



Friday, February 19, 2010

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Centerpiece

As the Fiscal Year (FY) 2011 official state date of Oct. 1, 2010, draws near, one issue all of Michigan will likely hear more and more about is the state's inability to secure all available federal road matching dollars.

Essentially, the state is set to fall \$84 million short on the match dollars it needs to bring down some \$475 million in federal road funds. This week, *GCSIntel* talked to Senate Appropriations Transportation Subcommittee Chair Bill Hardiman (R-Kentwood) about that issue.

There are two possible solutions circulating -- one is to simply raise the state's 19 cent per gallon gasoline tax; the other is to follow the recommendations of a recent taskforce and change over to a tax based on the wholesale price of gasoline. *GCSIntel* asked the Senator his take on the options.

Q. What odds do you actually give of the Legislature this year raising the money that is necessary to match all federal road funds?

A. I don't know.

It's very hard to say we're going to raise more money when almost every department is also in need of money too. I hope that maybe we can look elsewhere in the budget to try to get all the federal dollars. We're still going to work on that. Perhaps with some of our reforms we can make that happen.

The whole state is in a very difficult economic time and in my opinion it's just a very difficult time to raise taxes. But I have wanted to match all the money.

The governor's budget did not match all the federal dollars and the director [Michigan Department of Transportation Director Kirk Steudle] seems to support the governor's budget. But, we'll have to take a harder look at it to see if we can do better.

Q. You're not at all concerned that the public is going to say you left \$475 million on the table because you couldn't find \$84 million?

A. Well, I haven't heard an outcry from the public right now saying 'raise my taxes' at this point in time, and I understand the critical needs too. There are pressure points on all parts of this budget, and I still haven't heard a broad outcry to raise taxes.

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I do believe that we need to take a look at some of the reforms, major reforms and more that will come forward. If we can reduce overall costs . . . to leave fewer and fewer federal dollars on the table -- I'd like to leave none on the table.

Q. Do you have a personal opinion on the concept of switching to a wholesale price based tax?

A. I don't know if that's exactly the right system. I think somehow we need to change the system I think across the nation. Even the federal dollars are dropping because there is less gas being used.

I do believe it needs to be changed. I appreciate the committee putting forth that option, but we'll have to study that more. But, I think my focus right now is can we do some more reforms to get some more money to match the federal dollars.

Q. So your preference is reforms before a tax hike?

A. I want to take a good hard look to see if we can do it, and I think that just means getting into this in a hard way?

Q. Is there a Senate Republican caucus position on this question of road funding?

A. I don't know that there's a caucus position on that. Senator Bishop might be better to talk about that. I will say that I believe it's important, if at all possible, to match the federal dollars. Sen. [Jud] Gilbert who chairs the standing committee certainly feels that's an important issue as well.

How we do it, that is an issue we'll have to determine.

GCSEye On The Capitol

Troy Senator Back Next Week After Accident

Sen. John Pappageorge (R-Troy), 78, suffered minor injuries Wednesday after his car slid off Interstate 75 due to black ice near Grand Blanc.

Pappageorge expects to be back in session Tuesday after being treated at the Genesys Regional Medical Center in Grand Blanc, his office said. He was held for observation and was later released with minor injuries. No one else was injured in the accident.

A former Senate page, Danny Gustafson, was traveling behind Pappageorge, saw the one-car crash and pulled over to help, Winslow said.

The Senator broke his jaw in December following a wisdom tooth extraction and couldn't speak for several weeks.

News Bubbles From The 3rd Congressional

The announcement two weeks ago that eight-term U.S. Rep. Vern Ehlers wouldn't seek a 9th term this fall brought about a bubble of news last week and this week.

Current Rep. Justin Amash (R-Kentwood) announced his goal of replacing Ehlers the day before the Congressman made his announcement. Apparently west Michigan, GOP heavyweights Dick and Betsy DeVos will be backing Amash.

News came this week that former Senate Majority Leader Ken Sikkema (R-Grandville) wouldn't be a candidate in the race to replace Ehlers. Other pols that are still considering a bid include Sen. Mark Jansen (R-Grand Rapids) who said Wednesday he'll have a decision within five to seven days. Sen. Bill Hardiman (R-Kentwood) said he, too, is considering running and will have an answer in one to two weeks.

Perhaps the strongest name among Republican replacements for Ehlers is Secretary of State Terri Lynn Land. Land apparently has made it clear she's sticking on as the running mate for Oakland County Sheriff Michael Bouchard who is seeking the GOP gubernatorial nomination.

State Super: Reforms Mean More Cash

Michigan could be on the hook for \$18.7 million more in costs for the Department of Education (MDE) if it fails to win the \$400 million in federal Race To The Top (RTTT) funds, State Superintendent Mike Flanagan told lawmakers Wednesday

The MDE budget, which is a separate pot of money from the \$12.8 billion School Aid Fund that goes to local school districts, was set at only \$112.9 million in Fiscal Year (FY) 2010. Running the programs necessary to enact the RTTT reforms eats up 14 percent of the FY 2011 budget.

Flanagan gave an update on the RTTT reforms -- which he called "landmark, game-changing" legislation -- to a joint House and Senate K-12 appropriations subcommittee, which State Board of Education member Liz Bauer attended.

Michigan Factoid:
Michigan is derived from the Chippewa word Michigama, meaning "great lake."

Flanagan said the MDE needs some "modest support" in the budget for the reforms, something he told the State Board of Education last week. He stressed that the MDE needs the supplemental right away to "make sure we're carrying out your intent."

Week Ahead

Candidate forums continue in earnest next week as four of five GOP gubernatorial candidates will gather Friday night at the Detroit Renaissance Center for a candidate debate.

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