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House of Representatives

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House Chamber, Lansing, Tuesday, January 27, 2004.

Sheen—present

6:00 p.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Accavitti—present Acciavatti—present Adamini—present Amos—present Anderson—present Bieda—present Bisbee—present Bradstreet—present Brandenburg—present Brown—present Byrum—present Casperson—present Caswell—present Caul-present Cheeks—present Clack—present Condino—present Daniels—present Dennis-present DeRoche—present DeRossett—present Drolet—present Ehardt—present Elkins—present Emmons—present Farhat—present Farrah—present

Garfield—present Gieleghem—present Gillard—present Gleason—present Hager—present Hardman—present Hart—present Hood—present Hoogendyk—present Hopgood—present Howell—present Huizenga—present Hummel—present Hune-present Hunter—present Jamnick—present Johnson, Rick-present Johnson, Ruth—present Julian—present Koetje-excused Kolb—present Kooiman—present LaJoy—present LaSata—present Law—present Lipsey—present McConico—present

Meisner—present Meyer—present Middaugh—present Milosch-present Minore-present Moolenaar—present Mortimer—present Murphy—present Newell-present Nitz-present Nofs-present O'Neil—present Palmer—present Palsrok-present Pappageorge—present Pastor—present Phillips—excused Plakas—present Pumford—present Reeves-present Richardville-present Rivet—present Robertson—present Rocca—present Sak—present Shackleton—present

Shaffer—present

Sheltrown—present Shulman—present Smith—present Spade—present Stahl-present Stakoe—present Stallworth—excused Steil—present Stewart—present Tabor—present Taub—present Tobocman—present Vagnozzi-present Van Regenmorter—excused Vander Veen—present Voorhees—present Walker—present Ward—present Waters-present Wenke-present Whitmer—present Williams—present Wojno—present Woodward—present Woronchak—present Zelenko—present

Gaffney—present

Rep. Rick Johnson, from the 102nd District, offered the following invocation:

"It's in the comfort of silence,
Knowing words are unnecessary.
It's in the comfort of time,
Knowing we'll grow old together.
It's in the comfort of companionship,
Knowing there's someone who cares.
It's that comfort of understanding,
Knowing explanations aren't needed.
It's in the comfort of home,
Knowing love will be there.
It's the comfort of you,
Knowing you're my friend...forever. Amen."

(M. Jackson)

Rep. Palmer moved that Reps. Koetje and Van Regenmorter be excused from today's session. The motion prevailed.

Rep. Waters moved that Reps. Phillips and Stallworth be excused from today's session. The motion prevailed.

Motions and Resolutions

Reps. Richardville and Waters offered the following concurrent resolution:

House Concurrent Resolution No. 46.

A concurrent resolution providing for a joint convention of the House of Representatives and the Senate.

Resolved by the House of Representatives (the Senate concurring), That the House of Representatives and Senate meet in joint convention in the Hall of the House of Representatives, Tuesday, January 27, 2004, at 6:30 p.m., to receive the message of Governor Jennifer M. Granholm.

Pending the reference of the concurrent resolution to a committee,

Rep. Richardville moved that Rule 77 be suspended and the concurrent resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

Messages from the Senate

House Concurrent Resolution No. 46.

A concurrent resolution providing for a joint convention of the House of Representatives and the Senate.

The Senate has adopted the concurrent resolution.

The concurrent resolution was referred to the Clerk for record.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Richardville moved that a special committee of four members be appointed to notify the Senate that the House was ready to meet the Senate in Joint Convention.

The motion prevailed.

The Speaker appointed as such committee Representatives Sak, Smith, Rocca and Julian.

The special committee to notify the Senate that the House was ready to meet in Joint Convention returned to the House along with the members of the Senate.

The committee, though its Chairperson, reported that it had performed the duty assigned it. The report was accepted and the committee discharged.

The Sergeant at Arms announced the members of the Senate, who were admitted and conducted to seats.

Joint Convention

6:30 o'clock p.m.

The Joint Convention was called to order by the President of the Joint Convention, Lieutenant Governor Cherry. Rev. Linda McDonald, Pastor of North Presbyterian Church in Kalamazoo, offered the following invocation:

"From deep silence, O Holy One, merciful and compassionate, gracious and truthful, these words of prayer rise. Hear, guide and assist we pray. We lift words of thanksgiving for the day You have made and for the promise of hope and peace contained in the life of each one gathered in this place. We offer our thanksgiving for steadfast friends, for the joys of family, for work that nourishes soul and spirit, for opportunities for generosity that will benefit others, for deepening springs of love and justice implanted in the heart's deepest place of trust and hope. We lift prayers of thanksgiving for this place of government and governance. Knowing that power to govern comes as a gift rather than a right, we thank You for gifts of leadership and for the willingness of women and men to commit themselves to public service. We thank You for the dedication of Governor Granholm, her cabinet and staff, all elected leaders and those employed by state government, for commitment, energy and vision in these difficult times. Gathered in this place, may we be mindful that we few represent not only ourselves or our personal interests, but the strength and hope of our shared life: millions of children, women and men-a diverse population of citizens and residents from many communities from throughout the nations of the world. Let us know deeply what it is to speak Potawatomi and Arabic and Spanish, English and Russian, Chinese, Korean, German and French. Help us grow alive to the truth that we represent the cultural and ethnic heritage of generations, present here long before we were born. May we be reminded we represent waters and land, forests and silent creatures. By Your power and grace, these will continue after we have been swept away on Your timeless, eternal river. As we are gathered in this place, help us remain mindful that we worship in storefronts, mosques, synagogues, churches, at shrines, in homes. We call upon the Creator by many names. Touch us that we remember we represent the person with much and the person with not enough, too little or nothing at all. May we know a deep truth that we represent democracy—with all its dreams, hopes and ideals; with its struggles to rise above expediency toward a loftier goal, that together we might build a better day, a worthier way for the common good. Even as we are gathered here, let us be especially aware of those upon snowy roads overseeing public safety. We wait upon Holy Presence, the Merciful and Compassionate One, to transform our hearts and this place into listening space—open space—willing space—forgiving space—yielding space—courageous space. Touch the hearts of Your people on this evening with a renewed trust in Your power to work through our limited actions to make all things new—heaven and earth, hearts, lives, words, actions, outcomes and institutions. May all that will be spoken on this night and may all that will be carried out in days ahead, be done in a spirit of remembering, a spirit of listening and mutual respect, so that what may be accomplished will hallow the brief time granted us. And may all be done giving honor to the Holy Name. Amen."

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

The roll of the House was called by the Clerk, who announced that a quorum of the House was present.

The President of the Joint Convention announced that the two Houses had met in Joint Convention to receive the message of the Governor.

Representative Richardville moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the State Officers to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Accavitti and Pappageorge, and Senators Brater and Kuipers.

The Sergeant at Arms announced the special committee appointed to invite the State Officers to be present at the Joint Convention.

The State Officers, escorted by the committee, were conducted to seats.

Senator Hammerstrom moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Judges of the Court of Appeals to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Meisner and Hager, and Senators Bernero and Bishop.

The Sergeant at Arms announced the special committee appointed to invite the Judges of the Court of Appeals to be present at the Joint Convention.

The Judges of the Court of Appeals, escorted by the committee, were conducted to seats.

Representative Richardville moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Justices of the Supreme Court to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Condino and Stewart, and Senators Clarke and Cropsey.

The Sergeant at Arms announced the special committee appointed to invite the Justices of the Supreme Court to be present at the Joint Convention.

The Justices of the Supreme Court, escorted by the committee, were conducted to seats.

Senator Hammerstrom moved that a special committee, consisting of three Representatives and three Senators, be appointed to invite and escort the Governor to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Vagnozzi, Law and Richardville, and Senators Olshove, Thomas and Birkholz.

The Sergeant at Arms announced the special committee to wait on the Governor.

The Governor, escorted by the committee, was conducted to the rostrum.

The President of the Joint Convention then introduced Governor Granholm who gave her message to the Joint Convention as follows:

"Lieutenant Governor Cherry, Speaker Johnson, Democratic Leader Byrum, Majority Leader Sikkema, Democratic Leader Emerson and members of the State Senate and House of Representatives, Chief Justice Corrigan and the members of the Judiciary, Secretary of State Land, Attorney General Cox, President Strauss and the members of the State Board of Education, Cabinet, colleagues, Michigan friends and my best friend, Dan Mulhern: good evening.

Before we fill our minds with ideas for the year ahead, let us fill our hearts with thoughts of the thousands of Michigan men and women risking their lives in Iraq, Afghanistan and around the globe, and the families who love them. You may recall last year as I stood at this podium, I introduced you to the young family of a woman deployed in the Guard, Sgt. Rohnalda Hollon from Beaverton. Her husband, Timothy, was here with their three children, including their 7-month old twin boys that he was raising in her absence. A year has come and gone, and Rohnalda Hollon is in Iraq, still serving our country. Can there be any doubt about the sacrifices of these families? I ask you to join me now in a moment of silent tribute for the men and women, including those from Michigan, who have given the ultimate sacrifice, their lives in service to our country during this past year.

Thank you.

The state of the state tonight is one of total determination: Michigan will attract and keep good jobs.

Tonight I will offer a seven-point plan for reaching our shared destination: a Michigan that is an economic powerhouse state in the 21st Century. I prefer to think of it as seven roads that lead to the place we all want to reach: a strong economy that creates good jobs. My belief is unshakable: what job-creating businesses seek most today are the *same* things our citizens most desire—highly-educated children and adults, high-quality affordable health care, a splendid environment, and an efficiently run government. A higher quality of life will foster a stronger business climate, and a business climate will give us the ability to improve our quality of life. To be an economic powerhouse, you can't have one without the other.

A year ago, I stood before you to say we would not wait for our economic storm to blow over; instead we would work in the rain. The lingering impact of the recession on our budget made it feel, at times, more like a hurricane. But you, our legislators and our excellent state employees, put on rain gear and got to work. We accomplished virtually every one of the specific initiatives I shared with you as I spoke from this podium a year ago. But that is not all we did. We restored health care coverage to 40,000 citizens. We largely protected our children's education from the deeper cuts that seemed inevitable in our budgetary crisis. Our Department of Transportation, Team MDOT, improved more than 2,000 miles of Michigan roads by focusing on fixing our worst roads first. We put 1,900 violent fugitives back behind bars. We are helping a community, Benton Harbor, heal, and together we saw the state through the largest blackout in U.S. history.

Our citizens and businesses expected that we become more efficient, and we did. In one year I cut more spending than any Governor before me. Together we resolved a \$3 billion budget deficit in 12 months. We have spent a year twisting the wet towel of government tight, to wring out ounce after ounce of inefficiency. We trimmed hundreds of millions of dollars by cutting cell phone usage, turning off lights, calling in state cars, limiting out-of-state travel, canceling subscriptions, consolidating offices and reigning in no-bid purchasing.

Today, we have the lowest number of state employees since 1974. Our general fund revenue is the lowest since 1970. Yet, we are providing services to 1.3 million more citizens than we did 34 years ago. We are doing more with less: If you seek a leaner government, look about you.

And so, crisis begets opportunity: and opportunity now screams out to our local governments to break the mold, not the bank. Most citizens are paying taxes for local schools and community colleges, for state government, for county government, and for city government—often in buildings blocks apart and many of them doing the same things.

There will be more cuts in the coming budget. So now is the time for quiet courageous local leadership to get beyond turf and politics to consider new partnerships with one another: pooling resources, sharing services, technology, office space, even employees. School districts must reduce the bureaucracy, any layer of clay that blocks money from getting to the classroom. Universities must work to coordinate, not duplicate, specialties and services. Expensive hospitals must do the same.

I applaud those local units of government who have torn up the turf and replaced it with collaboration and creativity. Tonight, I am asking Maxine Berman, director of special projects, to champion this movement of logic and common sense, to work with this patchwork of local public organizations, to remove barriers to collaboration, share successes, provide incentives to mergers, and erode the turf mentality that costs us all too much.

Because in 2005, another billion-dollar gap looms, on top of the three billion dollar gap we have already closed. But tonight's address is not about the budget. In two weeks, budget director Mary Lannoye and I will present a budget proposal to this assembly that will impact the long term economic wellbeing of Michigan. You can count on this: it will be *balanced*; it will protect our *quality of life*; and everything in it will strengthen our ability to grow good jobs.

My fellow citizens, I will continue to engage you—as I have for the past 13 months—in this discussion about shared priorities and scarce funds. Together we will have to answer some tough questions. For example, what job provider would choose to stay or expand in a state that guts its education funding? What business would locate in a state that isn't working to keep costs down and taxes competitive? What business would expand in a state where the cost of health care is on an endless uptick? What tourist would come to travel over potholed freeways to catch fish that cannot be eaten? What family would feel safe in a state that releases dangerous prisoners to save money?

So tonight, as you hear this seven-point plan to grow Michigan, under which fall some thirty initiatives that we are setting in motion, know that none will require additional general fund revenues. Instead, we are realigning, redefining and redesigning government to move Michigan forward.

I approach the work of strengthening our economy with optimism, because of what we have done and what people say about us. For instance:

This past year, despite the recession, our direct efforts helped us create or retain more than 43,000 jobs. We attracted more than \$2 billion in new automotive investment. Two major automotive product lines moved from Mexico back home to Michigan. We won the battle for a corporate headquarters when BorgWarner chose Michigan over Chicago for its home. Smith's Aerospace chose to expand at home in Grand Rapids rather than move to Maryland, while an information technology firm chose to consolidate its operations from nine other states to Grand Rapids, Michigan. In fact, in this year alone, Traverse City was named the #1 small town in the United States for new business, and, for the second year in a row, Michigan was named the #2 state in the country for its business climate.

But all the top rankings don't mean much if our college graduates are itching to move to another state, and they don't mean a darn thing to someone who can't find a job. So, the first four steps in our plan to grow Michigan focus on developing the tools to grow jobs. We will retain the jobs and businesses we have, attract entrepreneurs, retrain our workforce, and cultivate vibrant cities and technology.

Step one: address the issues that are most threatening to the businesses that made us great, the manufacturers who dream and design and deliver quality products to the world. We must retain these businesses. In December, I convened a Manufacturing Matters Summit and brought together some of the best minds among our business and labor leaders. The detailed agenda we developed together will guide our fight to retain jobs. Time allows me to discuss just a few points from it.

First, and this was the overwhelming consensus of the bipartisan business and labor leaders who attended our Manufacturing Matters Summit: we all must insist that our federal government pursue international trade policies that level the playing field for our businesses.

Barely a month after that Manufacturing Summit—just two weeks ago now—real life delivered a resounding exclamation point to the need for change: the good people of Greenville, Michigan learned that the 2,700 jobs in their Electrolux refrigerator factory are on their way to Mexico. The next day those proud, productive workers showed up for their shifts, on time, many wearing American flags, ready to work hard. And we had worked hard to keep those jobs—offering zero taxes, a new plant and unprecedented union concessions. Losing hurt deeply. But losing steeled my determination that we in Michigan, and frankly, in America must do everything we can to stop this job hemorrhaging.

As your elected leader, I would not be doing my job if I did not force the question upon Washington and upon you, the Legislature: How can a state so reliant on manufacturing compete with countries paying \$1.57 an hour, usually without health care or environmental or labor standards.

In this election season, all of us must specifically call on all those who seek the Presidency—on both sides—to stand up for robust trade, lots of it, but *fair* trade, so that our outstanding companies and hard-working people will have good jobs in the years ahead. If the playing field in the ruthless game of global competition is level, our Michigan businesses and workers will win every time. But at a time when we are losing so many jobs, American trade policy should not be giving points to the other team.

We also know that to compete, our companies have to be more nimble and decisive than ever. Business told us at the Manufacturing Matters Summit that they just can't afford to have government *unnecessarily* slow them down. So, we won't. Our Department of Labor and Economic Growth will implement a sweeping reform of our regulatory process to pitch the reels of red tape and end the endless waiting for those who *deserve* permits and licenses now to grow their business in Michigan—we will create a One Stop Shop for business.

And I am pleased to say that Steve Chester, Director of our Department of Environmental Quality is piloting a new air quality permitting process that will cut from 18 months to less than 6 months the amount of time it takes to get an air permit. I've told them: If it's clean, let's build it! We will be the most nimble state in the nation—without sacrificing our environment.

The second step in growing our economy is to diversify it, and particularly to grab the attention of entrepreneurs. People still say they are going to work at "Ford's" or "Chrysler's," even though the men who created these companies long ago passed away. But we often forget that those enormous enterprises were started by little guys with big ideas. Today we need to instill that entrepreneurial thinking—to get our residents and our young people imagining themselves signing the checks, being the boss, the innovator, the producer of wealth and jobs. When our citizens look in the mirror, they should see the next Peter Karmanos or Charles Stewart Mott looking back at them.

New ideas can create entire new industries almost overnight. But our best new ideas in Michigan can also die in the research lab or someone's garage or could migrate elsewhere if entrepreneurs don't have access to start-up funding here in our state. Tonight, I am announcing that my Administration, through the Michigan Economic Development Corporation, is creating three new venture capital funds to help businesses take root in Michigan and grow new jobs at every stage of development. These new funds, one of which was created with the help of this Legislature, will leverage federal and private dollars to *make more than half a billion dollars* available for starting or expanding 21st Century businesses.

We must pave a third road to a powerhouse economy because businesses need more than access to capital. They need a flow of human capital—a skilled workforce to give Michigan's businesses an edge when competition is fierce and margins are tight. In the last century, businesses came to Michigan looking for strong backs. Today, they also need strong minds ready for continuous learning.

To fill this need, I am announcing that we will completely re-engineer workforce training in Michigan. We will target growth sectors of our economy to ensure that all job-seekers—whether they're just entering the workforce or looking for a new line of work—will be trained to do work in the knowledge economy, and trained to do the work that is specifically needed in their region.

For example, we will follow the pioneering effort recently set in Flint. When business, labor, education and community groups there identified a critical shortage of skilled health care workers, they came together to form what is known as a Regional Skills Alliance to address the need. This Alliance steers the unemployed to training and jobs in health care, while helping hospitals hire first rate medical care workers. It's a win-win for the Flint area.

Does a region need workers with expertise in logistics, in software, in insurance, in life sciences, in advanced manufacturing? Then let us not be passive, let us shape the workforce to meet the need. David Hollister, head of our Department of Labor and Economic Growth, will spur the creation of twelve unique Regional Skills Alliances across our state this year, to shape, steer, and mold the workforce to match the needs of a region's 21st Century economy.

And because engineers and technology workers are so important to the Michigan workforce, beginning in the next academic year we will make zero percent loans available to students in our public universities who pursue engineering and technology degrees. They'll keep that zero percent rate as long as they continue to study and work in Michigan.

We don't want them just to study, but to stay. . . and experts tell us they're much more likely to stay if they find hot jobs in cool cities. Michigan's greatest economic successes have always been tied to the creative and productive power of our cities. From the Furniture City to the Motor City to the Cereal City—the fates of our industries and cities have been intertwined from their beginnings. So the fourth way we will grow Michigan is by spurring strong regional economies anchored by dynamic cities. Over the last year, we've begun an important dialogue about how we can stimulate the rise of such cool cities in Michigan—cities that attract these young workers and the businesses that rely on their talents.

I am pleased to say that this is a bottom-up movement in which nearly 80 of our communities have local commissions on cool that are uncorking the bottle of creativity and unleashing the genie of possibility—planning everything from bike paths to bookstores to attract more people and new businesses. I applaud the enthusiasm and imagination of these cities from Calumet to Kalamazoo and from Saginaw to Saugatuck.

Government can't create cool, but we can and will target existing resources to support these local efforts to create vibrant cities, centers of commerce—as recommended by the Michigan Land Use Leadership Council. (Acknowledge FJK.) For example, our Michigan State Housing Development Authority, MSHDA, will pilot in 12 cities an offer of

incentives and financing to create unique downtown developments where loft housing, art galleries and technology start-ups can all share the same historic brick building. The Department of History, Arts and Libraries will target arts and cultural grants toward main street revitalization in those cities. Young people are rediscovering Grand Rapids, Traverse City, Ferndale, and Detroit. These coordinated efforts of state government will accelerate that trend—which is an *absolute* economic imperative. For the workforce of tomorrow wants to live where it's happening, and employers will not come here if that future workforce—the technology workforce—has left us for New York or Boston or Chicago.

The cable that runs through all of these—not just cool cities, but retaining and attracting businesses, spurring entrepreneurship, and developing our workforce—is the cable of technology. Broadband—high speed internet access to information and customers—is no luxury. It's a necessity to compete in our high-tech new world. Unfortunately, many areas of Michigan still lack this lifeline to our information-driven economy.

I am particularly pleased to announce tonight that by 2007 we will have brought high speed internet access to every corner of our state, through the work of the Michigan Broadband Development Authority. Just as 50 years ago we used the strength of steel to link our two peninsulas, we will now use the power of this new technology to link every community in our state to a world of economic opportunity. Broadband will be this generation's Mackinac Bridge.

While our plan will build these four roads to job growth and economic strength, we cannot focus on these approaches alone. To truly grow the state's economy—to attract new business and new jobs—we must also focus on improving our quality of life. So the next three roads in our plan for economic growth lead to those things that both our citizens and our businesses value: education, health care, and the environment.

Never in history have businesses so badly wanted precisely what we as parents want—highly-skilled, value-oriented citizens who will be successful in life and in the new knowledge-based economy.

Last year we began a revolution in education when we publicly declared that education in our state will begin at birth, not when a child enters kindergarten. Breakthroughs in medical science have taught us that 85 percent of a child's brain development occurs in the first three years of life.

A year ago when I spoke before you I issued a call to arms asking all sectors of our state to help our youngest children realize their tremendous potential for growth and intellectual development.

Knowing the state of our budget, Michigan's foundations have answered the call. Through their generosity, for the first time we will be able to make Michigan's R.E.A.D.Y. Kit available to every one of the 130,000 children born in Michigan this year. As a parent I've often wished that my kids had come with an instruction manual. Well, starting this year, Michigan kids will. With books and videos, this R.E.A.D.Y. Kit gives parents the information they need to be their child's first teacher—and that is the most important job many of us will ever have. Our Intermediate School Districts too have taken up the challenge and are organizing early childhood networks at the local level, distributing these R.E.A.D.Y. Kits, spurring home visits and local pediatrician partnerships to help new parents fully absorb the information contained in the Kits. Our educators know that genius is created in the cradle.

Because we believe in our phenomenal teachers and we believe that every one of Michigan's children has the potential to learn, we will hold our schools accountable to high academic standards and help them achieve those standards

This year our State Board of Education adopted new standards for math and reading. Along with Massachusetts and Maryland, Michigan's new standards have been judged the most rigorous in the nation.

We will embrace big goals because we know that Michigan's teachers will work to achieve them. Later this week, when educators get the reports that say whether they have achieved Adequate Yearly Progress under the federal law, they'll use that information to focus like a laser on how to improve teaching and learning. How do I know? Because it is happening. Tara Fry, the principal at Fairview Elementary in Lansing, and Denise Powell, the principal of Crary Elementary in Detroit—two schools that at one time didn't make Adequate Yearly Progress—didn't throw up their hands. They turned their schools around. With dynamic leadership, both schools have now succeeded for three years in a row. Through a new Principal's Academy at the Department of Education, we'll be helping schools across the state replicate their success. It can be done. It will be done.

In our high-priority elementary schools—where our children have been the most challenged to demonstrate success and where families are most likely to need the human services that government provides—we are helping students meet their full potential by bringing the assistance that families need directly to them. We've opened 20 full-time Family Resource Centers right in our neighborhood schools. These are Family Independence Agency offices right inside the school buildings. No longer do we ask families to come to us—to come to a state agency in some far-away office park. Instead services are delivered where they are most convenient, and where children can be best supported. We've been able to identify and prevent problems in ways we never could before. In just the past few months these Family Resource Centers have begun to make a dramatic difference to children, families and our schools. This year we'll open at least twenty more. This is no longer a pilot; this is a movement.

As we help our schools achieve high standards, we recognize that today far too many of our students drop out. These young people aren't just dropping out of school; they're dropping out of the economic life of Michigan. So, I have asked six of our Intermediate School Districts to create Learn-to-Earn centers that will give dropouts the specific skills they need to succeed in life and contribute to our economy. It is being done, for example, in Genesee County where

Mott Middle College has an eye-popping success rate at helping hundreds of high school dropouts earn not just their high school diplomas, but college credit as well; and in Detroit where Focus: Hope helps those who once had lost hope gain the skills that lead to good jobs as machinists and even engineers.

Because we have high expectations of *all* of Michigan's children, we will relentlessly and firmly bring them back. We will say to those tens of thousands of children who drop out every year: we will not give up on you, and *you may not* give up on yourself.

And we must also challenge our high academic achievers to stretch for even more greatness. Each year in this state, we award some 50,000 MERIT Scholarships to those who demonstrate ability on our MEAP test. But in my dictionary, "merit" does not only mean one's ability to pass a standardized test; to be meritorious is something nobler than that. So, beginning with the 2005-2006 school year, in order to collect that \$2,500 scholarship, I will ask that every MERIT scholar be required to demonstrate that they've served the community for at least 40 hours prior to graduating from high school. As a result of this added requirement, students will contribute over two million hours of service in their communities—helping senior citizens, mentoring elementary school students, volunteering in homeless shelters, or cleaning up our rivers and streams. Schools that already have community service programs tell us that their students grow as citizens of the world through their experiences giving back to the community. As we see truly meritorious citizens fight for democracy abroad, how could we not begin to instill a sense of duty and service to others in our students here at home? Merit demands more than high test scores. Merit demands high character as well.

A well-educated workforce requires learning well beyond high school. The truth is our Michigan colleges and universities are extraordinary. Let me say it again: our colleges and universities are extraordinary. They are the state's partner in economic development and in the development of our intellectual capital. They multiply possibilities for us as individuals and for our economy. It's their excellence that makes access to their classrooms so vital.

That is why we must do all we can to make college more affordable for those who choose it.

When I issued the executive order balancing this year's budget, I asked our universities and community colleges to follow the lead of our state government, of our businesses, and of families across our state: times are tough, so continue to tighten your belts and hold the line against tuition increases. Tonight, I reiterate this challenge to our great universities and community colleges.

I am pleased to announce that late this afternoon Michigan State University's Board of Trustees met with President Peter McPherson and they are the first to commit not to raise tuition beyond the rate of inflation. And Wayne State University President Dr. Irvin Reid has agreed to ask his board to do the same. I challenge others to follow their lead: keep tuition affordable, and keep the American dream of college alive for our young people.

Few things affect the quality of our life *and* the quality of our work more than our good health. So the sixth road to making our economy stronger is making health care more accessible and more affordable for the people of Michigan.

First, I am pleased to announce that this year, through the efforts of Janet Olszewski and her team at the Department of Community Health, we will introduce a Michigan Prescription Discount Card, the MI-Rx Card, that will pool purchasing to allow as many as 200,000 senior citizens and working people with no insurance to cut the cost of their prescription drugs by as much as 20 percent. Macomb County has won national recognition for its prescription drug discount card. So Nancy White, Chair of the Macomb County Commission, in 2004, we are going to borrow a page from your county's playbook to save prescription drug costs for seniors and the uninsured across Michigan.

We will also focus on reducing the cost of health care for families and small businesses. Many small businesses often cannot afford to pay health insurance for their employees. Muskegon and Wayne counties have created "third share" health insurance programs to increase access to health insurance. Tonight, I am announcing the Michigan Third Share Partnership. The concept of our "third share" is simple. The employee pays a third of the health insurance premium, the company pays a third and the state pays a third through a tax credit to the business. The small business gets healthier, more productive employees; the employees get the assurance of comprehensive, affordable healthcare for their families; and the state gets a cost-effective way to keep citizens employed.

The seventh and final step on the road to a powerhouse economy is protecting our environment.

As residents of the Great Lakes State, we know we are the guardians of a proud environmental heritage. We love the UP whether it's been our home forever or we've only enjoyed a once-in-a-lifetime trip there; we relate to the Mitt as if it's our own flesh and blood; and we cherish the bridge and the water that make us One Michigan. Not only is our environment a source of recreation and pride, but three of Michigan's top five industries—agriculture, tourism and timber—depend wholly on a sustainable environment for their very existence.

So, we will continue to cast off the dated idea that economic growth and a healthy environment are enemies. Both must flourish and each serves as a powerful force to improve our quality of life and to attract good jobs to our state.

We have been justifiably outraged to see our state become a favorite destination in the international trade in trash. A year ago I called for legislation that would finally allow us in Michigan to control the tide of trash that continues to stream across our borders. You have before you legislation to ensure that any trash shipped to our landfills meets our high Michigan standards—I urge you today: pass that legislation and make it Michigan law. Michigan was not meant to be the region's trash can—let's close the deal and put a lid on it forever.

Now, in the coming year, we must do as much to reclaim our role as the country's leader in water preservation as we have done to ensure our role as protectors of the land.

One week ago, I outlined six specific proposals to protect and improve our waters, including a proposed new comprehensive statute, the Water Legacy Act, to protect our waters from unfettered withdrawals. Two years ago, the Senate in bipartisan fashion made recommendations to protect the water. They were good recommendations, and I want to make many of them law. I urge you again tonight to work with me on this bill and to take immediate action to ensure its passage by the end of this session.

Let's promise the people of Michigan that we will not let any other state or country dip its straw, let alone its pipeline, into our waters without our explicit approval.

Developing the tools to grow business, creating world class schools for our children, providing quality health care to our citizens and preserving our God-given natural environment together generate a powerful plan to grow this economy. Like the individual strands of a steel cable, each is strong on its own, but only together can they do their strongest work.

As I am confident about these seven measures to ensure that there are good jobs in Michigan, I am also confident about the steps we are taking to protect the security of our people—both their personal and economic security.

Homeland security doesn't just happen in New York and Washington, D.C.—we must be vigilant here. Michigan's Hometown Security Team—Col. Tad Sturdivant of the Michigan State Police, General Tom Cutler and Col. Mike McDaniel of the Michigan National Guard—are focused on improving the state's emergency preparedness.

This year, they've added some powerful patriots to their team.

The Michigan Community Service Commission has reached out to train 225 people to be effective first responders should a disaster strike our state. Each of these new responders are training 50 more people—creating a network of citizen patriots prepared to help their fellow citizens recover from the shattered rubble of a tornado's wake or the twisted steel of a freeway accident. By the end of the year, I expect that 15,000 volunteers will have been trained for disaster relief.

Citizens must be economically secure as well. My administration will give special attention to those who have spent a lifetime raising and protecting all of us—our seniors.

I am announcing tonight that this year, Sharon Gire, director of the Michigan Office of Services to the Aging, and I will join with Prosecuting Attorneys from across the state to create Michigan's first state-level Elder Abuse Task Force. Together, we'll find ways to use the full weight of the law to crack down on those who target our parents. And I also ask the Legislature to work with me this year to stiffen the legal penalties for those who prey on senior citizens and vulnerable citizens with get-rich-quick schemes, fake prize giveaways and other scams. At least a dozen other states have enhanced the penalties for those who take advantage of our elders. Tonight, I am calling for new legislation that will add Michigan to that list—our seniors deserve nothing less.

Finally, let me share my gratitude and admiration for the employees of our state government. At 2 o'clock this morning, Team MDOT was steering snowplows all across our two peninsulas, a foster care worker was taking a scared toddler to a safe house, and a Michigan National Guard soldier was transporting food supplies near a dangerous Iraqi town. To them, and thousands like them, public service is a calling and a privilege, and I feel honored to serve with them and you, the Legislature. These are stressful times for employees who are doing their work with nearly 8,000 fewer co-workers than just three years ago, under tremendous pressure to be frugal, and while accepting significant economic concessions to keep this state whole. I ask you to share your thanks not only tonight but in the future, in the encouragement you offer to them, and especially in the words you choose to talk about them to others. They have earned our thanks and respect.

Let me close with this. Last year in Lansing we could have played a game of stalemate. It happens all too frequently in a building very much like this one in Washington, D.C. We could have allowed our egos, our most trivial partisan instincts, and the cynics' fascination with feuds and fights to take us away from what is best in us: our patience, honesty, persistence, faith, common sense, and perhaps most important, our universally shared desire to make things better for the people we serve. But we did not. Instead, we worked together to get good things done for the people of this state.

In a presidential election year, partisanship and politics inevitably heat up. With the work before us, let us commit anew to what *is* best in us. I have said repeatedly over the past year, that you will not find one person in this room who does not want Michigan to have the best education system in the country. Not one person. Despite degrees of difference, not a person here would raise their hand to say that they do not value our water, our land, our quality of life. And especially, there is not one person in this Legislature—regardless of political persuasion—who does not want to us to have a growing economy with high skilled jobs.

Tonight let us set out together, knowing that the road to educational excellence expands the road to good jobs. The road to a healthy people upon a healthy land merges with the road to good jobs. And the road to a stronger business climate widens the highway to high quality jobs.

As it was said that all roads lead to Rome, let it be said of us that we have moved with focus and determination on the road our citizens need most—the road to high-quality jobs and a great quality of life.

And let it be said, my colleagues, that we did it together.

Peace be with you."

The business of the Joint Convention having been completed, the Governor, the Justices of the Supreme Court, the Judges of the Court of Appeals and the State Officers withdrew.

Representative Richardville moved that the Joint Convention adjourn.

The motion prevailed, the time being 8:10 o'clock p.m.

The Lieutenant Governor and members of the Senate retired.

The Speaker announced that the House of Representatives and Senate had met in Joint Convention and had listened to the message of the Governor.

Rep. Richardville moved that when the House adjourns today it stand adjourned until Thursday, January 29, at 10:00 a.m.

The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, January 21:

Senate Bill Nos. 920 921

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members on Friday, January 23:

House Bill Nos. 5417 5418 5419 5420 5421 5422 5423 5424 5425 5426

House Joint Resolution U

The Clerk announced the enrollment printing and presentation to the Governor on Monday, January 26, for her approval of the following bill:

Enrolled House Bill No. 4478 at 2:10 p.m.

Introduction of Bills

Reps. Acciavatti, Hummel, Milosch, Garfield, LaJoy, Drolet, Amos, Sheltrown, Tabor, Taub, Nofs, Pappageorge, Casperson, DeRoche, Hune, Caswell, Bisbee, Nitz, Gaffney, Emmons, Bradstreet, Rocca, Farhat, Pastor, Stahl, DeRossett, Vander Veen, Voorhees and Spade introduced

House Bill No. 5427, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 12 (MCL 28.432), as amended by 2000 PA 381.

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

Reps. Amos, Acciavatti, Sheltrown, Tabor, Taub, Nofs, Pappageorge, Casperson, Milosch, DeRoche, Hune, Caswell, Bisbee, Nitz, Gaffney, Emmons, Bradstreet, Rocca, Farhat, Pastor, Stahl, DeRossett, Vander Veen, Voorhees and Spade introduced

House Bill No. 5428, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and

gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 9 (MCL 28.429), as amended by 1996 PA 169.

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

Reps. Milosch, Acciavatti, Drolet, Amos, Sheltrown, Tabor, Taub, Nofs, Pappageorge, Casperson, DeRoche, Hune, Caswell, Bisbee, Nitz, Gaffney, Emmons, Bradstreet, Rocca, Farhat, Pastor, Stahl, DeRossett, Vander Veen, Voorhees and Spade introduced

House Bill No. 5429, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 2 (MCL 28.422), as amended by 1994 PA 338.

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

Reps. Richardville, Emmons, Sak and Kooiman introduced

House Bill No. 5430, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 684 (MCL 257.684). The bill was read a first time by its title and referred to the Committee on Transportation.

Reps. Nitz, Spade, DeRoche, Walker, Caswell, Taub, Milosch, Hummel, Amos, Garfield, Pastor, Stahl, Wenke, Pappageorge, Shackleton, Tabor, Mortimer, Emmons, Palmer, Vander Veen, Meyer, Farhat, Voorhees, Richardville, Julian, Huizenga, Kooiman, Bradstreet, Stakoe, Newell, Gaffney, Brandenburg, Shaffer, Ruth Johnson and Ward introduced

House Bill No. 5431, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 44b (MCL 211.44b), as added by 1994 PA 297.

The bill was read a first time by its title and referred to the Committee on Local Government and Urban Policy.

Reps. Koetje, Nofs, Steil, Kooiman and Ehardt introduced

House Bill No. 5432, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending section 411 (MCL 339.411), as amended by 2002 PA 611.

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

Reps. Gaffney and Ward introduced

House Bill No. 5433, entitled

A bill to amend 1989 PA 24, entitled "The district library establishment act," by amending section 4 (MCL 397.174). The bill was read a first time by its title and referred to the Committee on Local Government and Urban Policy.

Reps. Taub, Spade, LaJoy, Garfield, Tabor, Bradstreet, Acciavatti, Milosch, Pastor, Amos, Walker, Shackleton, Meyer, Stahl, Nofs, Gaffney, Pappageorge, Emmons, Voorhees, Vander Veen, Stakoe, Newell, DeRossett, Jamnick, DeRoche, LaSata, Palsrok, Rocca, Hune, Nitz, Ward, Hoogendyk, Farhat and Palmer introduced

House Bill No. 5434, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 471 (MCL 206.471), as amended by 2002 PA 486.

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

Reps. Hummel, Woronchak, Stahl, Taub, Vander Veen, Zelenko, Julian, Wojno, Shaffer, Amos, Steil, Mortimer, Howell, Voorhees, Plakas, Middaugh, Kooiman, Dennis, Robertson, Pappageorge, Minore, Pumford, Nofs, Richardville, Ehardt, LaSata, Hager, Garfield, Caul, Stakoe, Woodward, DeRossett, Ruth Johnson, Palmer, Shackleton, Meyer, Koetje, Stewart, Caswell, Nitz, Milosch, Tabor, Farhat, Gaffney, Ward, Hune, Van Regenmorter, Vagnozzi, Spade, O'Neil, Jamnick, Murphy, Moolenaar, Huizenga, Walker and Palsrok introduced

House Bill No. 5435, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by amending the title, as amended by 2002 PA 304, and by adding chapter 37.

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

Reps. Richardville, Woronchak, Stahl, Vander Veen, Taub, Zelenko, Julian, Wojno, Shaffer, Amos, Steil, Mortimer, Howell, Voorhees, Middaugh, Plakas, Kooiman, Robertson, Dennis, Pappageorge, Minore, Hummel, Nofs, Ehardt, Pumford, LaSata, Hager, Garfield, Caul, Stakoe, Woodward, DeRossett, Ruth Johnson, Palmer, Shackleton, Meyer, Koetje, Stewart, Caswell, Nitz, Milosch, Tabor, Farhat, Gaffney, Ward, Hune, Van Regenmorter, Vagnozzi, Spade, O'Neil, Jamnick, Murphy, Moolenaar, Huizenga, Walker and Palsrok introduced

House Bill No. 5436, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 17706, 17707, 17722, 17741, and 17763 (MCL 333.17706, 333.17707, 333.17722, 333.17741, and 333.17763), section 17706 as amended by 1986 PA 304, section 17707 as amended by 1990 PA 333, and section 17763 as amended by 1997 PA 153, and by adding sections 17741a and 17744.

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

Reps. Plakas, Woronchak, Stahl, Vander Veen, Taub, Zelenko, Julian, Wojno, Shaffer, Amos, Steil, Mortimer, Howell, Voorhees, Middaugh, Kooiman, Dennis, Robertson, Pappageorge, Minore, Richardville, Hummel, Nofs, Ehardt, Pumford, Hager, Hart, Garfield, Caul, Stakoe, Woodward, DeRossett, Ruth Johnson, Palmer, Meyer, Shackleton, Koetje, Stewart, Caswell, Nitz, Milosch, Tabor, Farhat, Gaffney, Ward, Hune, Van Regenmorter, Vagnozzi, Spade, O'Neil, Jamnick, Murphy, Moolenaar, Huizenga, Walker and Palsrok introduced

House Bill No. 5437, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 416d.

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

Reps. Zelenko, Stahl, Vander Veen, Taub, Woronchak, Julian, Wojno, Shaffer, Amos, Steil, Mortimer, Howell, Voorhees, Middaugh, Plakas, Kooiman, Robertson, Dennis, Pappageorge, Minore, Richardville, Farhat, Hummel, Ehardt, Pumford, LaSata, Hager, Garfield, Caul, Stakoe, Woodward, DeRossett, Ruth Johnson, Palmer, Shackleton, Meyer, Koetje, Stewart, Caswell, Nitz, Milosch, Tabor, Nofs, Gaffney, Ward, Hune, Van Regenmorter, Vagnozzi, Spade, O'Neil, Jamnick, Murphy, Moolenaar, Huizenga, Walker and Palsrok introduced

House Bill No. 5438, entitled

A bill to amend 1984 PA 233, entitled "Prudent purchaser act," by amending section 2 (MCL 550.52) and by adding sections 3c, 3d, 3e, 3f, and 3g.

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

Reps. Shulman and Hunter introduced

House Bill No. 5439, entitled

A bill to create and provide for the operation of the Michigan port authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property and port facilities; to promote economic growth; to exempt property, income, and operations of an authority from tax; and to provide an appropriation.

The bill was read a first time by its title and referred to the Committee on Great Lakes and Tourism.

Reps. Emmons, Hummel, LaJoy, Drolet, Amos, Steil, Nofs, Gaffney, Taub, Stakoe, Newell, Farhat and Pastor introduced

House Bill No. 5440, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 80 (MCL 208.80), as added by 1985 PA 139.

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

Rep. Richardville moved that the House adjourn. The motion prevailed, the time being 8:55 p.m.

The Speaker declared the House adjourned until Thursday, January 29, at 10:00 a.m.

GARY L. RANDALL Clerk of the House of Representatives