



Friday, May 8, 2009

MANAGEMENT

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Centerpiece

This week, *GCSIntel* sat down with House Assistant Minority Leader Arlan Meekhof (R-West Olive) to talk about the House Republican caucus this year and its priorities.

Q. Would you talk about the general direction of the House Republican caucus and how it is different from last session, as you see it?

A. We do recognize that Michigan is in a very tough spot and any adjustments we make at this point are probably just the first wave. As difficult as these choices have been and in agreeing with the Governor on her choices, we know there are going to be more cuts, and I don't think there is going to be one area of government and/or state support that is going to be less impacted than the other.

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William Zaagman
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Barbara Farrah
Patrick Laughlin
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We fully believe that the Governor has the authority and the ability to cut what she wants -- we do prefer non-essential services, but she doesn't seem to have picked that so far.

Q. How realistic is your proposal to eliminate spending? We've gone through budget cycles for the last nine years where we've talked about cuts, cuts, cuts. Haven't we hit the bottom yet?

A. No. I think there is a lot to cut.

This Auditor General even pointed out that in the Department of Human Services, where we are paying certain relatives to care for certain individuals, we've overpaid by somewhere between \$200 and \$400 million. That's money, if recovered or stopped spending, goes right to the bottom line.

I think there are lots of other things. We still have a state geologist. Why would we keep a state geologist but lay off 100 state troopers? Not that they are even money, but it's ironic.

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Q. What's been your priority on the policy end? What bills would you like to see passed this year?

A. Anything that helps lower our total tax rate on people who are willing to take a risk with their capital. People that are willing to take a risk with their capital invent the new mousetraps of the world and are the folks that are going to drive the market and create new jobs.

I think that is small and medium sized businesses. I'm not saying I don't support big business, but the lower tax burden and the lower regulatory burden we have on all businesses, their level of risk-taking goes up, and that's when markets are created.

Q. It's still early in the session, but have you seen a change between your caucus and the House Democrats?

A. I think so, and I think Rep. [Kevin] Elsenheimer (R-Kewadin) gets a lot of credit for that. We are going to be helpful where we can be, but when there are items of principle where we disagree, we're going to be the loyal opposition, and we're going to do it in a way not to be disagreeable but based on facts.

Q. How often would you say your caucus is going to be trying to get controversial amendments attached to what you could argue were political bills being put forward by the House Democrats?

A. Well, I don't like using the word political. I usually say they are absurd, so there are some points where we will point out absurdity by being absurd. We will do that, but in order to make a political point one way or another is fine, but we really need to focus on the folks that are losing their jobs and on making Michigan prosperous so that our kids and grandkids want to work here.

So those 'gotcha' types of things will be to a lesser extent, but we'll use them when we want to point out some absurd things.

Q. As the House Assistant Minority Leader, how do you see the Republicans being able to make some type of comeback in 2010?

A. I think we've got a great cadre of people that are going to go out and collect data and ideas on what actual job providers are going to need and the issues that we need to attack.

We've got some good ideas, but we want to hear from the people that are actually paying the taxes, and that's where you come up with good policy. We're going to have those things available, and people are going to look at us and say 'you're right, this is the caucus of ideas and we should be able to govern better than what we're having right now.'

GCSEye On The Capitol

Lawmakers Slice \$304M From Budget

On Tuesday, members of the House and Senate Appropriations Committees gave their blessing to an Executive Order budget reduction for the current fiscal year totaling \$304 million.

The cut was part of the solution to an overall \$1.3 billion budget hole in the current budget that ends in five months. Human services, State Police, community health programs and state employees took the brunt of the cuts, with School Aid, universities and community colleges off the table due to the strings attached to the federal economic stimulus package.

The ongoing restructuring with the Department of Corrections for Fiscal Year (FY) 2010 made cuts to that department for this year difficult.

The upshot is around 300 state employee layoffs, the use of every state employee's allowable six furlough days, at least four percent cuts to most state departments and \$41 million in cuts to revenue sharing to cities and townships.

"This is a horrible thing that I present to you today. I take little pride in this announcement, but we have a constitutional responsibility to balance the budget," said Budget Director Bob Emerson. "This is not a good day for any of us."

UI Bills Sled Through House

Legislation required under the federal economic stimulus package passed the Democratic controlled House on Wednesday. The pair of bills would expand unemployment insurance benefits to part-time workers and workers going through specialized training.

Unions and social service organizations praised the bills as a much-needed lift to the down-and-out, who can use this federal money to make it through the tough economic times. But business groups grumbled that these permanent changes to state law will stick their members with the tab after the one-time stimulus money is spent in two to four years.

GOP Senate Makes Next Move On Hire MI First

The Michigan Senate on Thursday passed legislation that Democrats had been pushing dubbed 'hire Michigan first.'

The legislation requires those who receive state tax credits, abatements, grants and loans to hire Michigan workers or those who will become Michigan residents, to construct new facilities or carry out projects. The bills, seven of which passed unanimously, notably stripped out prevailing wage stipulations and provided exemptions for border communities.

Commerce and Tourism Committee Chair Jason Allen (R-Traverse City) said he worked on the package with the Senate Republican policy staff, not Democrats, who had tried to discharge the bills on the floor. He expressed disappointment that the Dems resorted to that instead of talking to him about moving the bills in committee, saying that it "makes me question if the purpose of the bills was to be political fodder."

The Week Ahead

Friday will feature the Consensus Revenue Estimating Conference for May. This confab of the directors of the House and Senate Fiscal Agencies along with the State Treasurer will tell lawmakers just how much money they will or, more likely, will not have in assembling the final Fiscal Year 2010 state budget. The next budget year begins October 1.

Michigan Factoid:

Michigan was once governed by a politician so young he was called the Boy Governor. Stevens T. Mason took over the governorship of the Territory of Michigan in 1831, when he was only 19 years old.

-- Source: *Michigan Trivia*

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