



Friday, September 14, 2007

Weekly Rehash

GOP Less One Controversial Committeeman

As reported in the August 31 edition of GCSIntel, Republican National Committeeman Chuck Yob, who's been in his post since 1989, was facing a challenge.

This week that challenge changed dramatically — so dramatically it led Yob to resign his post. In a very long letter to GOP activists, Yob explained he was calling it quits after former U.S. Senate candidate Keith Butler jumped into the race and quickly garnered the lion's share of the county and congressional district chair endorsements.

Yob let GOP activists know that "waging such a [re-election] campaign would tear apart the party at a time when we are weak and have upcoming campaigns." He specifically mentioned efforts to retake the state House, win Michigan for the party's presidential nominee next year and regain the governor's office in 2010.

Sources familiar with Yob's departure from the race contend that Yob and Attorney General Mike Cox have had a difficult relationship and that the presidential campaign of U.S. Sen. John McCain played a role in the tension. Cox felt Yob was prepared to "toss" McCain — whom the AG has endorsed — under the bus in talks leading up to the state Legislature's move to establish a joint Jan. 15 presidential primary.

Apparently, Cox played a role in pushing the candidacy of Butler, who is now expected to glide into the position.

With Yob leaving office next year, a new Committeeman with ties to Cox also gives the AG an advantage as he prepares to seek the GOP nomination for governor in 2010 — remember Yob was squarely in the corner of GOP Secretary of State Terri Lynn Land who's also a possible 2010 gubernatorial candidate.

Friday Do Or Die For The House

As predicted in last week's GCSIntel, pressure is mounting on lawmakers to come up with a solution soon to the state's fiscal year 2008 budget that is \$1.75 billion in deficit.

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Here's a quick summary of some key budget news this week:

- The House Fiscal Agency (HFA) reported that the real deadline for budget action isn't Sept. 30, but six days earlier on Sept. 24. Failure to have appropriations in place by that date will mean the state could default on a host of payments due Oct. 1.
- The Director of the Michigan Senate Fiscal Agency (SFA) told the Senate Appropriations Committee this week that while defaulting on bonds was an option — it could take the state years, perhaps decades, to recover from such a move.
- U.S. Rep. Candice Miller (R-Macomb) said this week she's so distraught by the budget mess that she is thinking again about the prospects of running for governor. Miller's name has been in circulation for the post since she was Secretary of State back in 1990s.

Phone Tax Moves — Unclear Whether It Will Make Final Cut

A tax on every phone number, pegged at 81 cents each month moved this week out of the House Appropriations Committee with no sign yet whether it will become part of the state's ultimate budget solution.

The latest version of the tax could free up about \$70 million in general fund money that is being spent on the Michigan State Police. Opponents contend that the tax has nothing to do with the emergency phone system, but is merely a money grab by the state. Proponents contend the tax will help with the 911 systems and provide for system improvements.

Granholtz: State Won't Shut Down

Adding her two-cents to the mammoth task that the Michigan House faces on Friday, Sept. 14, Gov. Jennifer Granholtz told reporters Thursday that "this state won't shut down."

When asked about the state's dilemma, she said Michigan is "t-minus 17 days to go ... this state won't shut down."

She added that she's worked with her department heads to make contingency plans should lawmakers fail to enact a budget plan before the beginning of the new fiscal year — or by Sept. 24, when spending authority must be in place in order for the state to meet its Oct. 1 obligations (See story above).

Michigan Factoid:

Michigan comes in 8th in the total number of miles that are coastline with 3,288. The state comes in behind: Florida (8,426 miles); Louisiana (7,721 miles); Maine (3,478 miles); California (3,427 miles); North Carolina (3,375 miles); Texas (3,359 miles) and Virginia (3,315 miles).

Where Michigan does rank number one is in having the most freshwater shoreline — all 3,288 miles.

Weekly Forecast

Here are more profound insights from GCSIntel for the coming days:

- The House will leave the voting board open for hours on Friday in its efforts to get an income tax hike through the chamber. The question is how firm House Minority Leader Craig DeRoche (R-Novi) and his Republican colleagues stand in not lending any GOP yes votes?
- Look for an interim budget[s] to begin moving — whether one or two are actually put in effect before a final legislative solution is nailed is unclear. Sen. Ron Jelinek (R-Three Oaks) has already introduced two appropriations bills dubbed "interim." Those measures went into the hopper on Thursday.
- After Saturday, the University of Michigan Wolverines or Notre Dame will rise to a 1-2 record this football season (just can't leave that football thing alone). Another bold GCSIntel prediction: one of the two schools above will be 0-3 come Sunday.

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