



Capitol Corner

An ECIC Legislative Update

May 15, 2008

Revenue Conference Paints Negative Picture

Earlier this week, both House and Senate Fiscal agencies signaled that Friday's Revenue Estimating Conference would bring more bad news about the State's finances and that was certainly the case. The agencies prediction of about a \$500 million short fall in revenue for Fiscal Year 2009 was worse than the final \$395 million shortfall. School Aid Fund revenue alone missed the mark by \$163.2 million.

Michigan's struggling economy and stagnant real-estate market coupled with a major tax break for movie-makers and the federal stimulus package are the primary reasons next years numbers are off.

The shortfall will likely have an impact on the K-12 budget. According to Senate Fiscal Agency Director Gary Olson, the State cannot afford to fund the per pupil increase proposed by the Governor and approved by the Senate.

The legislature will use the numbers from Friday's conference to prepare the '08-'09 budget.

453 Set to Vie for 110 Spots in the State House

On Tuesday, 453 people filed with the Michigan Secretary of State to run for the House of Representatives. The filing deadline was met by current Representatives, former Representatives, relatives of Representatives, local politicians and novices.

45 members of the House will either be term-limited out of office or seeking another political position. Democrats, who took control of the house for the first time in 10 years in 2006, are looking not only to maintain but build upon their majority. They've filed a candidate in each of the 110 districts. Republicans, however, are optimistic of their own chances. Party leaders have already signaled that they intend to use votes to increase taxes as the major reason to bounce their opponents from office.

If you would like to see who has filed for office in your area, you can visit the Secretary of State's [website](#) or the [Policy Center](#) on the ECIC website.

The deadline to withdraw is Friday the 16th.

Unemployment Rate News A Mix of Good and Bad

Michigan's unemployment rate dropped three tenths of a percentage point to 6.9% in the month of April. According to experts at the Department of Labor & Economic Growth, the decrease was primarily due to few people seeking jobs.

The ongoing labor dispute involving American Axle contributed to a loss of manufacturing jobs in the state. Those losses were partially offset by increases in jobs in the business/professional services sector.

Michigan's jobless rate remains among the highest in the country despite running counter to national trends. Over the past year, Michigan's jobless rate has decreased by two tenths of a percentage point while nationally the jobless rate has risen by five tenths of a point to 5%.

Obama and McCain in Michigan

Democratic Presidential contender Senator Barack Obama made headlines as he toured the state on Wednesday. Obama, whose first stops were in Southeast Michigan, unveiled a new manufacturing agenda aimed at jumpstarting the auto industry and manufacturing sectors of Michigan's economy.

"The auto industry is on the move but they can't do it alone. They need a partner in the White House and when I am in the White House they will have a partner," the candidate announced.

Later in the day, Obama traveled to Grand Rapids where he received arguably the biggest endorsement a democratic candidate has received this cycle from former candidate John Edwards. In an announcement that made national headlines, Edwards threw his support behind Obama saying the Senator would carry on his own message of a uniting a divided America. Over 15,000 people filled Van Andel Arena to hear Obama speak. He promised the crowd to cut poverty in half within 10 years.

Republican Presidential nominee John McCain visited Michigan last week. In a stop in Rochester, McCain expressed a commitment to making the US energy independent with an emphasis on developing alternative energies as well as nuclear power production.

Michigan is expected to be a hotly contested state in the fall.

Lice Rx Ban Passes House

This week, the State House passed a bill to limit the use of the lice treatment lindane. Despite its effectiveness, lindane poses a serious risk of neurotoxicity when used excessively on infants, children and the elderly. The chemical, also used in agriculture, has been voluntarily withdrawn from related products.

Opponents of the bill argued that lindane has proven to be safe when used directly. The bill passed by the house limits the use of the chemical to under the care of a doctors office. It had extensive support from the medical and environmental communities.

This legislation was first introduced in the 2005-2006 legislative session by former State Representative Chris Kolb.

DHS Budget Cut By Senate Committee

On Thursday, the Senate Appropriations Human Services Subcommittee passed a DHS budget that was \$22.5 million less than the Governor's proposal. The funding is slightly more than the version passed by the House.

The largest cut came from an assumed savings of \$12.06 million for fewer Family Independence Program cases. The next largest cut was the rejection of a \$10 million proposed rate increase for day care providers. The committee did include \$5 million for a private contractor to assist DHS with child care administration and another \$4.9 million rate increase for licensed foster care providers.

The budget was supported unanimously and reported to the full Appropriations committee for a vote.

Committee Approves More Professional Development Days

This week the Senate Education Committee added five additional professional development days for K-12 teachers and superintendents. SB 842 requires teachers and administrators to complete a three-credit course on reading disabilities as part of their continuing education requirements. The course would take the five full days and must be completed before July 1, 2011.

Star Power Rally and Legislative Day at the Capitol, May 21, 2008

On Wednesday, May 21, parents, teachers, advocates – and kids – from all around the state will join the Early Childhood Investment Corporation and the Great Start Collaboratives in Lansing to educate state legislators on the value of investing in early

childhood development, education and care. Join ECIC on this star-filled day as we salute the champions of early childhood initiatives – our rising stars. We will also have an opportunity to engage our state lawmakers and help to further their education on how they can impact early childhood services and programs for all of Michigan's kids.

Register online at: http://www.ecic4kids.org/star_power.cfm

Plug into the ECIC Policy Center to Get Involved

The ECIC web site has a new and improved policy center where you can stay informed and get involved.

http://www.ecic4kids.org/policy_advocacy_center.cfm

From the Policy and Advocacy Center you can review the current and all past editions of Capitol Corner. Use our Advocacy Center to get involved:

- Send an [email to your legislator, senator, and the governor](#)
- Send a ["letter to the editor" email to your local media & newspapers](#)
- Get more information on [early childhood issues, bills, legislation](#)

You can also sign-up for our new Action Alerts at:

http://capwiz.com/ecic4kids/issues/alert/?alertid=10904976&type=ML&show_alert=1

and much more. Take the time to see what this site has to offer and how you can be involved.