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Jelinek Keeping An Eye On Approps

Senate Appropriations Chair Sen. Ron Jelinek (R-Three Oaks) is very deliberate in all that he says and does. He answers questions directly and doesn't pad them with unnecessary adjectives or observations.

Jelinek is relatively even and doesn't fly off the handle or spout off to the media like certain other politicians. His stoicism and deliberative nature make him a good candidate for holding down the Appropriations chair, which is a position he took in January.

Jelinek has remained calm amid lots of chatter and speculation about the 2008 budget not being completed by the Oct. 1 deadline. Jelinek said he believes an agreement will be reached by the end of the summer and the Legislature will pull it together before the deadline.

Earlier budget deadlines have been set by other politicians — specifically Gov. Jennifer Granholm and Sen. Mark Schauer (D-Battle Creek) — but the push to get the budgets done early hasn't fazed Jelinek.

"We've never had either side do deadlines before," he said. "We all know it needs to be done and the deadline is Oct. 1. The pressure we have is that schools are on a different fiscal year. They start July 1 and there's pressure to get it done sooner because of that."

Education is a big issue for Jelinek. If a Republican can be considered a friend of the Michigan Education Association (MEA), Jelinek makes that list. He's been supported by the MEA in the past and he's differed from his Republican colleagues on many issues that affect the MEA and education.

Jelinek does not want the 2008 budget to include even more cuts to the K-12 schools or higher education.

"Those schools that are planning for a flat budget this year are probably being wise," he said. "I hope we can give them an increase, but if the revenue's not there, there won't be an increase. I'm also not looking at a cut. I think they need to get what they got this year at least."

To keep the status quo, citizens might have to pay more taxes, and a tax hike is something that Jelinek is open to...as long as it's small.

"I think I'm on record as saying that a very moderate income tax increase would be possible, but it would have to be less than six or seven tenths," he said.

Jelinek said a "moderate" income tax increase would have to be less than two tenths of a percent. Anything more and the Senate probably wouldn't be able to pull the necessary votes to pass the tax, he said.

In exchange for a tax increase, Senate Republicans want reforms, specifically reforms in healthcare pooling. Senate Republicans have asked that the healthcare arm of the MEA, MESSA, release its claims data so insurance companies can make estimates as to how much pooled members should pay.

MESSA has no interest in doing this, and Jelinek said this data doesn't have to be released for the reforms to go forward.

"I've seen a lot of evidence that the releasing of the data is not going to make things better," he said. "I kind of hate to dismantle one option that works in the hopes that the others will when the indications aren't there for it. I have no problem making it easier for others to pool if they want.

This issue has been a major sticking point with Republicans and has prevented many Democrats from coming out in favor of the Republican healthcare pooling bills. Jelinek said he believes the healthcare pooling reforms package can move forward even if insurers aren't allowed to see claims data.

That being said, the "temporary" income tax that comes through in exchange for the reforms, might not be "temporary," Jelinek said.

"I believe these taxes are temporary (in concept). (In reality) when it comes down to it, they'll probably be there forever or for a long time," Jelinek said.

In The News This Week

Supreme Court Opts Not To Release Employee Salary Detail

The Michigan Supreme Court on Wednesday announced it won't be giving over to the *Lansing State Journal* public employee salary data for a database where residents could look up individual court employee salaries.

That decision came just weeks after the *LSJ* created uproar among state workers by providing a database where employee names could be searched to find out their salary information.

All seven of the justices voted to release salary information in a table that provided job classifications and salary ranges, but not the amount individual named workers were taking home each pay period. Three of the justices voted to release the data, but noted that the court didn't fully respond to the FOIA information request filed by the *Journal*.

Justice Elizabeth Weaver argued that "the public has a right to know where and how its tax dollars are spent and this Court should provide more information rather than less."

Gov To Hit Jobs Trail In Europe Next Month

During a relatively slow post Independence Day week, Gov. Jennifer Granholm announced that next month she and her economic development team will be hitting the jobs trail in Europe.

Specifically, Michigan's CEO is headed to Sweden and Germany in an attempt to lure more alternative energy and technology companies to Michigan. The trip is being funded through the private MEDC Foundation and will include a speech by the Governor to roughly 500 to 700 executives with the Swedish-American Chamber of Commerce. Also on the schedule is a meeting with Swedish Deputy Prime Minister Sten Tolgfors and a tour of a firm that turns garbage into methane gas.

So When Should The Budget Be Done?

This week, Gov. Jennifer Granholm indicated that she was disappointed in the fact that lawmakers didn't return to session this week in order to deal with the budget.

"You can lead a horse to water, but you can't make them drink," Granholm told reporters on Tuesday. "I can't pull the levers for them. They have to get back in town and do the job."

The comments marked an ongoing tug-of-war between the Governor and the Legislature. Republicans were quick to comment that in the absence of a budget agreement reached between legislative leaders and Granholm, there's no reason for lawmakers to return just to sit around and wait.

A review dating back to 2000 found that over the last six years, roughly one-half of the budgets were resolved by this point in the year. In 2005 and 2004, agreements on final budget numbers weren't reached until September.

In 2006, the governor and lawmakers resolved the current year's budget by June 29.

MBT Signed Into Law

Michigan has itself a new business tax.

On Thursday, Gov. Jennifer Granholm signed into law legislation creating the Michigan Business Tax. The tax will replace the current Single Business Tax (SBT), which is being phased out at the end of the calendar year.

Just before the Independence Day holiday, Granholm appeared in a statewide advertisement touting the new tax as one that will better the state's economic competitiveness. Economists argue that the tax most likely won't have a significant impact on the state's economy either way.

"I'm a cynic here," said Doug Drake with Public Policy Associates. "I don't think the tax is the issue in the Michigan economy. I think it's the auto industry's problems. In

practice, I don't think it will make much difference if any, but it can make a psychological difference."

Drake, who helped craft the original SBT said he's optimistic by the fact that a lot of business leaders think it's a good plan.