

No. 2
STATE OF MICHIGAN
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REGULAR SESSION OF 2010

Senate Chamber, Lansing, Thursday, January 14, 2010.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator Randy Richardville.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Allen—present
Anderson—present
Barcia—present
Basham—present
Birkholz—present
Bishop—present
Brater—excused
Brown—present
Cassis—present
Cherry—present
Clark-Coleman—present
Clarke—present
Cropsey—present

Garcia—present
George—present
Gilbert—present
Gleason—present
Hardiman—present
Hunter—present
Jacobs—present
Jansen—present
Jelinek—present
Kahn—present
Kuipers—present
McManus—present
Nofs—present

Olshove—present
Pappageorge—present
Patterson—present
Prusi—present
Richardville—present
Sanborn—present
Scott—present
Stamas—present
Switalski—present
Thomas—present
Van Woerkom—present
Whitmer—present

Father Timothy A. Nelson of Our Lady of Guadalupe Catholic Church of Flint offered the following invocation:

As we begin, let us please bow our heads for a few moments in silent prayer for the people in Haiti.

Lord God, at this session of the Michigan State Senate and on behalf of Your servants gathered here today, I offer You thanks and praise. I humbly beg Your forgiveness for any of their faults, and I fervently ask Your gracious blessing upon their families and their work. In the words of the Psalmist, let us pray:

“Bless the Lord, my soul; all my being, bless his holy name!

Bless the Lord, my soul! Lord, my God, You are great indeed! You are clothed with majesty and glory.

It is good to give thanks to the Lord, to sing praise to your name, Most High, to proclaim your love in the morning, your faithfulness in the night.

You are my God, I give you thanks; my God, I offer you praise. Give thanks to the Lord, who is good, whose love endures forever.

Have mercy on me, God, in your goodness; in your abundant compassion blot out my offense. Wash away all my guilt; from my sin cleanse me. For I know my offense; my sin is always before me.

I will listen for the word of God; surely the Lord will proclaim peace to his people, to the faithful, to those who trust in him. Near indeed is salvation for the loyal, prosperity will fill our land. Love and truth will meet; justice and peace will kiss.

Teach me, Lord, your way that I may walk in your truth, single-hearted and revering your name. I will praise you with all my heart, glorify your name forever, Lord my God.

Happy those whose way is blameless, who walk by the teaching of the Lord. Happy those who observe God’s decrees, who seek the Lord with all their heart.

Happy those concerned for the lowly and poor; when misfortune strikes, the Lord delivers them.

May God be gracious to us and bless us; may God’s face shine upon us. So shall your rule be known upon the earth, your saving power among all the nations. May the peoples praise you, God; may all the peoples praise you!”

Amen.

The President pro tempore, Senator Richardville, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senators Kuipers, Stamas and Kahn entered the Senate Chamber.

Senator Cropsey moved that Senators Gilbert and Garcia be temporarily excused from today’s session.

The motion prevailed.

Senator Cropsey moved that the rules be suspended and that the following bill, now on Committee Reports, be placed on the General Orders calendar for consideration today:

House Bill No. 5403

The motion prevailed, a majority of the members serving voting therefor.

Senator Thomas moved that Senator Brater be excused from today’s session.

The motion prevailed.

Messages from the Governor

Senator Cropsey moved that consideration of the following bills be postponed for today:

Senate Bill No. 254

Senate Bill No. 237

Senate Bill No. 243

Senate Bill No. 245

Senate Bill No. 248

The motion prevailed.

Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 10:08 a.m.

11:34 a.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

During the recess, Senators Garcia and Gilbert entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Cropsey moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Richardville, designated Senator Brown as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Richardville, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5403, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

House Bill No. 5403

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

House Bill No. 5403, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 5

Yeas—37

Allen	Clarke	Jansen	Prusi
Anderson	Cropsey	Jelinek	Richardville
Barcia	Garcia	Kahn	Sanborn
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Nofs	Switalski
Brown	Hardiman	Olshove	Thomas
Cassis	Hunter	Pappageorge	Van Woerkom
Cherry	Jacobs	Patterson	Whitmer
Clark-Coleman			

Nays—0

Excused—1

Not Voting—0

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of
Resolutions

Senator Cropsy moved that consideration of the following resolutions be postponed for today:

Senate Resolution No. 41

Senate Resolution No. 75

Senate Resolution No. 88

Senate Concurrent Resolution No. 24

The motion prevailed.

Senator Pappageorge offered the following resolution:

Senate Resolution No. 107.

A resolution to memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove the so-called “Nebraska Compromise” from the final version of the federal health care reform legislation.

Whereas, Numerous deals were struck to get the necessary votes to pass the U.S. Senate version of H.R. 3590, including insertion of a provision that favored one state, Nebraska, to the detriment of 49 states. Bills passed by the House and Senate virtually ensure a major expansion of the Medicaid program by making all nonelderly people with incomes below at least 133 percent of the poverty level eligible for Medicaid. All states, except Nebraska, will be responsible for covering a share of the expanded program’s cost. This arbitrary singling out of one state for a special benefit is fundamentally unfair; and

Whereas, Michigan’s multiyear economic crisis has put the citizens of our great state and the state budget under great duress. Almost 1 in 5 Michigan residents are enrolled in Medicaid. Today’s enrollment of 1.8 million is 700,000 more than the enrollment 10 years ago. Given the continuing job losses in our state and slow rate of economic recovery, Medicaid enrollment can only be expected to grow; and

Whereas, The state budget is already strained to cover the rising demand for Medicaid services, currently spending approximately \$11.1 billion in gross appropriations, with approximately \$1.6 billion coming from shrinking general funds. The Medicaid portion of the state budget accounts for over 20 percent of gross appropriations and approximately 20 percent of General Fund appropriations; and

Whereas, Aside from being fundamentally unfair, the arbitrary singling out of Nebraska for special treatment is likely unconstitutional and subject to a legal challenge if the special treatment provision remains in the bill signed by the President. The Supreme Court has already admonished Congress that its spending authority does not allow it to demonstrate a “display of arbitrary power”; and

Whereas, The “Nebraska Compromise” provision disadvantages the citizens of 49 states who will see their limited tax dollars diverted from other essential state programs to fund these new federal mandates; and

Whereas, Other provisions in the bill, such as the mandate on individuals to buy insurance and the penalty for not doing so, regulation of the insurance industry, and the excise tax on high-cost health plans, are also subject to constitutional challenges; now, therefore, be it

Resolved by the Senate, That we memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove the so-called “Nebraska Compromise” from the final version of the federal health care reform legislation; and be it further

Resolved, That we request Congress to provide in the final legislation a statement of the constitutional authority for enactment of health care reform and these questionable provisions regarding the mandate on individuals to buy insurance and the penalty for not doing so, regulation of the insurance industry, and the excise tax on high-cost health plans; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Secretary of the Department of Health and Human Services.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the resolution,

Senator Cherry offered the following amendments:

1. Amend the resolution by striking out all of the sixth Whereas clause.

2. Amend the resolution by striking out all of the second Resolved clause.

The question being on the adoption of the amendments,

Senator Thomas requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 6

Yeas—15

Anderson	Clark-Coleman	Jacobs	Switalski
Barcia	Clarke	Olshove	Thomas
Basham	Gleason	Prusi	Whitmer
Cherry	Hunter	Scott	

Nays—22

Allen	Garcia	Kahn	Patterson
Birkholz	George	Kuipers	Richardville
Bishop	Gilbert	McManus	Sanborn
Brown	Hardiman	Nofs	Stamas
Cassis	Jansen	Pappageorge	Van Woerkom
Cropsey	Jelinek		

Excused—1

Brater

Not Voting—0

In The Chair: Richardville

The question being on the adoption of the resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 7

Yeas—26

Allen	Cropsey	Jelinek	Pappageorge
Anderson	Garcia	Kahn	Patterson
Barcia	George	Kuipers	Richardville
Birkholz	Gilbert	McManus	Sanborn

Bishop
Brown
Cassis

Gleason
Hardiman
Jansen

Nofs
Olshove

Stamas
Van Woerkom

Nays—11

Basham
Cherry
Clark-Coleman

Clarke
Hunter
Jacobs

Prusi
Scott
Switalski

Thomas
Whitmer

Excused—1

Brater

Not Voting—0

In The Chair: Richardville

Senators Barcia, Birkholz, Cassis, Cropsey, George, Hardiman, Jansen, Jelinek, Kahn, Kuipers, Nofs, Patterson, Richardville, Stamas and Van Woerkom were named co-sponsors of the resolution.

Senator Kahn offered the following concurrent resolution:

Senate Concurrent Resolution No. 33.

A concurrent resolution to memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove the so-called “Nebraska Compromise” from the final version of the federal health care reform legislation.

Whereas, Numerous deals were struck to get the necessary votes to pass the U.S. Senate version of H.R. 3590, including insertion of a provision that favored one state, Nebraska, to the detriment of 49 states. Bills passed by the House and Senate virtually ensure a major expansion of the Medicaid program by making all nonelderly people with incomes below at least 133 percent of the poverty level eligible for Medicaid. All states, except Nebraska, will be responsible for covering a share of the expanded program’s cost. This arbitrary singling out of one state for a special benefit is fundamentally unfair; and

Whereas, Michigan’s multiyear economic crisis has put the citizens of our great state and the state budget under great duress. Almost 1 in 5 Michigan residents are enrolled in Medicaid. Today’s enrollment of 1.8 million is 700,000 more than the enrollment 10 years ago. Given the continuing job losses in our state and slow rate of economic recovery, Medicaid enrollment can only be expected to grow; and

Whereas, The state budget is already strained to cover the rising demand for Medicaid services, currently spending approximately \$11.1 billion in gross appropriations, with approximately \$1.6 billion coming from shrinking general funds. The Medicaid portion of the state budget accounts for over 20 percent of gross appropriations and approximately 20 percent of General Fund appropriations; and

Whereas, Aside from being fundamentally unfair, the arbitrary singling out of Nebraska for special treatment is likely unconstitutional and subject to a legal challenge if the special treatment provision remains in the bill signed by the President. The Supreme Court has already admonished Congress that its spending authority does not allow it to demonstrate a “display of arbitrary power”; and

Whereas, The “Nebraska Compromise” provision disadvantages the citizens of 49 states who will see their limited tax dollars diverted from other essential state programs to fund these new federal mandates; and

Whereas, Other provisions in the bill, such as the mandate on individuals to buy insurance and the penalty for not doing so, regulation of the insurance industry, and the excise tax on high-cost health plans, are also subject to constitutional challenges; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove the so-called “Nebraska Compromise” from the final version of the federal health care reform legislation; and be it further

Resolved, That we request Congress to provide in the final legislation a statement of the constitutional authority for enactment of health care reform and these questionable provisions regarding the mandate on individuals to buy insurance and the penalty for not doing so, regulation of the insurance industry, and the excise tax on high-cost health plans; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Secretary of the Department of Health and Human Services.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the concurrent resolution,

Senator Cherry offered the following amendments:

1. Amend the resolution by striking out all of the sixth Whereas clause.
2. Amend the resolution by striking out all of the second Resolved clause.

The amendments were not adopted.

The question being on the adoption of the concurrent resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The concurrent resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 8

Yeas—26

Allen	Cropsey	Jelinek	Pappageorge
Anderson	Garcia	Kahn	Patterson
Barcia	George	Kuipers	Richardville
Birkholz	Gilbert	McManus	Sanborn
Bishop	Gleason	Nofs	Stamas
Brown	Hardiman	Olshove	Van Woerkom
Cassis	Jansen		

Nays—11

Basham	Clarke	Prusi	Thomas
Cherry	Hunter	Scott	Whitmer
Clark-Coleman	Jacobs	Switalski	

Excused—1

Brater

Not Voting—0

In The Chair: Richardville

Senators Barcia, Birkholz, Bishop, Brown, Cassis, Cropsey, George, Hardiman, Jansen, Jelinek, Nofs, Pappageorge, Patterson, Richardville and Van Woerkom were named co-sponsors of the concurrent resolution.

Protest

Senator Cherry, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of Senate Resolution No. 107 and Senate Concurrent Resolution No. 33 and moved that the statement she made during the discussion of Senate Resolution No. 107 be printed as her reasons for voting “no.”

The motion prevailed.

Senator Cherry’s statement is as follows:

I rise in opposition to this resolution not because I am opposed to the Nebraska Compromise because I am opposed to that. I do believe that it is important that the health care reform bill include the regulation of the health care insurance industry and businesses. I think an excise tax on high-cost insurance plans is probably a very good idea if we are trying to make sure that health care is affordable to all our citizens. I am not sure about all of the details of what that clause in the resolution deals with.

I am opposed to this resolution because I believe that we should have affordable, accessible, and high-quality insurance for all the citizens of the United States. I oppose this resolution.

Senator Kahn asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Kahn’s statement is as follows:

Senate Concurrent Resolution No. 33 is similar to the Senate resolution that we just passed. I think the take-home point in this resolution is the arbitrary singling out of a single state, Nebraska, for a special benefit is fundamentally unfair. The singling out of Nebraska for special treatment is likely unconstitutional. It certainly is subject to a legal challenge if the special treatment provision remains in the bill and is signed by the President.

The Supreme Court has already admonished Congress that its spending authority does not allow it to demonstrate a disparity of arbitrary power. For these reasons, I urge the speedy passage of this resolution that we may send it to the House and send it to our congressional delegation and get their support for the elimination of this unfairness. I ask for this resolution’s passage.

Senator George offered the following resolution:

Senate Resolution No. 106.

A resolution to memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove provisions from the final version of federal health care reform legislation that would increase financial obligations for Michigan and other states, whether through expanded Medicaid requirements or other mandates.

Whereas, As federal health care reform approaches its final stage, there remain many areas of serious concern. An issue drawing considerable attention in Michigan and across the country is the future expansion of Medicaid. It has been reported that states will be required to increase Medicaid eligibility to all nonelderly individuals below 133 percent of the federal poverty level and that the cost of covering this increase in eligibility will in significant measure be pushed off to the states in future years; and

Whereas, Michigan currently has 1.8 million people enrolled in its Medicaid program, almost 1 in 5 residents. This number continues to grow under current Medicaid eligibility standards, and the increase in Medicaid eligibility present in both versions of federal health care reform will almost certainly increase Michigan’s Medicaid enrollment; and

Whereas, In order to secure sufficient votes to pass H.R. 3590 in the U.S. Senate, numerous deals were struck, including the insertion of one provision that favored one state, Nebraska, to the detriment of the other 49. This favoritism—solely for political expediency at the expense of fairness—is especially egregious as Michigan and many other states cope with budgetary perils more severe than any experienced in most Americans’ lifetimes; and

Whereas, Michigan’s multiyear economic crisis has placed a severe strain on the state budget and its social welfare programs. Based on recent revenue projections by the Michigan Department of Treasury, the Michigan House Fiscal Agency, and the Michigan Senate Fiscal Agency, Michigan is facing a potential \$1.3 billion to \$1.5 billion shortfall in General Fund dollars for fiscal year 2011; and

Whereas, The importance of health care to our nation, our citizens, our businesses, and the economies of our states makes it imperative for consistency and fairness to be central to the final legislation. It is also essential that reforms not be predicated on shifting costs to the states. Such short-term thinking will only compound problems for our country and the states. Instead, Congress should be focusing on providing states greater flexibility in developing their state Medicaid programs and encourage innovation instead of conformance to rigid federal standards; now, therefore, be it

Resolved by the Senate, That we memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to provide that federal health care reforms, including the federal Patient Protection and Affordable Care Act (H.R. 3590) and the Affordable Health Care for America Act (H.R. 3962), not impose increased costs on Michigan and other states, whether through expanded Medicaid requirements or other mandates; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Secretary of the Department of Health and Human Services.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 9

Yeas—36

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Nofs	Switalski
Brown	Hardiman	Olshove	Thomas
Cassis	Hunter	Pappageorge	Van Woerkom
Cherry	Jacobs	Patterson	Whitmer

Nays—0

Excused—1

Brater

Not Voting—1

Garcia

In The Chair: Richardville

Senator Cropsey moved that Senator Garcia be temporarily excused from the balance of today's session.
The motion prevailed.

Senators Allen, Barcia, Birkholz, Bishop, Brown, Cassis, Cropsey, Gleason, Hardiman, Jacobs, Jansen, Jelinek, Kahn, Kuipers, McManus, Nofs, Olshove, Pappageorge, Patterson, Prusi, Richardville, Sanborn and Van Woerkom were named co-sponsors of the resolution.

Senator Garcia entered the Senate Chamber.

Senator George offered the following concurrent resolution:

Senate Concurrent Resolution No. 32.

A concurrent resolution to memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to remove provisions from the final version of federal health care reform legislation that would increase financial obligations for Michigan and other states, whether through expanded Medicaid requirements or other mandates.

Whereas, As federal health care reform approaches its final stage, there remain many areas of serious concern. An issue drawing considerable attention in Michigan and across the country is the future expansion of Medicaid. It has been reported that states will be required to increase Medicaid eligibility to all nonelderly individuals below 133 percent of the federal poverty level and that the cost of covering this increase in eligibility will in significant measure be pushed off to the states in future years; and

Whereas, Michigan currently has 1.8 million people enrolled in its Medicaid program, almost 1 in 5 residents. This number continues to grow under current Medicaid eligibility standards, and the increase in Medicaid eligibility present in both versions of federal health care reform will almost certainly increase Michigan's Medicaid enrollment; and

Whereas, In order to secure sufficient votes to pass H.R. 3590 in the U.S. Senate, numerous deals were struck, including the insertion of one provision that favored one state, Nebraska, to the detriment of the other 49. This favoritism—solely for political expediency at the expense of fairness—is especially egregious as Michigan and many other states cope with budgetary perils more severe than any experienced in most Americans' lifetimes; and

Whereas, Michigan's multiyear economic crisis has placed a severe strain on the state budget and its social welfare programs. Based on recent revenue projections by the Michigan Department of Treasury, the Michigan House Fiscal Agency, and the Michigan Senate Fiscal Agency, Michigan is facing a potential \$1.3 billion to \$1.5 billion shortfall in General Fund dollars for fiscal year 2011; and

Whereas, The importance of health care to our nation, our citizens, our businesses, and the economies of our states makes it imperative for consistency and fairness to be central to the final legislation. It is also essential that reforms not be predicated on shifting costs to the states. Such short-term thinking will only compound problems for our country and the states. Instead, Congress should be focusing on providing states greater flexibility in developing their state Medicaid programs and encourage innovation instead of conformance to rigid federal standards; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the President, the Congress, and the Secretary of the Department of Health and Human Services to provide that federal health care reforms, including the federal Patient Protection and Affordable Care Act (H.R. 3590) and the Affordable Health Care for America Act (H.R. 3962), not impose increased costs on Michigan and other states, whether through expanded Medicaid requirements or other mandates; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Secretary of the Department of Health and Human Services.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the concurrent resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The concurrent resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 10

Yeas—37

Allen	Clarke	Jansen	Prusi
Anderson	Cropsey	Jelinek	Richardville
Barcia	Garcia	Kahn	Sanborn
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Nofs	Switalski
Brown	Hardiman	Olshove	Thomas
Cassis	Hunter	Pappageorge	Van Woerkom
Cherry	Jacobs	Patterson	Whitmer
Clark-Coleman			

Nays—0

Excused—1

Brater

Not Voting—0

In The Chair: Richardville

Senators Allen, Barcia, Birkholz, Bishop, Brown, Cassis, Cropsey, Gleason, Hardiman, Jansen, Jelinek, Kahn, Kuipers, McManus, Nofs, Olshove, Pappageorge, Patterson, Richardville, and Van Woerkom were named co-sponsors of the resolution.

Senator George asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator George's statement is as follows:

This resolution calls on our congressional delegation to oppose the unfunded mandate provisions that are part of the federal health care reform proposal which, if implemented, will precipitously increase Michigan's Medicaid expenses and destabilize our already-precarious budget situation.

As you know, the measure being debated in Washington contains many controversial features. One of the little-noted provisions is the potential effect on our budget. At the present time, both the Senate and the House versions contain a proposal to address the problem of the uninsured by requiring states to simply expand Medicaid coverage. In Michigan, we currently cover childless adults whose incomes are under 40 percent of the federal poverty level. The federal proposals would require us to expand coverage to those whose incomes are up to 133 percent of the federal poverty level.

This addition of tens of thousands of potential new recipients to our current Medicaid program could cost the state tens or hundreds of millions of dollars. This is coming at a time when we know we face a large General Fund shortfall for next year's budget. Health care has already become the single biggest expense within our budget. Dollars have been diverted from other priorities to allow us to accommodate new recipients. At yesterday's Senate Fiscal Agency presentation to our Appropriations Committee, we were reminded that while the Community Health budget has grown 25 percent this decade, the higher education budget has been cut 14 percent and revenue sharing cut 33 percent. In fact, we are now at the point where Michigan's Medicaid program is covering nearly 1 in every 5 Michigan residents.

The governors of New York and California have objected strongly to these provisions. Governor Paterson of New York has said the expansion would cost his state, which faces a \$6.8 billion shortfall, \$1 billion. Governor Schwarzenegger has said, "Unfortunately, under nearly every scenario we can predict, the federal health care reform legislation being debated would cost California's General Fund an additional \$3 billion to \$4 billion annually."

What Michigan and these other states need from the federal government is the freedom to reform and restructure Medicaid so that it better meets the needs of our citizens. Medicaid, as many of us know, has failed the price-of-government test. Despite spending billions of dollars on Medicaid, Michigan is no healthier. We can no longer afford to sacrifice the education of our children in order to feed the growth of Medicaid. Rather than expand this dysfunctional program that is breaking our budget and diverting dollars away from other priorities, we need to be given the flexibility to fix it. Please join me in supporting these resolutions.

By unanimous consent the Senate proceeded to the order of

Statements

Senators Brown, Switalski and Scott asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Brown's statement is as follows:

On Tuesday, as required by the State Constitution, Governor Granholm submitted a report to this chamber regarding the number of prison sentences she commuted in 2009. According to news reports, the Governor freed upwards of 57 convicted criminals and, by my count, 19 were convicted of either first- or second-degree murder. A spokesman for the Department of Corrections claims none of those commuted pose any threat to the public, citing the fact that many have health issues.

Advanced age or health problems cannot excuse a murderer from their debt to their victims, the families, and loved ones who have been left behind and certainly not to society in general. A judge and jury sentenced these people based on the facts of the case and the severity of their crimes. Now the Governor has stepped in and overruled their best judgment. Certainly, the Michigan Constitution gives the Governor the power to commute sentences. However, it does not require her to do so, especially in cases involving the most brutal and damaging of crimes.

Senator Switalski's statement is as follows:

This week's Revenue Estimating Conference defined the challenge that lies ahead in balancing the 2011 budget. The General Fund is projecting a \$1.2 billion deficit, and the School Aid Fund will be \$400 million in arrears, for a combined shortfall of \$1.6 billion. This equates to a \$268 per-pupil cut to the K-12 foundation and a 13 percent across-the-board General Fund reduction.

The estimate revealed a supreme irony. Had October's threatened proration of \$127 per pupil been implemented, the 2011 foundation grant could have been frozen at the 2010 actual level. We could have achieved K-12 budget stability. Instead, schools face a 2011 reduction of \$268 per pupil. Indecision condemned us to repeat the cycle of cuts. The lesson of the last decade is clear: A cure requires that we cut once and cut deep. If we cut shallow, we bleed anew every year.

We did cut deeply into Michigan's 20j districts. In fact, we amputated. Those 37 districts must reconcile themselves to the elimination of 20j's special funding; 20j is dead and will not return. That is a tough message, but we cannot waiver from it. But we could help these 37 districts adjust to that \$300 per-pupil reduction at no cost to the state.

Today, I introduced legislation that would permit 20j schools only to expand allowable uses of a sinking fund with the approval of district voters for a two-year period only. This would allow these unique 37 districts to absorb the loss of \$300 per pupil over a two-year transition period.

This fix will not cost the state a dime. Local districts would have a choice. They could approve or reject the sinking fund. Local voters could require their district to make the tough choices to adjust to a cumulative \$465 per-pupil reduction immediately, or approve a sinking fund and allow them to phase the reduction out over two years.

The 20j had a total value of \$50 million. Districts would be capped at 50 percent of that value the first year and 25 percent the second year. The third year would be zero as sinking funds would return to current restricted uses.

I view this as a special case. The bill would not affect non-20j districts and would sunset in two years after the adjustment period is over. It is neither a precedent nor a slippery slope. It is an orderly phase-out of an exception. The 20j no longer exists, and this bill would not reestablish it. Despite the continued agitation of its supporters, attempts to restore 20j funding will certainly fail in the context of chronic budget deficits.

It is time to support a compromise that merely provides an opportunity for locals to fashion an orderly withdrawal.

Senator Scott's statement is as follows:

Dr. Martin Luther King, Jr., said, "We must accept finite disappointment, but never lose infinite hope." While I am disappointed that Michigan citizens are still subjected to the whims of insurance companies that often set auto insurance policy rates that defy explanation, I am always hopeful that we will soon act to right this terrible wrong.

We face many challenges in our state this year. Reforming auto insurance is one of the most important challenges because of the impact these rates have on our constituents. I hope that we can come to an agreement on what we need to do to reform the auto insurance industry. I hope that we can pass legislation putting reforms into law. I hope that we can finally give the hardworking citizens of Michigan fair and affordable auto insurance that will offer them the protection they need at a price that will not drain their wallets and paychecks.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

Senator Jelinek introduced

Senate Bill No. 1058, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 51 (MCL 28.4251), as amended by 2008 PA 406.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Switalski, Jacobs and Olshove introduced

Senate Bill No. 1059, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1212 (MCL 380.1212), as amended by 2003 PA 299.

The bill was read a first and second time by title and referred to the Committee on Finance.

Senators Jelinek and Switalski introduced

Senate Bill No. 1060, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 2150, 2154, and 51106 (MCL 324.2150, 324.2154, and 324.51106), section 2150 as amended by 1996 PA 585, section 2154 as amended by 2004 PA 513, and section 51106 as amended by 2006 PA 382.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senators Jelinek and Switalski introduced

Senate Bill No. 1061, entitled

A bill to amend 1974 PA 359, entitled "An act to authorize the department of natural resources to convey certain lands lying within the boundaries of the lakeshore zone and parkway location of the Sleeping Bear dunes national lakeshore park to the United States; to provide for cession of certain jurisdiction of this state and to determine the measure thereof over such lands; to authorize acceptance of relinquished jurisdiction over such lands or portions thereof; and to repeal certain acts and parts of acts," by amending section 8 (MCL 3.908), as amended by 1996 PA 30; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senators Scott, Jacobs, Brater, Gleason, Cherry and Hunter introduced

Senate Bill No. 1062, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 3406s.

The bill was read a first and second time by title and referred to the Committee on Economic Development and Regulatory Reform.

Senators Scott, Jacobs, Brater, Gleason, Cherry and Hunter introduced

Senate Bill No. 1063, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 416e.

The bill was read a first and second time by title and referred to the Committee on Economic Development and Regulatory Reform.

Senators Scott, Jacobs, Clarke, Brater, Gleason, Thomas and Hunter introduced

Senate Bill No. 1064, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 255.

The bill was read a first and second time by title and referred to the Committee on Economic Development and Regulatory Reform.

Committee Reports

The Committee on Appropriations reported

House Bill No. 5403, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Ron Jelinek
Chairperson

To Report Out:

Yeas: Senators Jelinek, Pappageorge, Hardiman, Kahn, Cropsey, Garcia, George, Jansen, Brown, McManus, Stamas, Switalski, Anderson, Barcia, Cherry, Clark-Coleman and Scott

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Wednesday, January 13, 2010, at 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek (C), Pappageorge, Hardiman, Kahn, Cropsey, Garcia, George, Jansen, Brown, McManus, Stamas, Switalski, Anderson, Barcia, Cherry, Clark-Coleman and Scott

Excused: Senator Brater

COMMITTEE ATTENDANCE REPORT

The Subcommittee on State Police and Military Affairs submitted the following:

Meeting held on Wednesday, January 13, 2010, at 3:00 p.m., Rooms 402 and 403, Capitol Building

Present: Senators Garcia (C), Cropsey and Barcia

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submitted the following:

Joint meeting held on Thursday, January 14, 2010, at 8:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Birkholz (C), Van Woerkom, Basham and Gleason

Excused: Senator Patterson

Scheduled Meetings**Appropriations -****Subcommittees -**

Capital Outlay - Thursday, January 21, 9:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

General Government - Wednesday, January 27, 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

State Police and Military Affairs - Tuesday, January 19, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Commerce and Tourism - Tuesday, January 19, 2:30 p.m., Room 100, Farnum Building (373-2413)

Families and Human Services - Tuesday, January 19, 2:30 p.m., Room 210, Farnum Building (373-0797)

Health Policy - Wednesday, January 20, 3:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-0793)

Judiciary - Tuesday, January 19, 1:00 p.m., Room 210, Farnum Building (373-6920)

Natural Resources and Environmental Affairs - Wednesday, January 20, 1:00 p.m., Room 110, Farnum Building (373-3447)

Transportation - Tuesday, January 19, 1:00 p.m., Room 110, Farnum Building (373-7708)

Senator Cropsey moved that the Senate adjourn.

The motion prevailed, the time being 12:34 p.m.

The President pro tempore, Senator Richardville, declared the Senate adjourned until Tuesday, January 19, 2010, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

