give it to them because if we did, we would have given it to them in one single payment up front. Now, for us to sit here and try to micro-manage or to pull the strings as a puppeteer from the state level to determine what all of those 84 districts ought to be doing is ludicrous. Because I would imagine as there are 555 different school districts that among those 84 they also different needs, different concerns and different ways by which they could utilize dollars to meet those special needs to get at those that have been suffering and have not been given to because we didn't supply special education dollars.

Now, for the life of me what I can't understand is how they're going to meet the needs of a special education student who may not be able to use a computer. But, yet we are going to say, "You're supposed to address the needs of that special education student who can't use a computer, but we're going to put in a computer for you." I would think they might want to use those dollars to get that student up to speed so he or she might be able to use a computer and I would think there is nothing wrong with putting dollars into for teacher professional development to assist that student to reach the point that they could use a computer.

What does infrastructure mean to an individual who can't take advantage of it? What does a computer mean to an individual who can't take advantage of it? Now, this is ridiculous. Then I look at the numbers Resolution No. 98 which is two short of 100 and 100% is what we want. But, no, we don't really want 100%. What you are demonstrating is that you don't really don't want to take care of Durant school districts. What you are demonstrating is you really don't care about the special education needs in the state of Michigan and you are demonstrating it. From my perspective, this is great. As I indicated before, I have plaintiff and nonplaintiff school districts in Senate District No. 1. How long do we think we can micro-manage—and I've never taken a profile of this chamber—but I don't know how many educators we have here. I don't know how many special education educators we have here. I don't know how many master degree level people we have here who really know what needs to be done. I contend it is the wrong direction to go. We ought to let them do what they need to do and we ought not support this resolution.

By unanimous consent the Senate returned to the order of

#### **Introduction and Referral of Bills**

Senators Geake, Bouchard, Gast, Schwarz, Dunaskiss, Bullard, Shugars, McManus, Steil, Bennett and Stille introduced **Senate Bill No. 722, entitled**

A bill to amend 1953 PA 232, entitled "An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to allow for the operation of certain facilities by private entities; to prescribe the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act," (MCL 791.201 to 791.283) by adding section 20i.

The bill was read a first and second time by title and referred to the Committee on Human Resources, Labor and Veterans Affairs.

Senator Bouchard introduced

#### **Senate Bill No. 723, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding sections 477, 478, 479, and 480.

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

Senator Steil introduced

#### **Senate Bill No. 724, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 1996 PA 484.

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

Senators Stille, Rogers, DeBeaussaert, Shugars, North and Steil introduced

**Senate Bill No. 725, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 506 (MCL 206.506), as amended by 1996 PA 484.

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

Senators Schwarz, Cisky, Bouchard, Rogers, Byrum, A. Smith and Berryman introduced

**Senate Bill No. 726, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7212 (MCL 333.7212), as amended by 1993 PA 25.

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

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

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

Senators Hoffman, Geake, Dingell, North, McManus and Stille introduced

**Senate Bill No. 727, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 831.

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

Senators Hoffman, Geake, Dingell, North, McManus and Stille introduced

**Senate Bill No. 728, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 503 and 509 (MCL 324.503 and 324.509), section 503 as amended by 1996 PA 133.

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

Senator Bennett introduced

**Senate Bill No. 729, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 11104, 11126, 11130, 11133, 11138, 11144, 11146, 11147, and 11148 (MCL 324.11104, 324.11126, 324.11130, 324.11133, 324.11138, 324.11144, 324.11146, 324.11147, and 324.11148) and by adding section 11132a; 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 Natural Resources and Environmental Affairs.

Senator Bennett introduced

**Senate Bill No. 730, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 12101, 12102, 12103, 12105, 12106, 12107, 12109, 12114, and 12116 (MCL 324.12101, 324.12102, 324.12103, 324.12105, 324.12106, 324.12107, 324.12109, 324.12114, and 324.12116), sections 12101 and 12102 as amended by 1995 PA 61; 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 Natural Resources and Environmental Affairs.

Senator Bennett introduced

**Senate Bill No. 731, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 4701 (MCL 600.4701), as amended by 1996 PA 327.

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

**House Bill No. 4186, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," (MCL 205.51 to 205.78) by adding section 4p. 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 Finance.

**House Bill No. 4586, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," (MCL 205.91 to 205.111) by adding section 4m. 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 Finance.

**Recess**

Senator DeGrow moved that the Senate recess subject to the call of the President. The motion prevailed, the time being 2:57 p.m.

3:40 p.m.

Pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Secretary of the Senate.

**Recess**

Senator DeGrow moved that the Senate recess until 4:15 p.m. The motion prevailed, the time being 3:41 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the Assistant President pro tempore, Senator Hoffman.

By unanimous consent the Senate returned to the order of

**Conference Reports**

Senator Hoffman submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 174, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 1998; to provide for the imposition of fees; to create certain work groups and committees; to provide for reports; to create certain funds; to prescribe requirements for certain railroad facilities; to prescribe certain powers and duties of certain state departments and officials, local units of government, committees, and work groups; and to provide for the expenditure of the appropriations.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House and to the following amendments:

1. Amend page 1, line 1, by striking out all of section 101 and inserting:

"Sec. 101. There is appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 1998, from the following funds:

**STATE TRANSPORTATION DEPARTMENT**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	3,223.0
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,428,611,500</b>

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 0
ADJUSTED GROSS APPROPRIATION .....	\$ 2,428,611,500
Federal revenues:	
Total federal revenues .....	531,817,800
Special revenue funds:	
Total local revenues .....	5,600,000
Total private revenues .....	0
Total other state restricted revenues .....	1,891,193,700
State general fund/general purpose .....	\$ 0
DEBT SERVICE	
State trunkline .....	\$ 46,578,400
Trunkline bonds, series 1989A-EDF (\$100,000,000) .....	11,483,200
Critical bridge .....	3,000,000
Bluewater bridge .....	2,385,900
Comprehensive transportation .....	23,129,300
GROSS APPROPRIATION .....	\$ 86,576,800
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	23,129,300
Michigan transportation fund .....	14,483,200
State trunkline fund .....	46,578,400
Blue water bridge fund .....	2,385,900
State general fund/general purpose .....	\$ 0
INTERDEPARTMENT & STATUTORY CONTRACTS	
Michigan transportation fund (MTF)	
MTF grant to department of civil service .....	\$ 724,500
MTF grant to department of environmental quality .....	777,700
MTF grant to department of management and budget .....	336,800
MTF grant to department of state .....	44,808,700
MTF grant to department of state police .....	610,800
MTF grant to department of treasury .....	6,868,900
MTF grant to legislative auditor general .....	162,500
State trunkline fund (STF)	
STF grant to department of attorney general .....	2,276,100
STF grant to department of civil service .....	3,668,300
STF grant to department of management and budget .....	693,900
STF grant to department of natural resources .....	35,500
STF grant to department of state police .....	5,863,000
STF grant to department of treasury .....	18,800
STF grant to legislative auditor general .....	341,000
State aeronautics fund (SAF)	
SAF grant to department of attorney general .....	116,400
SAF grant to department of civil service .....	54,700
SAF grant to department of management and budget .....	28,900
SAF grant to department of treasury .....	59,300
SAF grant to legislative auditor general .....	15,700
Comprehensive transportation fund (CTF)	
CTF grant to department of attorney general .....	120,600
CTF grant to department of civil service .....	109,400
CTF grant to department of management and budget .....	39,000
CTF grant to department of treasury .....	7,500
CTF grant to legislative auditor general .....	48,500
GROSS APPROPRIATION .....	\$ 67,786,500
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	325,000
Michigan transportation fund .....	54,289,900
State aeronautics fund .....	275,000
State trunkline fund .....	12,896,600
State general fund/general purpose .....	\$ 0



## EXECUTIVE DIRECTION

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	33.3	
Unclassified salaries.....		\$ 455,900
Commission Audit—33.3 FTE positions .....		2,938,900
GROSS APPROPRIATION .....		\$ 3,394,800
Appropriated from:		
Special revenue funds:		
State trunkline fund.....		3,394,800
State general fund/general purpose .....		\$ 0
ADMINISTRATIVE SERVICES		
Full-time equated classified positions .....	116.7	
Administration and data center—70.2 FTE positions .....		\$ 12,032,700
Building occupancy charges-property management.....		4,319,400
Human resources—41.5 FTE positions .....		3,462,700
Economic development administration—5.0 FTE positions .....		537,800
Transportation service centers .....		3,000,000
Rent .....		1,940,000
Worker's compensation .....		2,436,300
GROSS APPROPRIATION .....		\$ 27,728,900
Appropriated from:		
Special revenue funds:		
General fund restricted purpose .....		130,000
State aeronautics fund.....		722,700
Comprehensive transportation fund.....		1,388,400
Michigan transportation fund.....		401,000
State trunkline fund.....		25,086,800
State general fund/general purpose .....		\$ 0
BUREAU OF FINANCE AND ADMINISTRATION		
Full-time equated classified positions .....	218.6	
Administration—218.6 FTE positions .....		\$ 20,930,600
Equipment rental.....		(5,022,700)
GROSS APPROPRIATION .....		\$ 15,907,900
Appropriated from:		
Special revenue funds:		
Michigan transportation fund.....		461,800
State trunkline fund.....		15,446,100
State general fund/general purpose .....		\$ 0
BUREAU OF TRANSPORTATION PLANNING		
Full-time equated classified positions .....	187.0	
Administration—187.0 FTE positions.....		\$ 16,040,600
Grants to regional planning councils.....		488,800
GROSS APPROPRIATION .....		\$ 16,529,400
Appropriated from:		
Federal revenues:		
DOT-FHWA Highway research,planning,and construction .....		7,275,000
Special revenue funds:		
State aeronautics fund.....		226,700
Comprehensive transportation fund.....		1,618,500
Michigan transportation fund.....		4,290,900
State trunkline fund.....		3,118,300
State general fund/general purpose .....		\$ 0
BUREAU OF HIGHWAYS		
Full-time equated classified positions .....	1,714.3	
Engineering operations—836.3 FTE positions .....		\$ 33,446,400
Maintenance operations—85.0 FTE positions .....		8,964,700
Program services—793.0 FTE positions .....		38,539,000
Testing services.....		(12,000,000)
GROSS APPROPRIATION .....		\$ 68,950,100

Appropriated from:	
Federal revenues:	
DOT-FHWA Highway research, planning, and construction .....	\$ 2,000,000
DOT-NHTSA, State and community highway safety .....	146,800
Special revenue funds:	
Michigan transportation fund .....	1,989,200
State trunkline fund .....	64,814,100
State general fund/general purpose .....	\$ 0
<b>HIGHWAY MAINTENANCE</b>	
Full-time equated classified positions .....	758.1
State operations—758.1 FTE positions .....	\$ 74,194,300
Equipment rental .....	(10,334,800)
Sign and signal .....	(1,500,000)
Contract operations .....	114,128,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 176,487,800</b>
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	176,487,800
State general fund/general purpose .....	\$ 0
<b>ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction .....	\$ 695,853,400
Local federal aid and road and bridge construction .....	105,000,000
Grants to local programs .....	33,000,000
Rail grade crossing .....	3,000,000
Critical bridge program .....	5,250,000
County road commissions .....	523,631,700
Cities and villages .....	291,948,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,657,683,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOT-FHWA Highway research, planning, and construction .....	491,250,000
Special revenue funds:	
Local funds .....	5,000,000
Comprehensive transportation fund .....	25,000,000
State restricted funds .....	7,335,500
Michigan transportation fund .....	841,354,900
State trunkline fund .....	287,742,900
State general fund/general purpose .....	\$ 0
<b>BLUE WATER BRIDGE</b>	
Full-time equated classified positions .....	32.0
Blue water bridge operations—32.0 FTE positions .....	\$ 9,953,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 9,953,600</b>
Appropriated from:	
Special revenue funds:	
Blue water bridge fund .....	9,953,600
State general fund/general purpose .....	\$ 0
<b>TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>	
Forest roads .....	\$ 5,000,000
Rural county urban system .....	2,500,000
Target industries/economic redevelopment .....	14,885,400
Urban county congestion .....	11,434,300
Rural county primary .....	11,434,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 45,254,000</b>
Appropriated from:	
Special revenue funds:	
General fund restricted purpose .....	12,870,000
Michigan transportation fund .....	28,424,000
State trunkline fund .....	3,960,000
State general fund/general purpose .....	\$ 0

BUREAU OF AERONAUTICS

Full-time equated classified positions .....	57.0	
Administration—57.0 FTE positions.....		\$ 7,570,000
Air service program .....		1,000,000
GROSS APPROPRIATION .....		\$ 8,570,000
Appropriated from:		
Special revenue funds:		
State aeronautics fund.....		8,570,000
State general fund/general purpose .....		\$ 0

BUREAU OF URBAN & PUBLIC TRANSPORTATION

Full-time equated classified positions .....	106.0	
Administration—106.0 FTE positions.....		\$ 8,349,900
GROSS APPROPRIATION .....		\$ 8,349,900
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund.....		7,159,400
Michigan transportation fund .....		1,190,500
State general fund/general purpose .....		\$ 0

BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating .....		\$ 162,134,800
Nonurban operating/capital .....		6,746,000
GROSS APPROPRIATION .....		\$ 168,880,800
Appropriated from:		
Federal revenues:		
DOT-Federal transit act.....		6,546,000
Special revenue funds:		
Local funds .....		200,000
Comprehensive transportation fund.....		162,134,800
State general fund/general purpose .....		\$ 0

INTERCITY PASSENGER AND FREIGHT

Freight property management.....		\$ 2,000,000
Detroit/Wayne county port authority .....		301,800
Intercity bus equipment.....		1,800,000
Rail passenger service.....		5,000,000
Freight preservation and development.....		5,500,000
Rail infrastructure loan program .....		3,300,000
Intercity bus service development .....		2,100,000
Marine passenger services.....		1,453,500
Terminal development.....		1,500,000
Intercity passenger and freight discretionary.....		5,342,500
GROSS APPROPRIATION .....		\$ 28,297,800

Appropriated from:		
Federal revenues:		
DOT-Federal transit act.....		1,000,000
DOT-FRA, Local rail service assistance.....		2,000,000
DOT-FRA, rail passenger/HSGT .....		3,000,000
Special revenue funds:		
Local funds .....		100,000
Rail preservation fund.....		1,000,000
Rail infrastructure fund.....		300,000
Intercity bus equipment fund.....		300,000
Comprehensive transportation fund.....		20,597,800
State general fund/general purpose .....		\$ 0

PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services .....		\$ 3,600,100
Municipal credit program.....		2,000,000
Bus capital .....		29,500,000
Ride sharing .....		330,700
Van pooling.....		145,000

Bus property management.....	\$	175,000
Service development and new technology .....		3,400,000
Planning grants .....		150,000
Audit settlements .....		200,000
Region service coordination .....		3,000,000
Work first initiative .....		2,050,000
Public transportation development discretionary .....		1,044,600
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>45,595,400</b>
Appropriated from:		
Federal revenues:		
DOT-Federal transit act.....		18,600,000
Special revenue funds:		
Local funds .....		300,000
Comprehensive transportation fund.....		26,695,400
State general fund/general purpose .....	\$	0
<b>EARLY RETIREMENT</b>		
Early retirement savings.....	\$	(7,335,500)
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>(7,335,500)</b>
Appropriated from:		
Special revenue funds:		
State restricted funds.....		(7,335,500)
State general fund/general purpose .....	\$	0

2. Amend page 11, following line 23, by striking out all of section 102.

3. Amend page 12, line 2, by striking out all of section 201 and inserting:

“Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1997-1998 is estimated at \$1,891,193,700.00 and state sources paid to local units of government for fiscal year 1997-1998 are estimated at \$1,066,658,200.00. The itemized list below identifies appropriations from which spending to units of local government will occur:

	For Fiscal Year Ending Sept. 30, 1998
<b>DEPARTMENT OF TRANSPORTATION</b>	
Local grant program.....	\$ 33,000,000
Economic development fund .....	30,368,600
Grants to cities and villages .....	291,948,200
Grants to county road commissions .....	523,631,700
Critical bridge program.....	5,250,000
Grants to regional planning councils.....	488,800
Local bus operating .....	162,134,800
Bus capital .....	12,000,000
Marine passenger service .....	1,453,500
Detroit/Wayne County port authority .....	301,800
Local ride sharing operating grants.....	330,700
Planning grants .....	150,000
Municipal credit program.....	2,000,000
Specialized services .....	3,600,100
Total payments to local units of government.....	\$ 1,066,658,200

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.”.

4. Amend page 14, following line 25, by inserting:

“Sec. 207. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$240,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.”.

5. Amend page 15, line 17, by striking out all of section 211 and inserting:

“Sec. 211. The negative appropriation in section 101 for early retirement compensation savings represents savings from the state’s 1997 early retirement program. Not later than October 15, 1997, the department and the state budget director shall request legislative transfers under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, to apply the retirement costs and salary and fringe benefits savings to the appropriated line items affected by the early retirement of state employees.”.

6. Amend page 17, following line 18, by striking out all of section 218.

7. Amend page 18, line 5, after “council” by inserting a comma and “but each senator shall receive 2 times the number of maps of each representative”.

8. Amend page 19, line 23, by striking out all of section 310 and inserting:

“Sec. 310. The department shall continue its efforts to privatize functions that can be efficiently and effectively performed by the private sector. Efforts shall include, but not be limited to, airports, roads, bridges, maintenance, rest areas, and other areas that would result in a savings to the state. The department shall also develop a strategy for privatizing ownership of limited access highways. The department shall provide a written report to the house and senate appropriations subcommittees on transportation by December 31 of each year, listing functions that have been reviewed for privatization and estimated savings.”.

9. Amend page 24, line 9, by striking out all of sections 318 and 319 and inserting:

“Sec. 318. From funds appropriated in section 101 for federal aid and road and bridge construction, the department shall provide funding for the proposed soundwall on I-696 in Southfield, including the proposed extension to Inkster Road as well as the proposed type II soundwall on I-94 between Martin and Little Mack in Roseville.”.

10. Amend page 25, following line 10, by striking out all of sections 322 and 323.

11. Amend page 25, following line 10, section 324, after “beyond” by striking out “a first term demonstrate cost savings in that first term” and inserting “36 months demonstrate cost savings in that 36-month period”.

12. Amend page 26, line 1, by striking out all of section 402 and inserting:

“Sec. 402. Of the amount appropriated in section 101, between 23% and 27% of federal aid to highways shall be allocated to federal aid programs administered by the department for local jurisdictions. The funds shall be distributed to eligible local agencies for transportation purposes in a manner consistent with state and federal law. The allocation to programs for local jurisdictions shall be calculated from the overall federal aid made available to this state from the highway account of the federal highway trust fund, minus funds that are specifically allocated at the federal level to local or state jurisdictions and funds allocated by the department to state and local jurisdictions through a competitive process. The federal aid excluded from the calculation of funding to programs for local jurisdictions includes, but is not limited to, congestion, mitigation, and air quality funds, transportation enhancement funds, funds distributed at the discretion of the U.S. secretary of transportation, and congressionally designated funds. It is the intent of the legislature that federal aid to highways be distributed in a manner that produces on average a 25% allocation of applicable funds to programs for local jurisdictions.”.

13. Amend page 26, line 13, by striking out all of section 403.

14. Amend page 32, following line 10, by inserting:

“Sec. 508. Of the amounts appropriated in section 101 from the Michigan transportation fund to the department of state, \$9,282,000.00 represents the cost of establishing a new commemorative license plate for 1998 pursuant to section 225 of the Michigan vehicle code, 1949 PA 300, MCL 257.225.”.

15. Amend page 32, line 16, by striking out all of sections 509 and 510.

16. Amend page 33, line 12, by striking out all of section 603.

17. Amend page 33, line 22, after “freeway” by inserting “provided that repayment of the amount appropriated is pledged to be paid to the department for highway maintenance from private funds within 6 months after the appropriation is made”.

18. Amend page 33, following line 22, section 605, after “corridor.” by striking out the balance of the section.

19. Amend page 33, following line 22, by striking out all of sections 608 and 609 and inserting:

“Sec. 610. Any local road construction project currently underway as the result of cooperation and shared costs between a city and a county shall continue unabated regardless of any funding changes brought on by this act.”.

20. Amend page 35, line 14, after “county,” by inserting “the suburban mobility authority for regional transportation,”.

21. Amend page 35, line 15, after “sector.” by striking out the balance of the section.

22. Amend page 44, line 8, after “December 31, 1996” by inserting a comma and “including the Eastern Upper Peninsula Transportation Authority and the Beaver Island Transportation Authority,”.

23. Amend page 44, following line 17, following section 714, by inserting:

“Sec. 716. For the fiscal year ending September 30, 1998, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its eligible operating expenses. If funds appropriated in section 101 for local bus operating are not sufficient to fulfill this requirement, sufficient funds appropriated for public transportation development discretionary may be used for this purpose.

Sec. 717. Of the amount appropriated in section 101 for bus capital, for the fiscal year ending September 30, 1998, any funds not utilized for matching federal funds for local bus capital shall be distributed for 100% capital projects for eligible authorities and eligible governmental agencies that are not eligible to receive federal capital formula funds under section 5307 of the federal intermodal surface transportation efficiency act, Public Law 102-240, or any successor act.”

24. Amend page 45, line 1, by striking out all of section 802.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 1998; to provide for the imposition of fees; to create certain work groups and committees; to provide for reports; to create certain funds; to prescribe requirements for certain railroad facilities; to prescribe certain powers and duties of certain state departments and officials, local units of government, committees, and work groups; and to provide for the expenditure of the appropriations.

Philip E. Hoffman  
Dan L. DeGrow  
Michael J. O'Brien  
Conferees for the Senate

Clark A. Harder  
Jon Jellema  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator DeGrow moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

The Associate President pro tempore, Senator Vaughn, resumed the Chair.

The President pro tempore, Senator Schwarz, resumed the Chair.

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 490**

**Yeas—36**

Bennett	Dingell	McManus	Shugars
Berryman	Dunaskiss	Miller	Smith, A.
Bullard	Emmons	North	Smith, V.
Byrum	Gast	O'Brien	Stallings
Cherry	Geake	Peters	Steil
Cisky	Gougeon	Posthumus	Stille
Conroy	Hart	Rogers	Van Regenmorter
DeBeaussaert	Hoffman	Schuette	Vaughn
DeGrow	Koivisto	Schwarz	Young

**Nays—0**

**Excused—0**

**Not Voting—1**

Bouchard

In The Chair: Schwarz

Senator DeGrow moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

Senators Hoffman and O'Brien asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Hoffman's statement is as follows:

I rise to make a short statement. I want to thank the members for their help on getting this passed—particularly to my co-chairman, Mike O'Brien, did a good job for stepping in there and pitch-hitting like that. I am appreciative to the body for their help on this.

I also want to thank one of the folks that is departing from the Senate Fiscal Agency as far as being associated directly with the transportation budget—and that is Bill Bowerman. Bill has helped me over the last 3 years put together the transportation budget. Bill is moving up in the Senate Fiscal Agency so he will be taking on new responsibilities, but I am appreciative to Bill for his efforts over the past 3 years that I've had the pleasure of working with him. I hope the membership would also join me in applauding Bill for a job well done.

Senator O'Brien's statement is as follows:

I too would like to thank very gratefully, Bill Bowerman. You do not walk into that kind of a process without some kind of very experienced guidance and that is what I have found with Bill. Bill and I have known each other a long time. We go back probably until we were about 10 or 11 years of age, but never worked with each other. I know my experience with the committee was made much more enlightening. The kind of work and the quality of work and the amount of work that I have seen this man produce in trying to get me ready to be a part of whatever solution presented itself in that committee was invaluable. I think our loss very definitely is the department's gain. I'm sorry to see him go. I truly believe he is going to be a great loss to us in the Senate.

Senator DeGrow moved that upon receipt of the following bill from the House of Representatives, the Secretary of the Senate be allowed to proceed with the enrollment printing and presentation of the bill to the Governor:

**Senate Bill No. 174**

The motion prevailed.

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator DeGrow moved that the Committee on Appropriations be discharged from further consideration of the following bill:

**Senate Bill No. 251, entitled**

A bill to make appropriations for the state transportation department and certain state purposes from the funds designated in this act for the fiscal year ending September 30, 1998; and to provide for the expenditure of the appropriations.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator DeGrow moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on its immediate passage:

**Senate Bill No. 251**

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

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

The following bill was read a third time:

**Senate Bill No. 251, entitled**

A bill to make appropriations for the state transportation department and certain state purposes from the funds designated in this act for the fiscal year ending September 30, 1998; and to provide for the expenditure of the appropriations.

The question being on the passage of the bill,  
 Senator Hoffman offered the following substitute:  
 Substitute (S-2).

The question being on the adoption of the substitute,

Senator DeGrow moved that Senator Bouchard be excused from the balance of today's session.  
 The motion prevailed.

The substitute was adopted, a majority of the members serving 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. 491**

**Yeas—20**

Berryman	DeBeaussaert	Koivisto	Smith, V.
Bullard	Dingell	Miller	Stallings
Byrum	Dunaskiss	O'Brien	Stille
Cherry	Geake	Peters	Vaughn
Conroy	Hart	Smith, A.	Young

**Nays—16**

Bennett	Gast	North	Schwarz
Cisky	Gougeon	Posthumus	Shugars
DeGrow	Hoffman	Rogers	Steil
Emmons	McManus	Schuetz	Van Regenmorter

**Excused—1**

Bouchard

**Not Voting—0**

In The Chair: Schwarz

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

A bill to adjust appropriations for the state transportation department for the fiscal year ending September 30, 1998; and to prescribe certain duties of the department.

The amendment to the title was adopted.  
 The Senate agreed to the title as amended.

Senator DeGrow moved that when the Senate adjourns today, it stand adjourned until Tuesday, October 7.  
 The motion prevailed.



### Recess

Senator DeGrow moved that the Senate recess subject to the call of the President. The motion prevailed, the time being 4:38 p.m.

4:57 p.m.

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

### Committee Reports

The Committee on Finance reported

**Senate Bill No. 705, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38c (MCL 208.38c), as amended by 1994 PA 231.

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.

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars, Peters and Stallings

Nays: None

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

The Committee on Finance reported

**Senate Bill No. 716, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 1 (MCL 205.51), as amended by 1995 PA 209.

With the recommendation that the following amendment be adopted and that the bill then pass:

1. Amend page 6, following line 25, by inserting:

"Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 721 of the 89th Legislature is enacted into law."

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

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars and Peters

Nays: None

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

The Committee on Finance reported

**Senate Bill No. 721, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4 (MCL 205.94), as amended by 1996 PA 436.

With the recommendation that the following amendment be adopted and that the bill then pass:

1. Amend page 12, following line 11, by inserting:

"Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 716 of the 89th Legislature is enacted into law."

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

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars and Peters

Nays: None

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

The Committee on Finance reported

**House Bill No. 4091, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38c (MCL 208.38c), as amended by 1994 PA 231.

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.

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars, Peters and Stallings

Nays: None

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

The Committee on Finance reported

**House Bill No. 4509, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," (MCL 205.91 to 205.111) by adding section 8.

With the recommendation that the bill pass.

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

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars, Peters and Stallings

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Finance reported

**House Bill No. 4773, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 35 (MCL 208.35), as amended by 1995 PA 255.

With the recommendation that the bill pass.

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

Joanne G. Emmons  
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Shugars, Peters and Stallings

Nays: None

The bill was referred to the Committee of the Whole.

#### COMMITTEE ATTENDANCE REPORT

The Committee on Finance submits the following:

Meeting held on Tuesday, September 30, 1997, at 1:10 p.m., 8th Floor Conference Room, Farnum Building

Present: Senators Emmons (C), Bullard, Shugars, Peters and Stallings

The Committee on Natural Resources and Environmental Affairs reported

**Senate Bill No. 706, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 14801, 14802, 14804, 14805, and 14808 (MCL 324.14801, 324.14802, 324.14804, 324.14805, and 324.14808), as added by 1996 PA 132.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect

Loren N. Bennett  
Chairperson

To Report Out:

Yeas: Senators Bennett, Dunaskiss, Gast, Dingell and DeBeaussaert

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Natural Resources and Environmental Affairs reported

**Senate Bill No. 707, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 14809 (MCL 324.14809), as added by 1996 PA 132.

With the recommendation that the bill pass.

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

Loren N. Bennett  
Chairperson

To Report Out:

Yeas: Senators Bennett, Dunaskiss, Gast, Dingell and DeBeaussaert

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submits the following:

Meeting held on Tuesday, September 30, 1997, at 3:00 p.m., 8th Floor Conference Room, Farnum Building

Present: Senators Bennett (C), Dunaskiss, Gast, Dingell and DeBeaussaert

The Committee on Appropriations reported

**Senate Bill No. 52, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 115, 131, 203, 204, 205, 217, 219, 221, 237, 241, 241a, 242, 244, 247, 248, 251, 303, 305, 342, 344, 350, 350a, 350d, 350e, 352, 355, 363, 367, 367b, 367f, 371, 372, 384, 386, 393, 396, 404, 434, 451, 454, 461, 462, 484, 485, 486, 488, 492, and 493 (MCL 18.1115, 18.1131, 18.1203, 18.1204, 18.1205, 18.1217, 18.1219, 18.1221, 18.1237, 18.1241, 18.1241a, 18.1242, 18.1244, 18.1247, 18.1248, 18.1251, 18.1303, 18.1305, 18.1342, 18.1344, 18.1350, 18.1350a, 18.1350d, 18.1350e, 18.1352, 18.1355, 18.1363, 18.1367, 18.1367b, 18.1367f, 18.1371, 18.1372, 18.1384, 18.1386, 18.1393, 18.1396, 18.1404, 18.1434, 18.1451, 18.1454, 18.1461, 18.1462, 18.1484, 18.1485, 18.1486, 18.1488, 18.1492, and 18.1493), sections 115, 203, 205, 217, 221, 244, 247, 342, 350, 367, 371, 372, 384, 386, 393, and 451 as amended and sections 204, 241a, 350a, 350d, 350e, 396, and 454 as added by 1988 PA 504, sections 219, 352, and 355 as amended and sections 367b and 367f as added by 1991 PA 72, section 363 as amended by 1993 PA 2, section 461 as amended by 1986 PA 251, and sections 484, 485, 486, and 488 as added by 1986 PA 272; and to repeal acts and parts of acts.

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

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

Harry Gast  
Chairperson

To Report Out:

Yeas: Senators Gast, Geake, Cisky, DeGrow, Hoffman, McManus, Schwarz and Steil

Nays: Senators Conroy, Koivisto, A. Smith, Young and Vaughn

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

The Committee on Appropriations reported

**Senate Bill No. 240, 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 1996 PA 300.

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.

Harry Gast  
Chairperson

To Report Out:

Yeas: Senators Gast, Geake, Cisky, DeGrow, McManus, Schwarz and Steil

Nays: Senators Conroy, Koivisto, A. Smith, Young and Vaughn

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

The Committee on Appropriations reported

**Senate Bill No. 719, entitled**

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending the title and sections 4, 5, 34, 36, and 41 (MCL 38.1304, 38.1305, 38.1334, 38.1336, and 38.1341), the title and sections 4 and 34 as amended by 1996 PA 488, section 5 as amended by 1994 PA 272, section 36 as added by 1989 PA 194, and section 41 as amended by 1996 PA 278, and by adding section 113.

With the recommendation that the following amendment be adopted and that the bill then pass:

1. Amend page 8, following line 11, by inserting:

“Sec. 22. (1) The Michigan public school employees’ retirement board is created in the department and shall consist of the superintendent of public instruction, THE STATE TREASURER, and 11 members appointed by the governor with the advice and consent of the senate as follows:

- (a) Two members who are working as classroom teachers.
  - (b) One nonteacher member who is working in a noncertified educational support position or a retirant who retired from a noncertified educational support position.
  - (c) One member who is a school system superintendent.
  - (d) One member who is working in a school system in a finance or operations management position, but who is not a school system superintendent.
  - (e) One retirant who retired from a classroom teacher position.
  - (f) One retirant who retired from a finance or operations management position.
  - (g) One administrator or trustee of a community college, which community college is a reporting unit.
  - (h) Two from the general public, 1 of which shall have experience in health insurance or actuarial science and 1 of which shall have experience in institutional investments. An individual appointed under this subdivision shall not be a member, deferred member, retirant, or retirement allowance beneficiary under this act.
  - (i) One elected member of a reporting unit’s board of control.
- (2) One of the retirement board members under subsection (1) shall be a member who is an employee of a school district of the first class or a retirant who retired from a position as an employee of a school district of the first class. One of the retirant members of the retirement board shall be selected from the membership of the largest organization of retirants.

(3) The term of office of the retirement board members shall be ~~5~~ 4 years. A vacancy of a member on the retirement board shall be filled in the same manner as the original appointment for the remainder of the unexpired term. A retirement board member shall continue to hold office until a successor is appointed and has qualified, but not to exceed an additional ~~5~~ 4 years.

(4) The 7 members appointed and serving on the retirement board on July 1, 1997 shall have their respective terms extended by 2 years and shall serve for the remainder of their extended terms. As each board member’s term expires under this subsection, the new appointment shall be made in accordance with subsection (1). On January 1, 1997, 2 new individuals shall be appointed as members of the retirement board in accordance with subsection (1). The initial terms of office of these 2 new members shall ~~be set by the governor so that 1 term expires~~ EXPIRE on March 30, 2001 ~~and 1 term expires on March 30, 2003. The superintendent of public instruction and the state treasurer shall be considered to have terms that expire on March 30, 1997. On March 31, 1998~~ OCTOBER 31, 1997, 2 new individuals shall be appointed as members of the retirement board in accordance with subsection (1). The initial terms of office of these 2 new members shall expire on March 30, ~~2003~~ 2000.”

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

Harry Gast  
Chairperson

To Report Out:

Yeas: Senators Gast, Geake, Cisky, DeGrow, McManus, Schwarz and Steil

Nays: Senators Conroy, Koivisto, A. Smith, Young and Vaughn

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

#### COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submits the following:

Meeting held on Tuesday, September 30, 1997, at 11:30 a.m., Senate Appropriations Room, Capitol Building

Present: Senators Gast (C), Geake, Cisky, DeGrow, Hoffman, McManus, Schwarz, Steil, Conroy, Koivisto, A. Smith, Young and Vaughn

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Senate Bill No. 174 submits the following:

Meeting held on Tuesday, September 30, 1997, at 9:00 a.m., Senate Appropriations Room, Capitol Building

Present: Senators Hoffman (C), DeGrow and O’Brien

**Scheduled Meetings**

Local, Urban and State Affairs Committee - Wednesday, October 8, at 1:00 p.m., Room 100, Farnum Building (3-1635).

Natural Resources and Environmental Affairs Committee - Tuesday, October 7, at 3:00 p.m., 8th Floor Conference Room, Farnum Building (3-7350).

Senator Bullard moved that the Senate adjourn.  
The motion prevailed, the time being 4:58 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Schwarz, declared the Senate adjourned until Tuesday, October 7, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate.

