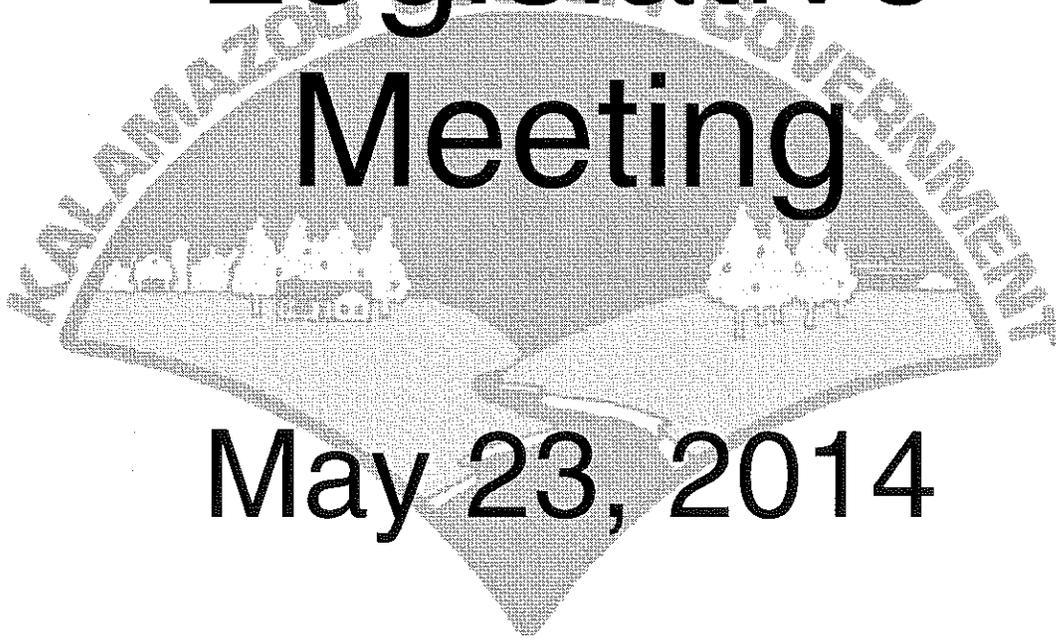


# Legislative Meeting



May 23, 2014

**NOTICE AND AGENDA FOR  
MEETING  
OF THE  
KALAMAZOO COUNTY BOARD OF COMMISSIONERS**

**Legislative Meeting**

**Friday, May 23, 2014  
7:30 a.m.**

- |             |  |
|-------------|--|
| 7:30 – 7:35 | Welcome and Call to Order  |
| 7:35 – 8:35 | Commissioner Requested Updates <ul style="list-style-type: none"><li>➤ Revenue Sharing</li><li>➤ Road Funding</li><li>➤ Personal Property Tax</li><li>➤ DHS/Child Care Funding</li><li>➤ Road Commission/Department of Labor Determination</li></ul> |
| 8:35 – 9:35 | Additional Updates from Legislators  |
| 9:35 – 9:45 | Citizens Time  |
| 9:45 – 9:50 | Any other items  |
| 9:50        | Adjournment  |

## REVENUE SHARING

# Michigan Association of Counties

An alliance of counties working to enhance county government through advocacy, shared services and education.

## Governor Recommends Full Funding for County Revenue Sharing in FY 2015

Posted on February 5, 2014 by macblog2

LANSING, Mich. – The Michigan Association of Counties (M.A.C.) is pleased that Governor Snyder has recommended 100% full funding for county revenue sharing totaling over \$211 million for the FY 2015 budget. M.A.C. would like to thank the governor and his administration for this recommendation and for their untiring efforts to restore counties to full funding.

This marks the first time in 14 years that counties are in a position to receive full revenue sharing payments, last receiving full funding in FY 2001.

Although this is excellent news coming from the governor, it is just the first step in a long budget process. Both the House and Senate need to agree with the governor on his recommendations.

"I would like to thank the governor on behalf of all Michigan counties for this recommendation," said Vice President of the M.A.C. Board of Directors and Allegan County Commissioner Jon Campbell. "M.A.C., along with county officials, has worked tirelessly to educate the governor and his administration on the uniqueness of county revenue sharing and how those dollars provide vital services to Michigan residents."

The House and the Senate will start considering budgets as early as next week, and M.A.C. is hopeful that the legislature will adopt the governor's recommendation, but is urging county commissioners to contact their legislators to support this proposal.

M.A.C. again wishes to thank Governor Snyder for this recommendation to fully fund county revenue sharing in FY 2015, and looks forward to working with the legislature to adopt this recommendation. If you have questions, please contact M.A.C. Director of Legislative Affairs Deena Bosworth at 517-372-5374 or [bosworth@micounties.org](mailto:bosworth@micounties.org).

This entry was posted in [Legislative](#) and tagged [budget](#), [county government](#), [governor snyder](#), [Michigan](#), [Revenue Sharing](#) by [macblog2](#). Bookmark the [permalink \[http://50.28.62.198/~micounti/blog/?p=731\]](http://50.28.62.198/~micounti/blog/?p=731).



**Volume #53, Report #88, Article #1--Tuesday, May 6, 2014**  
Senate Activity Report | House Activity Report

### Revenue Sharing Sees More Changes In House

The House made a significant change to the overhaul it already was moving in the state's statutory revenue sharing program, dropping the road funding requirement a House subcommittee had added.

Under an amendment the House adopted, sponsored by [Rep. Jeff Farrington](#) (R-Utica), the bill no longer would require municipalities who continue to be in the Economic Vitality Incentive Program to spend an amount equal to 5 percent of their revenue sharing payment on roads to receive their full EVIP payment.

To obtain their full EVIP payment, these communities would still have to meet a financial transparency requirement and commit an amount equal to 5 percent of their revenue sharing payment to unfunded liabilities.

The change was one of the most significant as the House passed its omnibus budget bill for all aspects of state government for the 2014-15 fiscal year, excluding the budgets for community colleges, universities and K-12 schools, on Tuesday with more than 30 approved amendments.

Overall [HB 5313](#) had about 70 amendments proposed, but most of the amendments offered by House Democrats were defeated. The bill passed 92-17.

Eight Republicans voted no on the bill: [Rep. Ray Franz](#) of Onekama; [Rep. Bob Genetski II](#) of Saugatuck; [Rep. Ken Golke](#) of Ray Township; [Rep. Thomas Hooker](#) of Byron Center; [Rep. Martin Howrylak](#) of Troy; [Rep. Joel Johnson](#) (R-Clare), [Rep. Greg MacMaster](#) of Kewadin and [Rep. Tom McMillin](#) of Rochester Hills.

Nine Democrats voted no on the bill: [Rep. Vicki Barnett](#) of Farmington Hills; [Rep. Marcia Hovey-Wright](#) of Muskegon; [Rep. Jeff Irwin](#) of Ann Arbor; [Rep. Andrew Kandrevas](#) of Southgate; [Rep. Sarah Roberts](#) of St. Clair Shores; [Rep. Rose Mary Robinson](#) of Detroit; [Rep. Kate Segal](#) of Battle Creek; [Rep. Sam Singh](#) of East Lansing and [Rep. Jon Switalski](#) of Warren.

Other than the attempted amendments from the Democrats, the bill saw little debate and passed relatively easily.

[Rep. Adam Zemke](#) (D-Ann Arbor) won an amendment to the Department of Treasury of \$600,000 to fund GED tests for certain students after June 2015. Those receiving the test free of charge through the funds would have to either enroll in postsecondary academic or vocational coursework at a Michigan college or university within two years of passing the test or complete a workforce development agency-approved GED preparation program.

Rep. Joe Haveman (R-Holland), chair of the House Appropriations Committee, offered an approved amendment that would stipulate only 10 percent of the film incentive funds could go to the west Michigan film office.

An amendment from Rep. Bruce Rendon (R-Lake City) increased from \$700,000 to \$1.5 million an item within the Department of Community Health budget for pregnancy and parenting support services, "which must promote childbirth and alternatives to abortion."

The House approved bill also would require the Michigan Economic Development Corporation to produce a plan by February 2015 on funding Pure Michigan with incrementally increasing private source matching funds. The first increment shall be 50 percent non-restricted and 50 percent private. The private sector match shall increase 5 percent per year thereafter until private funding sources represent 75 percent of non-restricted funding.

A change to the bills also would look at the feasibility of repurposing the one division building in Grand Rapids for a new state police crime laboratory.

Democrats offered various amendments that were offered in the Appropriations Committee.

One amendment, which Rep. Rashida Tlaib (D-Detroit) and Rep. Martin Howrylak (R-Troy) called the most important amendment being taken up for the bill, would have rescinded the proposed closure of the W.J. Maxey Training School in the Department of Human Services budget.

Ms. Tlaib said the Senate does not want to close the school and she said she worried where those attending the school will end up when it is closed. The amendment was defeated.

Other amendments would have barred the state from spending more dollars on appealing the recent same-sex marriage decision, regulated petroleum coke piles and ensured the governor was the top paid state employee.

**ENVIRONMENTAL WASTE:** Bills that would revise how certain types of waste materials are treated were also passed the House on Tuesday.

The bills (HB 5400, HB 5401 and HB 5402) essentially adopt portions of the Environmental Advisory Rules Committee recommendations that required legislative changes. The first bill passed 68-42, the other two passed 66-44.

Among the key provisions are allowing some additional materials to be certified as inert (and therefore not subject to regulation) and some others to be subject to reduced regulation for beneficial uses.

Clean Energy Now, a coalition of groups supporting policies to move the state beyond coal power plants, released a statement bashing the House for passing the bills.

"It's unconscionable that our Legislature continues to protect the coal industry instead of the hardworking people of Michigan," said Margi Armstrong, Michigan Clean Water Action Lake St. Clair program coordinator. "We have very little knowledge about the potentially devastating impacts that these bills will have on our water, our health, and our communities. If our drinking water does get contaminated, we won't even have a way to hold accountable the company who is responsible."

However, Rep. Ed McBroom (R-Vulcan said the bills would allow farmers like himself to use byproducts of useful substances that otherwise end up in landfills.

"These bills have been talked about and worked on for 20 some years, and we've finally got it worked out where we've got a good plan," he said.

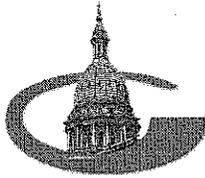
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**Gongwer News Service: The Capitol Record Since 1906**

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Volume #53, Report #93 -- Tuesday, May 13, 2014

## Spring Surprise: Revenues Falter Significantly

The task of assembling the 2014-15 fiscal year budget received a significant jolt Tuesday when the House Fiscal Agency decreased its forecast for revenues to the General and School Aid funds by \$422.1 million for the current fiscal year.

While the final revision will come Thursday at the Consensus Revenue Estimating Conference, which will blend the HFA's forecast with those of the Senate Fiscal Agency and the Department of Treasury, the HFA's forecast is so sharply downward it is hard to imagine the consensus would be anything other than something in a similar direction.

All of a sudden, the House plan to dedicate General Fund money to roads looks more challenging. While the House pulled back on some General Fund increases to pay for some of those road funds, a big chunk of the plan relied on the General Fund having a \$700 million balance to carry forward from the current fiscal year into the next one. Now more than \$400 million of that cushion could be gone.

The calls of concern from entities that fear dedicating General Fund money to roads will undermine programs that rely on the General Fund will surely grow louder if the consensus forecast is more or less in line with the HFA's.

The main culprit, HFA Director Mary Ann Cleary said Tuesday, is that annual income tax payments came in much lower than expected to the tune of \$200 million. A feared X-factor – a run on credits for those businesses still using the Michigan Business Tax – also came into play as did shallower than expected sales tax revenues.

Part of the sales tax situation might have to do with the record-cold winter although Ms. Cleary said she was not sure that is the full story.

As to the significance of what this revision would mean, should the consensus estimate be similar, Ms. Cleary said, "It obviously changes the dynamics for the (fiscal year 2015) discussion."

The hit is bigger in the General Fund, with revenue projected at \$300.3 million less than the January forecast while the School Aid Forecast would be revised downward by \$121.8 million.

House Republican spokesperson Ari Adler said other states are seeing similar issues.

"Across the country, states are experiencing lower than estimated tax revenues," he said. "Of course we're concerned and watching the numbers because Michigan is not immune from what is happening in other states. We will know more on Thursday at the Revenue Estimating Conference when we have more in-depth analysis available from all the fiscal agencies. This shows why revenue estimating conferences are just that: estimating conferences. Things change and we need to be flexible and adapt as the national economy shifts and we continue to move forward with responsible budgets."

## Orr Tells House Panel Detroit Needs State Money

Detroit Emergency Manager Kevyn Orr made his case on Tuesday as to why the city's bankruptcy settlement needs \$195 million in state aid to the House Committee on Detroit's Recovery and Michigan's Future.



"To put it bluntly, we need your money," Mr. Orr told a panel of lawmakers during the first meeting on an 11-bill package that would put \$194.8 million from the state's Budget Stabilization Fund toward settling the city's bankruptcy.



Rep. John Walsh (R-Livonia)

Mr. Orr explained that without state funds, pension creditors would likely not approve the Plan of Adjustment, the Detroit Institute of Arts and other city assets would be at risk of loss or sale and the state could be exposed to pension litigation regarding up to \$3.5 billion in pension liabilities.

The committee will continue to discuss the bills ([HB 5566](#), [HB 5567](#), [HB 5568](#), [HB 5569](#), [HB 5570](#), [HB 5571](#), [HB 5572](#), [HB 5573](#), [HB 5574](#), [HB 5575](#) and [HB 5576](#)) in more detail this week. On Tuesday, the committee heard broader presentations from Mr. Orr and [Rep. John Walsh](#) (R-Livonia), the committee chair.

Mr. Orr continued to meet with lawmakers for the rest of the day, attending both House Democratic and House Republican caucuses. Detroit Mayor Mike Duggan also will come to the Capitol this week.

Mr. Orr told the committee without the state's settlement, general retirees would come close to the poverty line, with the average pension at \$13,000. But with the state settlement the pensions would come in at \$17,300.

For police and fire, pensions would remain at \$30,000 per year without the state aid, he said. But with the state aid, their pensions would increase to \$32,811 in fiscal year 2023.

[Rep. Harvey Santana](#) (D-Detroit) asked Mr. Orr what happens if down the line, someone "slips on the banana peel?"

Mr. Orr said his team has looked at economic cycles and has planned modestly for long-term revenue streams. He said they assume \$1 billion per year from the city's four revenue sources: casinos, property tax, income tax and revenue sharing.

Mr. Orr said although certain areas of the city, like Midtown, have seen a growth in popularity, the plan doesn't assume a huge uptick in residency.

[Rep. Thomas Stallworth III](#) (D-Detroit), minority vice chair of the committee, asked Mr. Orr if there are areas in the bill package that are inconsistent with the Plan of Adjustment.

"Let me say this generally, I think the package presented to you is a balanced approach," Mr. Orr said.

He did say, however, that there are five areas where there are inconsistencies with the plan. But Mr. Orr said talks will continue and amendments will likely be provided.

He said one area is the requirement that new employees participate in defined contribution retirement plans.

Mr. Walsh said after the committee that negotiations are ongoing in terms of the bill package.

"There has not been a single bill in my five and a half years here that has passed through without a change," he said. "There will be changes. I expect that to be a result of a healthy debate."

Mr. Orr said the ballots of pensioners voting on the Plan of Adjustment are due on July 11, and for those not on-board with the plan, talks are ongoing.

[Rep. Earl Poleski](#) (R-Jackson) asked Mr. Orr about the state repaying itself with the tobacco settlement after providing the funds, but Mr. Orr said that piece of the puzzle is "above my pay grade."

"Once we get the money in our hot little hands, how you repay yourself is up to you," he said.

Sara Wurfel, spokesperson for [Governor Rick Snyder](#), said the governor would like the Detroit legislation to be reported by the Legislature's summer break. Ms. Wurfel said Mr. Snyder is still meeting and talking with lawmakers on the issue, and has been for several months.

"You can clearly see the willingness of everyone to have this conversation (and) come together," she said. "Tremendous progress has been made."



Mr. Stallworth said some of the conditions in the legislation, including at least 20 years of oversight, are "hard to swallow." However, he said they're likely needed to get the bills to pass.

"I think they're probably needed to get them moving out of the House and out of Senate," he said. "Do I think they're necessary? Not necessarily. But from a political perspective, I think they're a requirement, a prerequisite, for getting the support we need."

Mr. Stallworth said he would like to see something outlined in the legislation on what sort of benchmarks the city must meet to come out from the oversight.

Former Rep. Lisa Howze, now director of governmental affairs for Detroit, said Mr. Duggan and his team are still reviewing the bills.

"There are concerns with the level of oversight," she said. "The mayor has stated whether it's 20 years or 100 years, what he would like is the ability to be able demonstrate meeting the metrics and having some way to get that oversight lifted over time. I think control is the matter of concern ... in this particular legislation."

Mr. Walsh gave a brief presentation during the committee, essentially saying Detroit is a legal subdivision of the state no matter what happens.

He said the Legislature should vote to pay now and get Detroit out of bankruptcy the right way.

Mr. Walsh said in the coming days he would like to hear from unions, pensioners and the groups that represent them, Mr. Duggan, and the general public from both Detroit and outside of the city.

"Bankruptcy is not pleasant. It has very harsh results," Mr. Walsh said after Tuesday's hearing. "We have to talk about the humans that are behind it. I think for us it is very helpful to understand that he's been hard at work and that the bottom line is that a settlement is in the best of all of our interests."

## **Conyers Does Not Qualify For August Ballot, Clerk Rules**

For the first time in 50 years, Detroit voters face the possibility that they will not be able to vote for U.S. Rep. John Conyers as the Wayne County clerk ruled Tuesday he lacked sufficient petition signatures to qualify for the August primary ballot.

An appeal to [Secretary of State Ruth Johnson](#) is expected, along with a possible court challenge of the decision. But for now, Horace Sheffield III is the odds-on favorite to win election to Congress if Mr. Conyers is not put on the ballot or does not run a successful write-in campaign.

[Sen. Bert Johnson](#) (D-Detroit), chair of Mr. Conyers' campaign, said in a statement that the decision means they could move forward in making a case that under the U.S. Constitution every registered voter who signs a petition should have that signature counted.

There is clear precedence suggesting residency of circulator requirement can be overturned, Mr. Johnson said.

And Michigan Democratic Party Chair Lon Johnson, in a statement issued late Tuesday, said the party expects Mr. Conyers eventually will be its nominee in the 13<sup>th</sup> U.S. House District.

"Over his long career, Congressman John Conyers has been a lion for Michigan on Capitol Hill, and the Michigan Democratic Party stands behind him," Mr. Johnson said. "For decades, Congressman Conyers has been an inspiring leader on civil rights and social justice, and in the fight against bigotry and intolerance in all its forms. He has earned the respect of his peers and of families all over Michigan, and we're confident that at the end of this process, he will continue to fight for us in Congress."

Wayne County Clerk Cathy Garrett confirmed the findings reached last week by Wayne County election staff that Mr. Conyers had 592 valid petition signatures, more than 400 fewer than he needed to qualify for the ballot in August. Mr. Conyers turned in the maximum allowed 2,000 signatures, and needed 1,000 to qualify.

But Ms. Garrett also expressed regret at reaching her decision, since many of the signatures were collected by circulators who were found not to have been registered to vote.

In a statement, Ms. Garrett said it was "very unfortunate that an issue with a circulator of a petition would disqualify the signature of (a) valid registered voter. However, I am bound by the current laws and statutes of the state of Michigan that set forth very specific and narrow instructions regarding candidate petitions and the authority of the county clerk."



Because she did not have the authority to rule on the constitutionality of those laws, Ms. Garrett said, "in accordance with the current laws and statutes" the petitions filed by Mr. Conyers were insufficient.

But she also anticipated a further review of the issue.

"Although I am not the final arbiter, I eagerly await the courts' review of the constitutionality of the laws and statutes pertaining to petition circulators," she said.

The controversy over whether Mr. Conyers would have enough signatures centered largely on whether two individuals were registered to vote when they circulated petitions.

But in the ruling, Mr. Conyers lost far more signatures from circulators who were registered to vote, but had moved from the addresses where they were registered.

In fact, some 590 signatures – more than enough signatures to have qualified Mr. Conyers for the ballot – that were stricken were collected by two people who were registered to vote, but who had since moved from those locations.

In a statement last week, John Pirich, Mr. Conyers' attorney, said a "tedious" review of the signatures not permitted would be undertaken.

If Mr. Conyers is kept off the ballot, and he does not run a successful write-in campaign, he will be the fifth member of the Michigan U.S. House delegation not returned to Congress next year. He will also be the second longest serving not returned.

U.S. Rep. John Dingell (D-Dearborn), the longest serving House member in history, announced earlier this year he was retiring. Also retiring are U.S. Rep. Dave Camp (R-Midland) and U.S. Rep. Mike Rogers (R-Brighton). U.S. Rep. Gary Peters is stepping aside to run for the U.S. Senate seat now held by retiring member U.S. Sen. Carl Levin (D-Detroit).

## **Poll: Voters Favor Proposed \$350M For Detroit**

A plurality of Michigan voters living outside of Detroit support Governor Rick Snyder's proposal to provide bankrupt Detroit with \$350 million in state funding over 20 years, and a majority of voters say the 20-year plan is better than a lump sum payment, according to a poll released Tuesday.

In a statewide poll conducted by live telephone interviews from May 3-5 of 600 likely voters – in which Detroit residents were not polled – 49 percent said they back state financial assistance for Detroit while 34 percent said they oppose Mr. Snyder's plan.

Detroit Emergency Manager Kevyn Orr was in Lansing on Tuesday to encourage the approval of the Grand Bargain, which includes annual installments of \$17.5 million a year, or \$350 million over 20 years from the state. One alternative, which the House Republicans appear to prefer, involves a single up-front payment of \$194.8 million from the state's Budget Stabilization Fund.

In the poll, 53 percent favored \$350 million over 20 years rather than the immediate \$194.8 million payment, which only 23 percent favored.

In assigning blame for Detroit's financial crisis, a plurality of respondents, 32 percent, said poor or corrupt leadership was the single most important cause.

When asked if Detroit being financially viable was important to the economic and financial health of Michigan as a whole, 79 percent of respondents indicated it was essential or very important.

But 44 percent of participants said the city is still on the "wrong track." Only 28 percent said they had a positive impression of Detroit, with 58 percent saying they held a negative impression.

When asked an important reason for a positive impression on Detroit, a plurality, 31 percent, said they thought the city was improving through bankruptcy.

When asked to explain a negative impression of the city, the plurality, 42 percent, cited crime, or a feeling the city is unsafe.



The poll, conducted by the Lansing-based polling firm EPIC/MRA, had a margin of error of plus-or-minus 4 percentage points and was commissioned by the Detroit Journalism Cooperative.

The Detroit Journalism Cooperative is made up of five nonprofit media outlets: The Center for Michigan's Bridge Magazine, Detroit Public Television, Michigan Radio, WDET and New Michigan Media.

## Study Calls For Overhaul Of Sentencing Guidelines

Michigan's sentencing guidelines lack enough specificity, allowing for wildly varying sentences for those committing the same type of crime depending on where they committed the offense, according to a much-anticipated study and set of recommendations unveiled Tuesday.

The Council of State Governments prepared the report at the request of all three branches of state government through the state's Law Revision Commission.

Among the key findings:

- Discrepancies in sentences for the same crime depending on jurisdiction;
- The need to eliminate so-called straddle cell offenses that can result in either jail or prison and instead have each guideline cell carry a presumptive sentence of jail or prison; and
- The need to set a maximum prison sentence at sentencing that does not simply default to the most severe penalty allowed by statute with the differences between minimum and maximum prison sentences narrow enough to provide more predictability about time served.

"This report is a significant step toward establishing criminal justice policies that maximize our state's public safety and reduce costs," said Richard McLellan, chairman of the commission, in a statement. "The commission intends to carefully review these findings and seriously consider feedback from the public on these issues, as well."

The study surveyed judges and found that three of four judges who responded said the sentence a person receives depends on the county in which he or she is convicted, the study said.

"These geographic sentencing distinctions mean that people with comparable criminal histories who are convicted of similar crimes should expect to receive different sentences depending on where they are convicted," the study said. "It also means that people who are victimized under similar circumstances by people with similar criminal histories should expect different outcomes depending on the county where the case is tried."

The study looked at 402 people statewide with a sentencing score that placed them in the same guidelines cell. Comparing what happened in the 10 most populous counties, those convicted in Wayne County were eight times more likely to receive probation than those in Ingham County.

One-third of those convicted in Kent County were sentenced to prison while Kalamazoo, Ottawa, Ingham, Genesee, Macomb and Oakland counties saw no one sentenced to prison.

Even as the study called for more predictability in sentencing guidelines, it still called for judges to retain their power to depart from those guidelines.

The study said almost three-quarters of felony sentences to prison in 2012 received minimum sentences that were 110 percent to 500 percent or more than the lowest possible minimum sentence. And the average length of minimum sentences to prison increased between 2008 and 2012, leading to average sentences to rise 2.7 months.

That increase costs the state \$70 million a year, the study said.

The commission will hold a public hearing June 23 to solicit public feedback on the study and potential policy options.

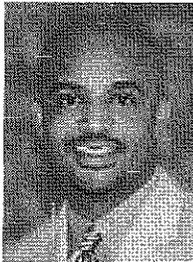
"This has been an inter-branch endeavor from the start," said Rep. Joe Haveman (R-Holland), chair of the House Appropriations Committee and a major backer of the study. "Our state is committed to developing strategies that are based in data and consensus, and this collaboration with the CSG Justice Center has reflected that dedication throughout this process."

## Dems Blast Richardville Minimum Wage Proposal



It was a tale of two philosophies on the minimum wage proposal on Tuesday, where several legislative Democrats and the pro-increase group Raise Michigan called Senate Majority Leader Randy Richardville's recently-introduced bill to scuttle a ballot proposal on the issue "political gamesmanship," but Mr. Richardville maintained that increasing the state's minimum wage by too much would hurt the economy.

"This is really about minimum dignity. This is really about boosting morale," said Sen. Bert Johnson (D-Highland Park), speaking at a press conference blasting Mr. Richardville's (R-Monroe) bill SB 934, which would increase the minimum wage to \$8.15 and \$2.93 for tipped workers as opposed to up to \$10.10 across the board. "Senator Richardville doesn't want the voices of those people heard."



Mr. Richardville's bill would repeal the existing minimum wage law and replace it. The ballot proposal would amend the existing law, so if Mr. Richardville's bill becomes law it would render the proposal moot.

But Mr. Richardville, speaking after session on Tuesday, maintained that the language in the potential ballot proposal by Raise Michigan caused "severe problems to certain segments of the economy," citing restaurants, the tourism industry, young people and seniors with a part-time job or earning constraints.

"Job providers and small businesses have so much money that they could pay their employees," he said. "If you increase the pay to each employee, you reduce the number of employees that they can pay. What you're going to do is spiral this economy backwards again into longer unemployment lines."



But others at the press conference argued just the opposite, that when the cost of living is taken into account (and for young people, the cost of student loans), fewer people would need to rely on the state or federal government for assistance because of an increased income.

"People who work full time making \$7.40 an hour live in poverty, that's fact," said Rep. Jon Switalski (D-Warren), who was also at the press conference. "Increasing it to \$8.15 forces a family to remain living in poverty. This doesn't fix the problem. It is not a solution."

Sen. Bert Johnson and Senate Minority Leader Gretchen Whitmer

Mr. Switalski said if Republicans really wanted to debate the minimum wage, there are any number of bills in either the House or Senate that would serve as "well-delivered vehicles" to do so. But the real issue, he said, is whether Republicans are getting their way.

"If public opinion is going against Republicans' way, if the demographics go against your way, then change the rules," he charged.

And Mr. Johnson, alongside Senate Minority Leader Gretchen Whitmer (D-East Lansing), agreed.

"Senate Republicans are trying to circumvent the process in the middle of the game," Mr. Johnson said.

And that is nothing new, Ms. Whitmer said. "We see this kind of political gamesmanship, and it's showing such a tone deafness of my Republican colleagues" to the will of the people, she said.

To that criticism, Mr. Richardville later responded, "I don't have anything to say to that. When you're elected to the majority, you're elected to govern. You have to make hard decisions. It's easy to stand on the side and criticize. This is about making sure ... our economy in Michigan is strong. And people from outside of Michigan aren't going to tell us how to run our business."

Members from the group Raise Michigan, which is collecting signatures to ask voters to support or oppose a proposal that would gradually raise the minimum wage to \$10.10 an hour, said the proposal by Mr. Richardville was hurtful.

"It lets us know that our voice is being taken away from us," said Donyetta Hill, a Detroit resident collecting signatures.

The bill is not designated to a particular committee to be publicly discussed as Mr. Richardville said he would like to see, and on Tuesday he said he is still weighing options. He said he will talk with Ms. Whitmer to see if she has some ideas as well.

Still, Mr. Richardville said he would like to see the bill pass within the next two weeks.



"When the people are ready to put a vote up in this chamber, we'll put it up," he said.

The administration of Governor Rick Snyder remained open-ended about their position on the bill (though Mr. Richardville suggested that his conversation was "positively received").

Snyder spokesperson Sara Wurfel said Mr. Snyder is "open to having a discussion" about Mr. Richardville's bill though he had not yet read it.

**HOUSE ALSO INTRODUCES MINIMUM WAGE INCREASE:** Rep. Margaret O'Brien (R-Portage) introduced a bill on Tuesday that would increase the minimum wage to \$8.15 per hour and \$2.75 for tipped workers.

Ms. O'Brien's bill also would stipulate that minors younger than 21 would still have minimum wage set at \$7.40 per hour.

"Increasing the minimum wage in a responsible way is a first step towards providing more opportunities for Michigan's families and youth," she said in a statement. "Michigan has seen economic recovery, but while families in my district and around the state are still struggling to make ends meet, I believe this will help families in a small way without putting people out of work and hurting working families. It is also critical we invest in better job training opportunities and remove barriers to education so our students are equipped for high-wage jobs."

The bill will not officially be introduced and read a first time until Wednesday.

Ari Adler, spokesperson for House Speaker Jase Bolger (R-Marshall), said Mr. Bolger still has concerns about the minimum wage proposals being presented.

He said workers may find they are making zero dollars per hour because they lost their job after the state made "things more expensive for job providers."

"In addition, the speaker remains convinced that the ballot initiative to raise the minimum wage is driven primarily by politics," Mr. Adler said. "The Democrats want something to draw people to the polls since they don't have a gubernatorial candidate that their folks can get excited about. As for Majority Leader Richardville's proposal, we can't vote on a hypothetical, so we'd have to see what the bill actually looks like if or when it passes the Senate and is sent over to us."

## Raise Michigan 'Has Enough Signatures' To Qualify, Member Says

Danielle Atkinson, executive director of Mothering Justice and a member of the Raise Michigan coalition pushing for a November ballot proposal to increase the minimum wage, said Tuesday that the group currently has enough signatures to qualify and is in the process of finding extras.

Although she would not say exactly how many signatures the group has, she said it was in the range of 200,000 and 250,000 that they plan to turn in near the filing deadline.

The announcement came at a press conference (see separate story) blasting a recently introduced bill by Senate Majority Leader Randy Richardville (R-Monroe) that would repeal the current minimum wage law and replace it with a new one. If that bill is passed and signed by Governor Rick Snyder, it would effectively negate the group's proposal as it currently stands.

Still, the group plans to press on, she said.

"We don't think it's morally right to stop the initiative at this point," she said, adding that the group also has alternative plans if SB 934 passes. She would not detail those plans yet.

"Right now we are still trying to see all our options," Ms. Atkinson said.

As to the question of whether the group would consider trying to bargain with Mr. Richardville and others about the rate at which that bill is set, Ms. Atkinson said Raise Michigan does not view the bill as a bargaining tool at all.

"They are definitely making a statement here," she said.

But the group's options appear limited. The potential exists that the group turns in its signatures and, if valid, presents it to the Legislature to agree or counter with. But Mr. Richardville said Tuesday after session that he prefers a "proactive" approach such as that in his legislation.



"People didn't send us up here to say let's wait and see what happens this summer. Instead, I'm ready to take it on now," Mr. Richardville said. "We can put the whole thing to bed."

Rep. Vicki Barnett (D-Farmington Hills) noted during the press conference that there must be a two-thirds affirmative vote in both chambers for the bill to have immediate effect.

"So there is always hope that Republicans in the state House would live by the rules," she said.

Of course, the practice in the House for years, under the control of both parties, is to use a fast-gavel to approve immediate effect on a voice vote and avoid the need for a record roll call vote.

## Senate Passes Compounding Pharmacy Bills

The Senate gave the green light on Tuesday to a pair of bills that would strengthen oversight of compounding pharmacies such as the now-defunct New England Compounding Center that allegedly distributed tainted steroid injections that caused a meningitis outbreak.

Michigan was the hardest hit by the multi-state outbreak, with 264 infections and 22 deaths, according to the U.S. Centers for Disease Control and Prevention and the Michigan Department of Community Health.

"This tragedy ... could have been deterred with higher standards and requirements in place for compounding pharmacies," Attorney General Bill Schuette said in a statement applauding the unanimous passage of SB 704 and SB 904 in the Senate Tuesday. "We owe it to these victims to put policies in place ensuring that a disaster of this magnitude does not strike twice. This legislation will hold every compounding pharmacy operating in the state of Michigan responsible for the drugs they distribute and ensure pharmacists put patient safety first."

Patients in clinics in Genesee, Livingston, Macomb and Grand Traverse counties were among those who had received tainted steroids.

The first of the two bills requires all pharmacies, manufacturers and wholesale distributors to designate a so-called "pharmacist in charge" to essentially be the point-person for communication between each facility. The bill has various credentialing and criminal history checks as well.

Then, SB 904 provides sentencing guidelines for felonies created under the new regulations applicable to compounding pharmacies and violations of those regulations.

## House Panel Considers Natural Gas Infrastructure Expansion Bills

Bills that would allow natural gas providers to gain the infrastructure necessary to serve underserved areas and increase fines in the event that pipelines are not expanded safely had their first hearing in the House Energy and Technology Committee on Tuesday.

HB 5555, sponsored by committee chair Rep. Aric Nesbitt (R-Lawton), would permit a natural gas utility to file an Infrastructure Expansion Investment Plan with the Public Service Commission to build infrastructure to the underserved or unserved areas.

The plan would have to include a one-year projection of infrastructure expansion investments; a proposed recovery mechanism providing the recovery of revenue utilities are allowed to recover; expected costs and benefits; and a projection of investment to support the expansion for up to five years.

The bill also would require the PSC to hold a contested hearing to evaluate the prudence of the plan within 180 days after the utility files. The commission would then issue an order to approve, disapprove or amend the utility's plan.

If a plan were approved by the PSC, the utility would then be required to annually file a reconciliation of its infrastructure expansion.

"Natural gas can save the average household up to \$1,500 a year in energy costs because its abundance makes it 40 percent to 60 percent less costly than other fuels," Mr. Nesbitt said in a statement. "This trend of lower natural gas prices is expected to continue for the next two decades. This legislation will allow our rural communities to take advantage of this cleaner, reliable form of energy, while serving as a valuable resource to our farmers and hard-working families."



HB 5556, sponsored by Rep. Jim Townsend (D-Royal Oak), would increase fines levied on those who violate rules when developing new infrastructure.

Mr. Townsend said the fines would be more in line with federal standards under the bill. The minimum fine would be increased from \$10,000 to \$20,000 per day and the maximum fine would increase from \$500,000 to \$800,000.

HB 5557, sponsored by Mr. Nesbitt, would prohibit the PSC from allowing a natural gas utility to recover charges through incurred through fines from rates that it charges its customers.

Mr. Townsend said his bill also requires an annual meeting between local safety officials and county safety officials to discuss infrastructure expansion and map out where current infrastructure and gas lines are in communities.

"This is a great beginning to responding to an issue that could come to a community near you," Mr. Nesbitt said.

Both DTE Energy and Consumer's Energy testified in support of the package.

Daniel Brudzynski, vice president of gas sales and supply with DTE Energy, said one in five consumers are not using natural gas. Mr. Brudzynski said with one-fifth of those customers (about 190,000 residents), it is physically and financially feasible to switch.

"The need for greater access to natural gas is not concentrated to one area," he said. "It affects families and businesses across the state. The legislation's promise has the potential to be shared across Michigan. DTE has identified several potential projects that could be served with the adoption of this legislation."

## Ed Board Hears Foundation Grant Should Be Increased

As the State Board of Education continues its discussions on school funding, it heard Tuesday that there is room for more funding for schools, and more of that available funding should be put to the state's foundation grant.

At a minimum, simply changing how funds are allocated could substantially increase the foundation allowance, Gary Naeyaert, executive director of the Great Lakes Education Project, told the board.

And Steven Norton, executive director of Michigan Parents for Schools, said the state is backward in how it approaches school funding. The state should focus on outcomes instead of on how much money there is available.

Mr. Naeyaert said the key in school funding is equity, and he said there is currently too much difference between funds provided to various districts with no apparent rationale for those differences.

He noted that within Ingham County foundation allowances ranged from \$7,076 in Mason to \$8,049 in Okemos.

"These kids could live within a 9 iron (shot) of each other," he said.

Mr. Naeyaert said there has been an effort to close the funding gap. The difference between the basic grant and the minimum grant is \$945 for the proposed 2014-15 budget compared to a difference of \$2,300 in 1994-95. "If we continue at this aggressive pace, by 2021, we will have achieved the promise of Proposal A and eliminated that gap," he said.

By wrapping half of the current categorical funding for schools into the foundation grant, he said, the foundation grant could be increased to \$8,250. At that level all but 5 percent of students, those in the hold-harmless school districts that receive local funding beyond the foundation grant, would qualify for that grant, he said.

The \$4.6 billion left for categoricals would provide up to \$6,000 additional per student, assuming half the students qualified for at-risk or special education programs, he said.

Former House Fiscal Agency Director Mitch Bean, speaking for a coalition of school interests, said there was room to increase taxes and spend more on education.

Presenting a report unveiled last week (See [Gongwer Report, May 7, 2014](#)), Mr. Bean said the state has hurt its economy by cutting spending on education and other programs.

"It came as no surprise to me that the cumulative effect of tax changes since Proposal A was a reduction in revenue of \$51 billion," Mr. Bean said. "It also came as no surprise that state tax cuts had no significant effects on state economy."



Mr. Bean said the state would actually be better off increasing taxes and increasing funding to some of its programs. "An advanced economy cannot prosper without infrastructure, without an educated workforce, without public safety," he said. "Tax cuts reduce the service necessary for a prosperous economy."

And Mr. Norton said the state has put funding, rather than outcomes, at the head of its budgeting process.

"Since 1994, Michigan's done its education funding inside out. We decided the bucket of money ... Then provided the services we could afford," he said. "We should decide what we want our schools to achieve and then make sure they have the resources they need."

The state has also held education spending increases below inflation, he said. "K-12 education has lagged the economy in both good times and bad," he said.

Mr. Norton also warned against carrying the education marketplace idea too far.

"Public education has a public purpose," he said. "That's why all citizens are asked to vote on public schools, not just those who currently have children."

Elizabeth Lykins, a board member for Michigan Parents for Schools, also warned against pushing too hard to consolidate districts. "We do have a large number of school districts," she said. "There's a reason for that and there's a history to that. ... Maybe some of those reasons don't exist anymore."

But she said there are also studies that show districts with more than 3,000 students are not as responsive to student needs.

Steve Cook, president of the Michigan Education Association, said there are 45 other states that dedicate a larger portion of their state and local funds to education.

He said MEA had opposed Proposal A when it was working through the process. "Mainly we found letting politics decide how much we fund public schools was a profound mistake," he said.

The state also needs to be more careful how it spends its funds. "There's simply too many people and private corporations making too much money off the public school system with little to show for it," he said.

Mr. Cook particularly struck against for-profit charter school operators. "Every credible piece of data shows that charter schools are no better than traditional public schools," he said.

He said the state needed to be sure the charter schools, particularly the online-only schools, are held to the same standards as traditional schools.

**SCHOOL REFORM:** As the Legislature continues to debate what to do with the bottom 5 percent of schools, the person overseeing those schools will be changing soon.

Deborah Clemmons, the school reform/redesign officer, is retiring, Superintendent of Public Instruction Mike Flanagan announced Tuesday.

Mr. Flanagan said those low achieving schools are improving. "That had a lot to do with Deb's leadership," he said.

Lindy Buch, director of the Office of Early Childhood Education and Family Services, is also retiring, Mr. Flanagan said. "She's really a national pioneer in many respects," he said. "Now everyone's on board with early childhood, but it wasn't always that way."

And Kyle Guerrant, former director of the Office of School Support Services, was promoted to a deputy director.

**DISSECTION:** The board approved a policy Tuesday that would encourage school districts to offer students alternatives to dissections.

"It recognizes the fact there are students in the state who might have a moral objection of dissecting what used to be live animals," Ms. Ulbrich said.

The board would encourage districts to offer alternative methods for students to show they know anatomy.

The resolution also notes that some alternatives to dissection are less expensive and potentially more effective.



**SUSPENSION:** The board also gave final approval to its new policy encouraging schools to reduce the use of suspension and expulsion.

"Administered well and appropriately, positive discipline can become a powerful tool for teaching students to succeed. The SBE strongly urges Michigan school districts to review existing zero tolerance policies, reserving exclusion for only the most serious offenses, and to adopt practices that allow educators to address disciplinary matters as opportunities for learning," the policy says.

## College Definition Changing In Push For Post-Secondary Degrees

The Michigan College Access Network and the Department of Education are working to see that 60 percent of all residents with college completion by 2025, but achieving that goal will depend in part on shifting what "college" means.

"We do mean that college is for everyone, but college doesn't mean the same thing for everyone," Deputy Superintendent Venessa Keesler said in a presentation to the State Board of Education.

Brandy Johnson, executive director of the MCAN, said the shift is intended to follow the needs of the economy.

"Everyone needs another piece of paper beyond high school," Ms. Johnson said. "This is our goal to help more Michigan students achieve higher."

But she said that does not have to mean a four-year degree. "We are not the Michigan University Access Program," she said. "It's not realistic or desirable for all students to receive a bachelor's degree or beyond. It is desirable for all students to achieve something beyond high school."

She said even a program such as a welding skills program would count as college under MCAN's definition.

Ms. Keesler said an apprenticeship would also qualify as college under the definition, but she said there were no plans in the department at this point to develop standards or oversight for those programs.

"What we'd like to do at this point is support apprenticeships, but not centralize apprenticeships here at the department," she said.

A key effort in that goal is improving student advising, Ms. Johnson said. "Students need better advising and guidance in terms of identifying a career goal, mapping that to course of study, then mapping that to a college," she said.

While she said the preference would be to increase the number of school counselors, she said adding college counselors, mostly new college graduates trained to help students apply for college and financial aid, would help.

Ms. Keesler said efforts from the state could help.

"It's an average of 650-1, but what does it look like in our most needy schools?" she said of the student-counselor ratio.

The MCAN offers training for school counselors on helping students with college preparation, and Ms. Johnson said those programs have so far filled shortly after they are announced.

The state also needs to expand dual enrollment options, Ms. Keesler said. She noted that 23 community colleges, four public universities and three private colleges are participating in early middle college programs, which allow high school students to earn college credits during high school.

She said the state is working to get all 28 community colleges involved, and to be sure there is an adequate geographic spread of the programs. "We know there might be holes in the state where you couldn't do this even if you might want to," she said.

Getting more universities involved is more complicated because of the tuition costs, she said.

But some of the effort is simply encouraging students to consider college. "If students are never told they're able to go to college ... they won't," Ms. Johnsons said.

Ms. Keesler noted that many students are not even sending their test scores to colleges or universities to be considered for admission.



Ms. Johnson said restoring the Michigan Promise Scholarship would also make a substantial dent in moving more students on to post-secondary education.

“Elimination of Michigan Promise Scholarship ... was devastating to students,” she said. “Many low-income students have priced themselves out of higher education.”

She said the state did not necessarily have to return to paying for two years of school. “Even if it was just a small amount of money that was symbolic,” she said. “That symbolism that we think you are college material, that everyone is college material, would be game changing for students.”

**TEACHER PREPARATION:** Robert Miller College, located on the Kellogg Community College campus and providing several bachelor’s degrees, is now a fully-certified teacher preparation institution as well. The College for Creative Studies in Detroit moved to a probationary institution, meaning it does not operate under the oversight of another institution, but it does have closer scrutiny from the Department of Education.

**GREAT START:** At the other end of the education spectrum officials announced Tuesday that, beginning in the fall, early childhood programs will see reimbursement based on their quality rankings.

The Great Start to Quality ranking system, in its current form, launched in June 2013.

As of May 1, there were 10,246 early childhood programs in the state. Of those, 1,417 rated at least three stars under the ranking system, Lisa Brewer Walraven, director of child development and care in the department, said.

On a sliding scale, those higher-rated programs would see additional funds for those children eligible for state subsidies.

To questions from the board, Ms. Walraven said there were not additional subsidies for children with special needs, but the state’s search system does allow parents of those children to provide programs offering those services.

**SCIENCE STANDARDS:** Science scores have not been moving up substantially in recent years, officials said Tuesday in unveiling some new goals for science instruction.

The scores have hovered at or below 25 percent proficient for 5<sup>th</sup> grade, 8<sup>th</sup> grade and 11<sup>th</sup> grade since the 2009-10 school year.

“We would like to get to 85 percent. We would like to get there by 2022,” Linda Forward, director of the Office of Educational Improvement and Innovation, said.

Part of the effort, said Stephen Best, assistant director of the office, is to help science teachers move away from the “canned experiments” to broader explorations that teach students the true process.

## **Board Targets March 2015 For New Superintendent**

With Superintendent of Public Instruction Mike Flanagan planning to retire in a year, the State Board of Education set a schedule Tuesday that would have his replacement selected in March 2015.

The schedule was adopted nearly unanimously – board Vice President Cassandra Ulbrich (D-Rochester Hills) abstained – despite board members being split whether the current board or the incoming board select the new superintendent.

The plan as approved calls for public comment on the job description and requirements for the next superintendent through September, with the official search beginning in October. The goal would be to name the pool of finalists in January and conduct interviews in February.

The schedule was a compromise between those who argued for the current board selecting the new superintendent and those wanting to leave the entire screening process to the new board, President John Austin (D-Ann Arbor) said. But he also said the plan was a guide and would be adjusted based on the board’s comfort with the process at any given point.

Ms. Ulbrich and Dan Varner (D-Detroit) are up for election in November, and Mr. Varner announced Tuesday he would not be seeking re-election.

“I was hoping we would reach a decision by the end of the year while Dan and Cassandra would still be on the board,” board member Kathleen Straus (D-Detroit) said.



Board member Eileen Weiser (R-Ann Arbor) said she also had originally preferred having the current board select Mr. Flanagan's replacement, but is now leaning toward having the new board do all screening of the candidates.

"Having the pool picked ahead of time doesn't give them any choice," Ms. Weiser said. "It's the board the next two years, four years, six years that has to work with that person."

She argued the new board would likely reject the pool and select its own anyway.

Board member Richard Zeile (R-Detroit) said it would be incumbent on the board to try to select candidates who would be acceptable to incoming board members. "It's the responsibility of every representative body to come up with policies or recommendations that the larger body will accept," he said, adding the new board, if it disagrees with the decisions, could make different ones.

Board members also raised concerns about the time it would take for new board members to get up to speed on both the superintendent search and the board's regular functions.

Mr. Austin said his intention is to include any new board members in the process as soon as they are elected and to keep Mr. Varner, and Ms. Ulbrich should she not be re-elected, involved in the process after the first of the year to provide some continuity to the process.

Mr. Flanagan said he would not be directly involved in the search process, but said there is some misunderstanding in the field what the job entails. "A lot of people thought this was a symbolic job," he said. "It's a full-time job running the department alone without the outside stuff."

And he said even after his retirement, he would still be involved. "I only live a few minutes away," he said. "I'm going to be here for public participation."

Mr. Varner said after the meeting there was no one thing that led to his decision not to run, but rather a convergence of different work and life needs and education policy goals.

## **Healthy Michigan Enrollment Tops 237,000**

More than 237,000 people have signed up for health-care coverage under the state's expanded Medicaid eligibility in the first six weeks of the program, officials have indicated.

According to the Healthy Michigan webpage, as of late Monday, there were 237,329 persons signed up for the program. Healthy Michigan is the name of the expanded Medicaid program.

On May 1, the one month anniversary of the opening of enrollment to the program, the state showed that 158,654 people had signed up for the program, meaning that in fewer than two weeks nearly 80,000 more people have signed up.

The total also means the program has attracted close to the 270,000 people in Michigan who signed up for health insurance on the federal exchange under the Affordable Care Act.

Also, the number is more than the 225,000 people in Michigan critics of the ACA said lost their coverage because of required changes in the act.

And it means that the state is now fewer than 100,000 people short of the expected 320,000 people it expected would sign up for coverage during this year. The state anticipates about 470,000 people total will sign up for the program.

## **Family Participation Program For Prisons Unveiled**

Members of a prisoner advocacy group spoke Tuesday about the importance of family visits during a prisoner's incarceration as part of the unveiling of a new Family Participation Program to educate inmates' families.

Lois DeMott, co-founder of the Lansing-based Citizens for Prison Reform, said when her son was sent to the adult prison system at age 15, there was no real assistance available to her from his correctional facility, she said.

"It was very stressful," Ms. DeMott said. "And I soon saw other families who had no voice."



Ms. DeMott is resigning this month from the prison reform group to launch the Family Participation Program, which will be piloted in the Macomb Correctional Facility in Lenox, the Earnest C. Brooks Correctional Facility near Muskegon and a third facility funded by a private grant, which will be announced Wednesday.

The Michigan Council on Crime and Delinquency is hosting the program. The program is not state-funded, but wardens at the pilot prisons are working to establish new family liaison positions, said Russ Marlan, spokesperson for the Department of Corrections.

"We didn't have the funding for the position, but (Ms. DeMott) asked for a letter (of) support from us, and then she went out and found some grant money to start the program," Mr. Marlan said.

"Our early goals will be setting up posters in prison waiting rooms and making information available for prisoners to send to their families," Ms. DeMott said. "We'll also be helping families through workshops and presentations."

Mr. Marlan said the Department of Corrections is supportive of Ms. DeMott's program, knowing prisons receive a number of phone calls daily from family members all asking the same questions.

"It's also frustrating to our staff," he said. "With one family liaison position, it allows information to flow from our department to family members, to flow through a single point of contact."

Rep. Martin Howrylak (R-Troy), a supporter of Citizens for Prison Reform, said he had an uncle who was incarcerated and that visits are essential for both prisoners and their loved ones.

"It leaves an indelible mark on children, especially if you can't visit them. If...your loved one is (imprisoned) in the Upper Peninsula and you live in Ypsilanti," Mr. Howrylak said.

The Department of Corrections has found only 12 percent of prisoners receive visits, said Sandra Girard, the organization's vice president. And sometimes visits are taken away as punishment.

"If all this punishment was solving the problem, we'd be the safest jurisdiction on this green earth," Mr. Howrylak said. "This is a major policy area needing attention."

For former prisoner Darryl Alexander, family support helped aid his transition back to society.

"Michigan has a high (prison) re-entry rate. The system is broken," Mr. Alexander said. "It also means they don't have access to the right support systems in or out of prison."

## **PSC Approves Pilot By Consumers Energy Allowing Customers To Choose Bill Due Dates**

The Public Service Commission on Tuesday approved a request by Consumers Energy to implement a voluntary pilot program that allows certain residential and non-residential electric and gas customers to select their monthly due date for energy bills beginning this month.

The utility proposed to begin the program with a testing phase assessing the program's functionality on a smaller number of its employees who are also Consumers Energy customers. After the two-month testing period, it will open the program to full implementation with other eligible customers, the PSC said (Case [U-17597](#)).

To participate in the program, customers must have an advanced metering infrastructure meter installed at their residence or business, with remote-read capability for all Consumers services, including natural gas and electricity, where a customer receives both services from the utility.

The order by the commission approving the utility's request waives certain billing rules to implement the program for 12 months.

**NORTHERN STATES POWER COMPANY INCREASES:** The PSC approved a settlement authorizing Northern States Power Company to increase its natural gas rates by a net \$364,618 in a two-step phase-in. The first phase will be effective July 1 and the second July 1, 2015.

A residential customer using 100 therms of gas a month will see an increase of \$1.80 on their monthly bill as a result of phase one rates; an additional increase of \$2.44 on their monthly bill will take place as a result of phase two rates (Case [U-17488](#)).



**DETROIT UTILITY TRANSFERS:** The PSC on Tuesday approved a transitional reconciliation mechanism and retail electric tariffs associated with the expansion of DTE Electric Company's system, the transfer of the City of Detroit Public Lighting Department's customers to DTE Electric's service, and more.

The utility was directed to file final transitional tariff sheets at least 30 days before the customer conversion date, but the order does not pre-approve any costs. All costs associated with the mechanism will be reviewed, the first of which will be on March 31 following the calendar year that the customer conversion date occurs and annually thereafter until the transition is completed.

Tuesday's order also notes the Commission will be monitoring the progress of the conversion, the PSC said in a statement (Case [U-17437](#)).

**ELECTRIC VEHICLE CHARGES:** The Public Service Commission on Tuesday approved a request by DTE Electric Company to expand its participation limit of an electricity plan for customers with an electric vehicle so that their electricity rate varies with the time of day the service is provided.

The limit was expanded to 5,000 customers from 2,500 customers and is known as an experimental electric vehicle tariff.

"Interest in electric vehicles continues to grow in Michigan," said PSC Chair John Quackenbush in a statement on the request (Case [U-16406](#)). "As a result of today's order, more DTE Electric customers will be able to benefit from a time-of-use rate when charging their electric vehicle."

DTE said some 2,400 customers have chosen the now-expanded option, while their other option charging a monthly flat rate of \$40 per vehicle is fully subscribed at 250 customers.

**PRESQUE ISLE POWER PLANT:** The commission also directed Wisconsin Electric Power Company to file additional documentation by June 2 to "show cause" as to why the company failed to comply with commission's order requiring regulated electric utilities to file assessments of their ability to meet customers' electric requirements for 2014 through 2016.

The utility filed comments at the end of March, the PSC said in a statement, but in mid-April the PSC staff "expressed concern" that the utility didn't file information that provides that "the Michigan customers will continue to be provided with reliable service to address the utility's current plans to meet the upcoming environmental requirements or plans to add additional generation support that will be required if the requirements are not met."

Part of the information needing to be filed by WEPCo is any plans to retrofit the Presque Isle Power Plant to meet upcoming emission standards under the federal Mercury and Air Toxics Standards rules, or if the utility will instead add generation to provide adequate reliability.

"Regarding plans to retrofit the (Presque Isle), the Commission directs WEPCo to include details regarding the type of technology for the retrofit, the estimated cost, the timing to start and complete the retrofit, an outline of test plans to evaluate the effectiveness of the retrofit at meeting the standards, as well as contingent plans, should testing prove to be unsuccessful," the PSC said in a statement on the matter (Case [U-17523](#)).

## Capital Notebook

**CASINO REVENUES:** The three Detroit casinos saw their revenue fall in April, the Gaming Control Board announced Tuesday.

All three casinos saw revenues decline from last month, with a 10.1 decrease in revenue overall.

When compared to April 2013, Greektown Casino saw the largest drop, 13.6 percent to \$27.1 million. MGM Casino was down 4.1 percent to \$47 million, and MotorCity Casino saw its revenue decrease 3.8 percent to \$38.2 million.

## Appointments by the Governor

**MICHIGAN HISTORICAL COMMISSION:** Jack Dempsey of Plymouth is reappointed for a term expiring May 21, 2018. His appointment is subject to the advice and consent of the Senate.

**MICHIGAN STRATEGIC FUND:** Paul Anderson of Perry succeeds William Howard Morris, who resigned, for a term expiring at the pleasure of the governor. His appointment is not subject to the advice and consent of the Senate.



**MICHIGAN WHEAT PROMOTION COMMITTEE:** Sally McConnachie of Deckerville succeeds Scott Huessner representing District 5, and Carl Sparks of Cassopolis and David Milligan of Cass City are reappointed. Their appointments are for terms expiring May 31, 2017, and are subject to the advice and consent of the Senate.

## Supplemental Notice Of Legislative Committees

**Wednesday, May 14**

House Agriculture (*Committee Record*), (Chr. Daley, 373-8538), Room 307, House Office Building, 9 a.m.

HB 5439 **HEMP** (Daley) Authorizes research on industrial hemp.

HB 5440 **MARIJUANA** (Pettalia) Revises definition of marihuana to exclude industrial hemp grown or cultivated for research.

House Detroit's Recovery and Michigan's Future, (Chr. Walsh, 373-2002), Room 353, Capitol Building, 11:30 a.m.

- Detroit Chamber of Commerce: CEO Sandy Baruah Business Leaders of Michigan: CEO Doug Rothwell Michigan AFSCME: Director Nick Ciaramitaro Retired Detroit Police and Firefighters Association: George Orzech, chair, Board of Trustees, and Sean Neary, member, Board of Trustees.

HB 5566 **DETROIT OVERSIGHT** (Walsh) Creates an oversight commission for Detroit finances.

HB 5567 **DETROIT OVERSIGHT** (Kivela) Requires four-year financial plan for a city of more than 600,000.

HB 5568 **DETROIT OVERSIGHT** (Haines) Provides for base pay calculation for pension benefits in a defined benefit plan in a city of 600,000 or more.

HB 5569 **DETROIT OVERSIGHT** (LaFontaine) Modifies the op-out for public employee contribution to employer-provider health care benefits.

HB 5570 **DETROIT PENSIONS** (Yonker) Provides for oversight of Detroit city employee pensions.

HB 5571 **DETROIT INSTITUTE OF ARTS** (Goike) Removes Detroit Institute of Arts taxation authority.

HB 5572 **BUDGET STABILIZATION FUND** (Olumba) Modifies distributions from Budget Stabilization Fund.

HB 5573 **MICHIGAN TRUST FUND** (Tinsley-Talabi) Allows for allocation of certain Michigan Trust Fund revenues to Budget Stabilization Fund.

HB 5574 **BUDGET STABILIZATION FUND** (Stallworth III) Provides for certain distributions from Budget Stabilization Fund.

HB 5575 **SETTLEMENT ADMINISTRATION** (Durhal) Creates Michigan Settlement Administration Authority.

HB 5576 **DETROIT SETTLEMENT** (Haveman) Makes certain local government arbitration awards subject to the Oversight Commission Act.

~~Canceled: House Financial Services (*Committee Record*), (Chr. Callton, 373-1260), Room 326, House Office Building, 12 p.m.~~

SB 664 **DEBT MANAGEMENT ACT** (Kowall, M.) Make general revisions to debt management act.

Senate Education, (Chr. Pavlov, 373-5314), Senate Hearing Room, Boji Tower, 12 p.m.



- SB 745** **CONCURRENT ENROLLMENT** (Booher) Encourage and provide procedures for concurrent enrollment arrangements among school districts and institutions of higher education.
- SB 746** **CONCURRENT ENROLLMENT** (Booher) Encourage and provide procedures for community college concurrent enrollment arrangements with school districts.
- SB 747** **CONCURRENT ENROLLMENT** (Hansen) Encourage and provide procedures for state universities' concurrent enrollment arrangements with school districts.

Senate Economic Development, (Chr. Kowall, M., 373-5323), Room 110, Farnum Building, 1:30 p.m.

- SB 623** **NONPROFIT CORPORATIONS** (Kowall, M.) Make general revisions to the nonprofit corporation act.
- SB 624** **CHARITABLE ORGANIZATIONS** (Jones) Provide for general revisions in act relating to dissolution of domestic charitable purpose corporations.
- SB 929** **BUSINESS MERGERS** (Bieda) Allow mergers and conversions of limited liability companies involving nonprofit corporations.

Senate Families, Seniors and Human Services, (Chr. Emmons, 373-5312), Room 210, Farnum Building, 3 p.m.

- HB 5025** **EXPUNCTION** (Heise) Allows victim of human trafficking to set aside certain prostitution convictions under certain circumstances.
- HB 5239** **HUMAN TRAFFICKING** (Kurtz) Requires Department of Human Services to report suspected child abuse or child neglect involving human trafficking to law enforcement.
- SB 205** **SEX TRAFFICKING** (Emmons) Increase penalties for crime of soliciting sex act from a minor who is 16 years of age.
- SB 206** **PROSTITUTION PENALTIES** (Schuitmaker) Provide sentencing guidelines for crime of soliciting a minor 16 years of age to commit prostitution to reflect increased penalty.
- SB 589** **HUMAN TRAFFICKING PARENTAL RIGHTS** (Caswell) Expand grounds for termination of parental rights to include certain victims of human trafficking.
- SB 602** **SEX OFFENDER REGISTRATION** (Hune) Revise definition of tier II offender on sex offender registration to include crime of soliciting prostitute.
- SR 138** **USDA DECISION ON FRESH WHITE POTATOES** (Schuitmaker) A resolution to urge the President and United States Department of Agriculture to reverse their decision to exclude fresh white potatoes from Women, Infants and Children (WIC) program eligibility.

**Thursday, May 15**

House Local Government (Committee Record), (Chr. Price, 373-1260), Room 307, House Office Building, 10 a.m.

- SB 680** **DOCKS ON PUBLIC ROADS** (Kowall, M.) Prohibit county road commission from exercising county authority to designate use of public road end for purpose of installing a seasonal dock.
- HB 5457** **COUNTIES** (Lane) Modifies number of charter commissioners required for counties with a population over 600,000.
- HB 5560** **GOVERNMENT LEGAL NOTICES** (Price) Revises publication of legal notices and creates the Local Government Public Notice Act. (Testimony only)

House Insurance (Committee Record), (Chr. Lund, 373-8538), Room 519, House Office Building, 10:30 a.m.



- Presentation by the Griffith Insurance Education Foundation

[HB 4926](#) **VEHICLES** ([Callton](#)) Allows access to salvage or scrap certificate of title for insurance companies under certain circumstances.

Senate Regulatory Reform, (Chr. [Rocca](#), 373-5307), Room 210, Farnum Building, 1 p.m.

[HB 4684](#) **AUCTIONEER LICENSE** ([Denby](#)) Revises references to registered auctioneers for snowmobile dealers.

[HB 5220](#) **OCCUPATIONS** ([Kelly](#)) Revises licensure requirements for certain officers of public accounting firms.

House Detroit's Recovery and Michigan's Future, (Chr. [Walsh](#), 373-2002), Room 352, Capitol Building, 1:30 p.m. or after session

[HB 5566](#) **DETROIT OVERSIGHT** ([Walsh](#)) Creates an oversight commission for Detroit finances.

[HB 5567](#) **DETROIT OVERSIGHT** ([Kivela](#)) Requires four-year financial plan for a city of more than 600,000.

[HB 5568](#) **DETROIT OVERSIGHT** ([Haines](#)) Provides for base pay calculation for pension benefits in a defined benefit plan in a city of 600,000 or more.

[HB 5569](#) **DETROIT OVERSIGHT** ([LaFontaine](#)) Modifies the opt-out for public employee contribution to employer-provider health care benefits.

[HB 5570](#) **DETROIT PENSIONS** ([Yonker](#)) Provides for oversight of Detroit city employee pensions.

[HB 5571](#) **DETROIT INSTITUTE OF ARTS** ([Goike](#)) Removes Detroit Institute of Arts taxation authority.

[HB 5572](#) **BUDGET STABILIZATION FUND** ([Olumba](#)) Modifies distributions from Budget Stabilization Fund.

[HB 5573](#) **MICHIGAN TRUST FUND** ([Tinsley-Talabi](#)) Allows for allocation of certain Michigan Trust Fund revenues to Budget Stabilization Fund.

[HB 5574](#) **BUDGET STABILIZATION FUND** ([Stallworth III](#)) Provides for certain distributions from Budget Stabilization Fund.

[HB 5575](#) **SETTLEMENT ADMINISTRATION** ([Durhal](#)) Creates Michigan Settlement Administration Authority.

[HB 5576](#) **DETROIT SETTLEMENT** ([Haveman](#)) Makes certain local government arbitration awards subject to the Oversight Commission Act.

Click the  after a bill number to create a saved search and email alert for that bill.

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## MAC LEGISLATIVE UPDATE

May 9, 2014

### House Sends Transportation Package to Senate

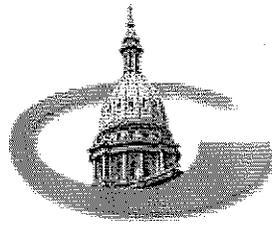
This week the House voted out of committee and off the floor a package of the bills that would increase funding for roads. The 10 bill package would appropriate approximately \$450M toward roads. A description of the package is listed below.

- HB 5492 dedicates 1 % of the 6% use tax collected by the state for transportation funding purposes.
  - HB 5459 dedicates a portion of the state's 6% sales tax on gasoline that went into the general fund will shift to roads.
  - HB 4251 allows townships to require competitive bidding of township funded projects.
  - HB 4630 modifies and expand warranties on road projects and repairs.
    - HB 5167 expands contracts entered into by MDOT and local road agencies to include maintenance and private sector companies. Modifies how local agencies perform state and federal work that exceeds \$100,000. Changes state and local bidding requirements.
  - HB 5452 increases permit fees for overweight trucks to \$500.
- HB 5453 increases fines for overweight/oversize trucks.
- HB 5460 mandates extended warranties on certain projects at the state and local levels.
  - HB 5477 repeals the flat \$.19 tax and replaces it with a 6% tax on the wholesale price.
    - HB 5493 eliminates the flat tax for diesel fuels and replaces it with a 6% tax on the wholesale price.

Listed below are some the amendments and sub's that were adopted.

- HB 5167 amendment revises local reporting requirements that are necessary when they decide that a method other than competitive bidding is in the public interest.
- HB 5477 sub changes the rate calculation from quarterly to annually and establishes a rate cap of no more than 1 cent per gallon upon enactment (the rate is allowed to grow by 5% or the rate of the Construction Cost Index, whichever is less, every year).
- HB 5453 amendment requires that overweight fines for trucks operating on overweight permits must be calculated based on the amount that they were over their permitted weight (not the amount that they were over their normal loading weights).
- HB 5453 amendment limits the new \$500 per axle "misload" fines for loads 4,000 to 8,000 pounds overweight to no more than 3 per vehicle (effectively caps these fines at \$1,500).
- HB 5492 amendment sunsets the dedication use tax dedication after 7 years.

The package now moves on to the Senate where it is expected to see changes that would increase funding level.



**GONGWER** Michigan  
The Capitol Record Since 1906

**Volume #53, Report #90, Article #1--Thursday, May 8, 2014**  
Senate Activity Report | House Activity Report

### House Passes Transportation Funding Bills

House Speaker Jase Bolger said the House passage of bills designed to raise \$450 million annually for the state's crumbling infrastructure on Thursday is a good first step that will get residents driving on better roads.

The vote came as some advocates for those who rely on services provided through the General Fund stepped up their concerns that the package would fix roads at the expense of health care and the poor.

Early last month Mr. Bolger (R-Marshall) announced a plan that would raise \$500 million annually by 2018 without raising taxes is still short of the \$1.2 to \$2 billion Governor Rick Snyder and others say is necessary, but supporters of the package say it's better than continuing to do nothing.



House Speaker  
Jase Bolger

"The complaints that it's not good enough, it doesn't go far enough, it's not perfect enough, have kept the Legislature from acting for too long," Mr. Bolger told reporters after House session. "If this had been done in 1997, we wouldn't be debating a road problem today. Michigan citizens would be driving on smoother roads. So while I welcome other ideas to continue to make this package better, those who say that it wasn't enough ... are missing the point. The point is we need to get about the business of making Michigan's roads better."

Governor Rick Snyder praised the House's action in a statement.

"The House has taken an important and welcomed step in addressing the deteriorating condition of Michigan's roads," Mr. Snyder said. "Modern, well-maintained roads are essential to Michigan's economy and quality of life. Further neglect will only cost taxpayers more in the long run and deter economic investment across the state."

Rep. Marilyn Lane (D-Fraser), minority vice chair of the House Transportation and Infrastructure Committee, said if tackling the state's road funding issue was so easy, "it would have been taken care of a long, long time ago."

"It isn't perfect and we know this," Ms. Lane said on the package of bills. "But bear in mind, it is a good first step that hasn't been taken in a long time. ... We hope that the Senate will partner with us and we will see it back again. We welcome all the changes. "

HB 5167 and HB 4251 modify competitive bidding requirements for the Department of Transportation and local road agencies. The bills passed 108-1 and 92-17, respectively.

HB 4630, which makes some changes to the state's registration fees, passed 90-19. The bill would create a two-tiered tax schedule for pre-1984 vehicles weighing 8,000 pounds or less: \$50.00 for vehicles weighing 4,000 pounds and less, and \$75.00 for vehicles weighing 4,000 pounds to 8,000 pounds. The bill also redirects the \$10 late fee for vehicle registration from the General Fund to the Michigan Transportation Fund.

HB 5452 and HB 5453, which increases fines and permit fees for overweight trucks, passed 98-11 and 104-5, respectively.

HB 5460 concerning replacement warranties on the state's roads passed 109-0

Rep. Wayne Schmidt (R-Traverse City), chair of the Transportation committee, said the package of bills represents a year and a half of work finally coming to summation.

"It's simple, good roads equal good jobs and a strengthened economy," he said.

HB 5477, passed 85-24, would repeal the current fuel taxes and replace them with a 6 percent tax on the wholesale price. HB 5493 eliminates the flat tax on motor carriers, and passed 84-25.

The bulk of the package shifting about \$370 million in some sales and use tax revenues from the General Fund to transportation, HB 5459 and HB 5492, passed with 91-18 votes.

An approved amendment on HB 5492 would put a seven-year sunset on the 1 percent of the use tax being put to roads.

The Michigan League for Public Policy expressed concerns about programs being cut because of shifts in the General Fund.

"The governor's budget proposes an expansion of preschool for 4-year-olds and has offered an increase to the state public universities, which have been severely cut over the past decade. The House plan threatens those and other needed investments," said the group's policy director Karen Holcomb-Merrill in a statement.

But Mr. Bolger said the House has already planned for the General Fund shifts in this year's budget.

"You can see the impact is more money for education, the impact is more money for revenue sharing, the impact is more money for state troopers," he said. "This is about prioritizing the money that our taxpayers already send us."

Americans for Prosperity-Michigan said in a statement that although shifting some sales and use tax revenues to transportation is a good policy, going from a gas tax based on a fixed number of cents per gallon to a percentage of the wholesale price is a tax hike.

"The majority of Michigan drivers probably don't even realize that this package makes annual gas tax hikes automatic. Michigan citizens want the roads fixed, but it's doubtful they support automatic yearly increases in the taxes they pay at the pump," said Scott Hagerstrom, the group's director. "Thankfully, lawmakers steered clear of a massive tax hike, meaning there is still room to advance taxpayer-friendly solutions for

fixing the roads. We will continue to engage citizens in this ongoing conversation and explore pro-taxpayer alternatives with state lawmakers."

However, Mr. Bolger said it's a solid percentage and the group was wrong when they previously said it had no ceiling.

"I think this goes back to 1997. If they had done this in 1997 we would have better roads today and we wouldn't have a road funding shortfall," he said. "I understand their concern but I disagree."

Rich Studley, president of the Michigan Chamber of Commerce, commended Mr. Bolger, Ms. Lane, Mr. Schmidt and House Minority Leader Tim Greimel (D-Auburn Hills) in their leadership to get the plan passed.

"After years of debate, today's passage of a \$450 million House transportation funding plan breaks the legislative log jam on this key economic issue," Mr. Studley said in a statement. "If the Michigan Senate works together in the same spirit of cooperation and determination as the House, a broader and more comprehensive plan to fix the roads and improve public transit can and should be signed into law by the 4th of July."

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**PERSONAL PROPERTY TAX**

# Michigan Association of Counties

An alliance of counties working to enhance county government through advocacy, shared services and education.

## PPT in Detail

Posted on April 3, 2014 by macblog2

By the time this article goes to print the newer version of personal property tax (PPT) reform should be on the governor's desk for his signature. After decades of debate and multiple approaches to eliminate this complicated and cumbersome tax, local governments and businesses alike have agreed on an approach to reform and lessen the tax on small businesses and industrial manufacturing businesses in Michigan and ease the administrative burden for all involved. This reform represents significant tax relief for small businesses and industrial manufacturing businesses, 100% reimbursement to local units and a structural reimbursement method that avoids the unreliable appropriations process.

The first round of reform was signed into law in December 2012 and would have provided reimbursement to local governments at a rate of 80%, with the local option of an essential services tax to increase that level of reimbursement for losses associated with police, fire, ambulance and jail services. Although this was the best offer from the state at the time, local governments, including counties, were not happy with the overall level of reimbursement and the local assessment approach.

So the administration went back to the drawing board and came up with additional funding and a plan to eliminate the local assessment piece. The major components of the new approach include a statewide essential services tax collected by the state, 100% reimbursement to local units, voter approval of a diversion of the state's use tax, and a delayed dynamic reimbursement formula aimed at recognizing the movement of industry throughout the state.

### Reimbursement to local units

Under the new plan, all local units of government will receive 100% reimbursement for losses associated with this reform beginning in 2016. The losses to counties for the small parcel exemptions already enacted will not be reimbursed in 2014 or 2015, but will start once the larger exemptions go into effect in 2016. Expiring business tax credits beginning in 2016 will create available funds in the state's general fund to pay for this reimbursement. These credits, along with the enactment of the State Essential Services Assessment will cover most of the cost of the reimbursement to locals. But even with utilizing all of these funds, the state will still face a shortfall in the general fund of approximately \$126 million in 2022.

### Priority Reimbursements

Because of the deals struck in 2012 and the basic structure of the reimbursement formulas, priority reimbursements for certain losses (static formula) will be taken off the top before the calculations for the dynamic formula go into play. The dynamic formula is explained in detail below.

Priority reimbursements include: small parcel losses (a major benefit to those units with lots of smaller businesses), school debt loss, losses to intermediate school districts, school district losses not reimbursed by increased payments from the School Aid Fund, losses associated with essential services (police, fire, ambulance and jails), and debt loss to tax capture authorities. Once these items in the static formula are paid out, local units will receive 100% reimbursement for the rest of their losses until the dynamic formula kicks in, beginning in 2020.

### Dynamic Formula

Beginning in 2020, and increasing by the same amount each year, 5% of the remaining reimbursement, after the priority reimbursement, will be distributed proportionately based on each local unit's share of the exempt manufacturing personal property. This dynamic formula will recognize a "profit sharing" type scenario that is intended to recognize the movement of industry throughout the state while still providing support for struggling counties that are losing industry. This represents virtually the same situation as if local units were still taxing the property at a local level. If a local unit has a certain amount of personal property in 2013, they may have more or less than that amount in 2025. If we only received reimbursement based on what was on the ground in a local unit in 2013, reimbursement would not be based on loss, but for what existed in one point in time.

### The Ballot and How Counties Can Help

In August 2014, voters will be asked to approve a ballot proposal that would divide up the state's use tax into two different pots of money, the "state share tax" and the "local community stabilization share tax." A certain amount of money will be diverted from the state's general fund to the "Local Community Stabilization Authority" that is charged with reimbursing local units for their losses associated with PPT. This authority will be required to reimburse based on the formulas enacted via this legislative package.

If the bills pass as planned with all of the reimbursement formulas intact, the MAC board has voted to support the ballot proposal in August. The MAC board made this decision in part because the administration found a way to provide a stable and enhanced level of funding reimbursements to counties. In addition, they are well aware of the potential effects of leaving an important and unresolved issue hanging out there during a lame duck session. Anything can happen. During the last lame duck session, we were almost faced with the complete elimination of PPT with no reimbursement plan at all. If the ballot proposal passes in August, all of the reforms and the reimbursement formulas go into effect. If the measure fails at the ballot, then the reforms and reimbursement do not go into effect and we are back at the drawing board. Although it is a complicated ballot question, the intention is simple; divert money from the general fund for the authority to reimburse locals. The general electorate may or may not understand the issue, so it is incumbent upon the supporters of the measure to educate their constituents. Short of a constitutional amendment, this approach is the best alternative we have to an annual appropriations battle.

UPDATE:

#### **Governor Signs PPT bills 3-28-14**

The bills amending the Personal Property Tax (PPT) reform package were signed into law today by Governor Snyder. SB 821 – 830 amend various acts to create a better reimbursement formula for local units of government should the electorate pass the ballot proposal this August. Counties, cities, townships, school districts, law enforcement and the business community were all present for the ceremonial bill signing this afternoon. See previous articles and the monthly newsletter for all the details on the reform or call MAC for more information.





This entry was posted in **Uncategorized** and tagged **county, governor, local government, Michigan, PPT, snyder, tax** by **macblog2**. Bookmark the **permalink** [<http://50.28.62.198/~micounti/blog/?p=766>].



Peter Battani, County Administrator  
 201 West Kalamazoo Avenue • Kalamazoo, Michigan 49007  
 Phone: (269) 384-8111 • Fax: (269) 384-8032

To: Board of Commissioners  
 From: Peter Battani, Administrator/Controller  
 Date: May 5, 2014  
 Re: Child Care Fund

#### Introduction

We are providing you an update for your discussion at the Tuesday May 6, COW about the DHS Child Care Fund issue. We are attaching a number of documents for your review on the issue, some of which you have already seen, some that you have not yet seen. They will help clarify what happened and what needs to be done.

By way of background, the Child Care Fund and the administration of the Child Welfare Law is a complicated topic with a long history, and requires a partnership among the State Department of Human Services, primarily through its local County DHS office, the County and the Circuit Court. We all have legal obligations as it relates to the care of the County's children who are victims of abuse and neglect. The County is required to fund 100% of the costs related to placements of children who are victims of abuse and neglect, for which the State reimburses 50% of the cost. The County pays first and the State reimburses second. The Circuit Court plays the main role on behalf of the County by virtue of the Court decisions and oversight regarding petitions brought by the County DHS for children in abuse and neglect situations. In addition to placement costs, the County allocates to the Circuit Court approximately \$7 million dollars annually for staffing and operations in its Child Care Fund activities, such as the Juvenile Home.

All the parties must work to clearly sort out what has occurred to bring about the current crisis and address it in short-term and long-term ways that are in the best interests of the children. All of us now have a much clearer picture of what happened and have identified solutions.

#### Causes of the Crisis

Here is what we now know about the situation, which has taken some time to develop:

- Costs for CCF placements have more than doubled since 2009, from about \$1.1 million annually to a projected \$2.4 million annually this year. (See attachment #7 and #8)
- The highest costs have been in private institutions which have climbed more than \$1 million since 2009. (Attachment #7) DHS reports a variety of reasons for this and they are important for all of us to understand, including the larger community. DHS staff will be on hand for the discussion at your COW meeting to help explain.

- During this four-year time span, the County's General Fund allocation remained constant at \$612,000, essentially only half of what the needed budget obligation is currently. We can only recall one request for a budget increase by the DHS in 2010 for the 2011 calendar year, and that request was only for an additional \$18,000 annually. The County, due to a tight budget that year, did not authorize an increase. Even if it had, the amount would not have been sufficient to meet annual obligations. (See attachment #4)
- The DHS relied on fund balance to cover additional costs over that time, to the combined amount of \$1 million. (See attachments #5 and #6)
- We did not receive a requested increase for 2014 from the local DHS, though DHS Director Rob Peck indicates that he thought the planning form annually submitted to the State constituted a budget request. It did not. (See attachments #1, #2 and #3)
- It appears that the situation has been compounded by a new method for State reimbursement. The local DHS was also behind in their monthly reimbursement requests to the State. Those are now up to date.
- Because the fund balance in the CCF sub-account 293 (the account used to cover the placement costs) has been depleted, there is also now a cash flow problem because of the timing of State reimbursements.

#### Corrective Actions

So what does all this mean and what do we do?

On a budgetary basis, it means that the General Fund allocation of \$612,000 will need to be doubled to \$1.2 million in our current fiscal year. Mr. Tim Hoover, a regional financial officer for DHS, has conducted a thorough review of child care expenditures and projects a monthly expenditure of \$200,000, for an annual expenditure of \$2.4 million, with 50% of that total covered by the State, hence our budget obligation for 2014 to be \$1.2 million. Based on our review, we agree with Mr. Hoover's projection. (See attachment #8)

The only action we are recommending to you on May 6, the only decision required at that time, will be an action item contained in your Transfers and Disbursements to move \$200,000 to the Child Care Fund sub-account 293 to cover expenses for child care placements in the near term. But this will only cover cash flow for those placements until the end of May. We will also be recommending that you take action at your May 20<sup>th</sup> meeting to authorize an additional allocation of \$400,000. This will then bring your total budget allocation to the \$1.2 million for this year, and should be sufficient to cover our budgetary obligation.

On May 20<sup>th</sup>, we will bring you a set of budget adjustments to accomplish this. Judge Bell and I have agreed that we would recommend to the Board of Commissioners that the total increased budget allocation this year would be split 50/50 between the Court's operating budget for 2014 and additional adjustments that Administration will identify not from the Court's operating budget.

This should stabilize the funding for the placement costs through September 30, which is the end of the State's fiscal year. At that time, the DHS may need an additional infusion of cash (estimated now at \$200,000 but may be higher or lower, depending on spending in the Fund over the coming months) for cash flow purposes to carry us to the end of the calendar year.

- During this four-year time span, the County's General Fund allocation remained constant at \$612,000, essentially only half of what the needed budget obligation is currently. We can only recall one request for a budget increase by the DHS in 2010 for the 2011 calendar year, and that request was only for an additional \$18,000 annually. The County, due to a tight budget that year, did not authorize an increase. Even if it had, the amount would not have been sufficient to meet annual obligations. (See attachment #4)
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This additional infusion will not increase our budget obligation for 2014. It would be considered an advance on our 2015 budget obligation.

On a longer term basis, we need to take the following corrective actions:

- Institute a more formal budget request process for the local DHS, which we are currently in the process of doing. DHS is working on their request for 2015, which will be included in the discussions and deliberations for the 2015 budget process.
- The Court will work more closely with the local DHS to monitor the appropriateness of placements and costs.
- Administration and the Court will work more closely to monitor monthly costs and activity in Fund, and we will include a report on this Fund in our regular financial reports to the BOC.
- All parties have already begun working on longer term solutions to develop alternative options to the current placements, where appropriate, and thereby reduce and/or contain costs in the Fund.

#### Conclusion

I believe we can turn the current situation from a negative to a positive. First of all, child welfare is one of the County's legally many mandated services. Beyond that we have a moral obligation to serve kids who are victims of abuse and neglect, and the conditions of many of our children are appalling. Yet, we are finding ways to identify these kids and to obtain service for them. Given all of this, the partners are committed to working better and more closely together to identify problems in the system and fix them for the good of the kids.

Please call if you have any questions or concerns you want to discuss in advance of tomorrow's meeting.

#### Attachments

C: Judge Bell  
Sue Darling  
Sue Sayles  
Tracie Moored  
Thom Canny  
Lisa Bradshaw  
John Faul  
Jeff Getting  
Mary Balkema  
Rob Peck, DHS  
Kathy Miller, DHS  
Tim Hoover, DHS



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
KALAMAZOO COUNTY

MAURA D. CORRIGAN  
DIRECTOR

April 1, 2014

Mr. Peter Battani  
Kalamazoo County Administrator  
201 W. Kalamazoo Ave.  
Kalamazoo, MI 49007

Re: FY 2014 Child Care Fund

Dear Mr. Battani:

Kalamazoo County DHS currently has county children in Foster Care and residential placements which we cannot pay with the amount provided by the county this fiscal year. We are requesting additional funds this fiscal year to be able to serve these Kalamazoo County Children.

We find it necessary to request the additional dollars as follows:

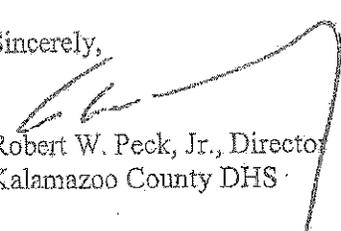
Institutional Care:	\$630,000
Family Foster Care:	\$211,725
Intensive Services:	\$3,100
In-Home Care:	\$5,000
Independent Living:	\$16,450
<b>Total:</b>	<b>\$866,275</b>

Please be assured that we are carefully monitoring these accounts so that we can proactively address the inevitable fluctuations in expenditures to ensure that youth in Kalamazoo County are receiving the most appropriate services and placement needed.

Our approved budget for this fiscal year as agreed by the county for child care was for a **Grand Total of \$2,976,550**. However, our office received **\$622,000** for the fiscal year and we are not able to cover costs with the allocation provided.

Please feel free to contact me at any time should you have any questions regarding this matter.

Sincerely,

  
Robert W. Peck, Jr., Director  
Kalamazoo County DHS

Attachment: Copy of approved 2014 budget

**COUNTY CHILD CARE BUDGET SUMMARY**  
Michigan Department of Human Services (DHS)  
Child and Family Services

County Kalamazoo	Court Contact Person SAYLES, SUSAN (Kalamazoo)	Telephone Number 269.383.8445	E-Mail Address smeayl@kaicounty.com
Fiscal Year October 1, 2013 through September 30, 2014	DHS Contact Person Peck, Robert (Kalamazoo)	Telephone Number 269.337.5000	E-Mail Address peckr@michigan.gov

TYPE OF CARE	ANTICIPATED EXPENDITURES		
	DHS	COURT	COMBINED
<b>I. CHILD CARE FUND</b>			
A. Family Foster Care.....	\$1,400,000.00	\$300,000.00	\$1,700,000.00
B. Institutional Care.....	\$1,285,600.00	\$4,600,000.00	\$5,885,600.00
C. In Home Care.....	\$210,950.00	\$2,970,823.00	\$3,121,773.00
D. Independent Living.....	\$115,000.00	\$0.00	\$115,000.00
<b>E. SUBTOTALS</b> .....	\$3,011,550.00	\$7,870,823.00	\$10,822,373.00
F. Revenue.....	\$35,000.00	\$200,000.00	\$235,000.00
G. Net Expenditure.....	\$2,976,550.00	\$7,670,823.00	\$10,587,373.00

<b>COST SHARING RATIOS</b>	County 50%/State 50%
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<b>II. CHILD CARE FUND</b> Foster Care During Release Appeal Period		\$2,000.00	\$2,000.00
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<b>COST SHARING RATIOS</b>	County 0%/State 100%
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<b>III. JUVENILE JUSTICE SERVICES FUND</b> Basic Grant.....	\$	\$	\$0.00
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<b>COST SHARING RATIOS</b>	County 0%/State 100% \$15,000.00 Maximum
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<b>IV. TOTAL EXPENDITURE</b> .....	<b>\$10,589,373.00</b>		
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**BUDGET DEVELOPMENT CERTIFICATION**

THE UNDERSIGNED HAVE PARTICIPATED IN DEVELOPING THE PROGRAM BUDGET PRESENTED ABOVE. We certify that the budget submitted above represents an anticipated gross expenditure for the fiscal year October 1, 2013 through September 30, 2014.

Presiding Judge	Date 9/25/13
County Director of DHS Signature	Date 9/23/13
Chairperson, Board of Commissioners Signature	Date 9.17.13
And/Or County Executive Signature	Date

The Family Independence Agency will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, political beliefs or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to an DHS office in your county.

AUTHORITY: Act 87, Publication of 1978, as amended.  
COMPLETION: Required  
PENALTY: State reimbursement will be withheld from local government.

DHS-2091 (Rev. 6-00) Previous edition may be used. MS Word-87

Federal Compliance &  
Maximization Unit

SEP 30 2013

THE SOCIAL WELFARE ACT (EXCERPT)  
Act 280 of 1939

400.117c County treasurer as custodian of money; creation and maintenance of child care fund; deposits in fund; use of fund; separate account for fund; subaccounts; plan and budget for funding foster care services; records of juvenile justice services and expenditures; applicability of section to county juvenile agency.

Sec. 117c. (1) The county treasurer is designated as the custodian of all money provided for the use of the county family independence agency, the family division of circuit court, and the agency designated by the county board of commissioners or, if a county has a county executive, chief administrative officer, or county manager, that individual to provide juvenile justice services. The county treasurer shall create and maintain a child care fund. The following money shall be deposited in the child care fund:

(a) All money raised by the county for the use of the county family independence agency for the foster care of children with respect to whom the family division of circuit court has not taken jurisdiction.

(b) Money for the foster care of children under the jurisdiction of the family division of circuit court raised by the county with the view of receiving supplementary funds for this purpose from the state government as provided in section 117a.

(c) All funds made available by the state government for foster care of children.

(d) All payments made in respect to support orders issued by the family division of circuit court for the reimbursement of government for expenditures made or to be made from the child care fund for the foster care of children.

(e) All prepayments and refunds for reimbursement of county family independence agencies for the foster care of children.

(f) All funds made available to the county for the foster care of children from any other source, except gifts that are conditioned on a different disposition or reimbursements of the general fund.

(g) Money for the foster care of children under the jurisdiction of the court of general criminal jurisdiction committed to a county facility or a court facility for juveniles in the county in which the court of general criminal jurisdiction is located.

~~(h) All payments made in respect to support orders issued by the court of general criminal jurisdiction for the reimbursement of government for expenditures made or to be made from the child care fund for the foster care of children.~~

(2) The child care fund shall be used for the costs of providing foster care for children under sections 13c and 117a and under the jurisdiction of the family division of circuit court or court of general criminal jurisdiction.

(3) The child care fund may be used to pay the county's share of the cost of maintaining children at the Michigan children's institute under 1935 PA 220, MCL 400.201 to 400.214, or public wards under the youth rehabilitation services act, 1974 PA 150, MCL 803.301 to 803.309.

(4) The account for the child care fund shall be maintained separate and apart from all other accounts of county funds. The fund shall be used exclusively for carrying out the purposes authorized by this act. The county board of commissioners shall distinguish in its appropriations for the child care fund the sums of money to be used by the family division of circuit court, the county family independence agency, and the agency designated by the county board of commissioners or the county executive to provide juvenile justice services. The county treasurer shall keep these segregated in proper subaccounts.

(5) A county annually shall develop and submit a plan and budget for the funding of foster care services to the office for approval. Funds shall not be distributed under section 117a except for reimbursement of expenditures made under an approved plan and budget. The office shall not approve plans and budget that exceed the amount appropriated by the legislature.

(6) A county shall make and preserve accurate records of its juvenile justice services and expenditures. Upon the department's request, the information contained in the records shall be available to the office.

(7) This section does not apply to a county that is a county juvenile agency.

History: Add, 1978, Act 87, Eff. Apr. 1, 1978;—Am. 1980, Act 328, Imd. Eff. Dec. 19, 1980;—Am. 1988, Act 75, Eff. Oct. 1, 1988;—Am. 1988, Act 223, Eff. Apr. 1, 1989;—Am. 1998, Act 516, Imd. Eff. Jan. 12, 1999.

Compiler's note: Section 3 of Act 75 of 1988 provides: "This amendatory act shall take effect June 1, 1988." This section was amended by Act 178 of 1988 to read as follows: "This amendatory act shall take effect October 1, 1988."

For transfer of powers and duties of the Office of Children and Youth Services as a single-purpose entity within the Department of Social Services to the Department of Social Services, see E.R.O. No. 1991-8, compiled at MCL 400.221 of the Michigan Compiled Laws.

Popular name: Act 280



**Peter Battani, County Administrator**  
201 West Kalamazoo Avenue • Kalamazoo, Michigan 49007  
Phone: (269) 384-8111 • Fax: (269) 384-8032

April 4, 2014

Mr. Robert Peck, Jr., Director  
State of Michigan  
Department of Human Services  
Kalamazoo County  
322 E. Stockbridge  
Kalamazoo, MI 49001

Dear Mr. Peck:

We have received your letter requesting additional funding for 2014 in the amount of \$866,275 (attached). While we empathize with your current cash flow and budgetary situation, it is the County's position we are only obligated in 2014 to the \$612,000 we approved in our budget cycle and have already sent you. We are certainly willing to meet with you to discuss this situation; however, our budget for the year is set and we cannot authorize an additional allocation without reducing \$866,275 from any number of Statutory or Constitutionally mandated services required of the County of Kalamazoo. As you know, or should know, there is an opportunity during each annual budget cycle to request increased funding. In some years, we have been able to honor DHS requests for increased funding, and in other years we have not. We can include your request for our consideration during our 2015 budget process.

We all know how difficult these recent years have been for local governments from a financial and budgetary perspective. The County of Kalamazoo has tightened its belt consistently in order to be able to fund our various obligations for 250,000 citizens – including the obligations to children of our County who are abused or neglected and who require intervention from the State, through the various agencies, most particularly the DHS and the Court.

As you well know, Courts/Counties and local DHS's are partners in the provision of services to abused and neglected children. Our ability to work in concert with each other is absolutely critical. We are willing to meet with you to discuss your needs and to attempt to find common ground and a way to move forward. We do request you forward any legal opinion you may have from DHS or the Attorney General that you believe

supports your position or clarifies the issue in any way. I will be gone next week on vacation but my staff here is prepared to help arrange a mutually convenient meeting.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Peter Battani', written over a horizontal line.

Peter Battani  
Administrator/Controller

C: Tracie Moored  
Lisa Bradshaw  
Suzanne Darling  
Susan Sayles  
Thom Canny  
Board of Commissioners  
Judge Bell  
Judge Gorsalitz  
John Faul  
Mary Balkema

3.

2014 Request



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
KALAMAZOO COUNTY

MAURA D. CORRIGAN  
DIRECTOR

December 12, 2013

Lisa Bradshaw  
Deputy Finance Director  
County of Kalamazoo  
201 West Kalamazoo Avenue  
Kalamazoo MI 49007

101-670-999.19  
242-665-977.19

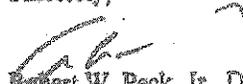
Dear Ms. Bradshaw:

Kalamazoo County DHS is formally requesting that the county portion of the County Child Care Fund (\$612,100) and the MIFPI (\$10,000) be released to the State of Michigan for the 2014 calendar year. Please make the check payable to "State of Michigan" and mail to:

Accounting Service Center 3  
Attention: Tim Hoover  
190 East Michigan Avenue  
Battle Creek, MI 49015

If you have farther questions please contact Tim Hoover, Accounting Service Center Manager at 269-966-1405 or myself. Thank you.

Sincerely,

  
Robert W. Peck, Jr., Director  
Kalamazoo County MDHS  
322 E. Stockbridge  
Kalamazoo, MI 49001

Cc: Susan Sayles, Finance Administrator, 9<sup>th</sup> Circuit Court

REC'D-FINANCE  
1 DEC 16 2013

*History of County Appropriations*

Account No: E 101-670-999.19      Title: TRF TO #293 CHILD CARE MDHS      Fiscal Year: 2014

Debt / Credit: D      Account Class: 58 OPERATING TRANSFERS O      Cash / Inv Code:      Locked: N  
 Status Code: 0      Report Group 1:      Nominal / Real:      Budget Account:  
 JC Required: N      Report Group 2:      Budgeted: Y  
 Standard Acct: Y      Account Type:      Allotment: N      Year End Estimate: 0.00

Year	Total Budget	Account History		Balance
		Encumbrances	Expenditures	
2014	612,100.00	0.00	612,100.00	0.00
2013	612,100.00	0.00	612,100.00	0.00
2012	612,100.00	0.00	612,100.00	0.00
2011	612,100.00	0.00	612,100.00	0.00
2010	612,100.00	0.00	612,100.00	0.00
2009	612,100.00	0.00	612,100.00	0.00
2008	612,100.00	0.00	612,100.00	0.00
2007	612,100.00	0.00	612,100.00	0.00
2006	612,100.00	0.00	612,100.00	0.00
2005	612,100.00	0.00	612,100.00	0.00
2004	612,100.00	0.00	612,100.00	0.00
2003	659,000.00	0.00	659,000.00	0.00
2002	589,800.00	0.00	589,800.00	0.00
2001	575,400.00	0.00	575,400.00	0.00
2000	561,400.00	0.00	561,400.00	0.00
1999	561,400.00	0.00	561,400.00	0.00
1998	525,300.00	0.00	525,300.00	0.00
1997	359,500.00	0.00	359,500.00	0.00
1996	349,000.00	0.00	349,000.00	0.00

Options/Summary Info/Title  
4/28/2014 3:02:38PM

Account Information  
KALAMAZOO COUNTY

Account No: B 293-000-001.00

Title: CASH

Fiscal Year: 2014

Debit / Credit: D  
Status Code: 0  
JC Required: N  
Standard Acct: Y

Account Class:  
Report Group 1:  
Report Group 2:  
Account Type: A Assets

Cash / Inv Code: C  
Nominal / Real: R  
Budgeted: N  
Alignment: N

Locked:  
Budget Account:  
Year End Estimate: 0.00

Year	Beginning Balance	Account History		Ending Balance
		Debits	Credits	
2015	0.00	0.00	0.00	0.00
2014	264,648.38-	1,007,440.65	815,512.65	72,720.38-
2013	65,582.09-	1,907,408.56	2,106,474.85	264,648.38-
2012	532,697.90	1,502,063.75	2,100,343.74	65,582.09-
2011	742,922.58	1,646,888.46	1,856,913.12	532,697.90
2010	1,112,484.37	1,247,672.74	1,617,414.55	742,922.58
2009	974,634.18	1,274,790.55	1,136,980.36	1,112,484.37
2008	952,639.22	1,143,409.78	1,121,414.82	974,634.18
2007	670,982.56	1,014,964.24	733,307.58	952,639.22
2006	471,888.25	1,109,756.44	910,662.13	670,982.56
2005	353,563.50	1,296,550.48	1,178,225.73	471,888.25
2004	381,462.97	1,336,450.68	1,364,350.15	353,563.50
2003	351,083.92	1,372,596.24	1,342,217.19	381,462.97
2002	441,078.15	1,314,174.91	1,404,169.14	351,083.92
2001	176,181.33	1,325,785.36	1,860,888.54	441,078.15
2000	321,851.53	1,062,340.61	1,148,010.81	176,181.33
1999	251,215.88	1,028,253.14	957,617.47	321,851.53
1998	66,520.16	1,083,526.08	698,830.38	251,215.88
1997	0.00	0.00	0.00	66,520.16
1996	0.00	0.00	0.00	0.00

6.

Mary to <sup>ch</sup> Cow

Fund Balance  
Used

2013	146,517.91
2012	377,412.38
2011	210,234.66
2010	369,541.81
2009	(137,830.19)

Department of Human Services  
Expense Analysis

Year	DHS Supervised Foster Care	Average Placed	Private Agency	Average Placed	Private Institution	Average Placed	Independent Living	Average Placed	Counseling Evaluation	Marriage	Total	Average total placed
2008	191,955.26	27	687,150.83	17	38,471,100	11	3,510.11	8	211,74.00	18,728.23	1,101,414.82	48
2009	241,720.49	29	706,647.23	28	1,492,500	9	10,988.81	9	151,100.00	15,018.86	1,104,510.35	63
2010	227,889.98	23	1,206,091.04	36	3,163.21	3	68,748.00	9	28,845.00	13,314.20	617,414.55	63
2011	26,511.56	24	1,220,609.83	39	28,189,115	3	10,7554.07	5	22,080.00	12,161.83	1,856,435.62	81
2012	168,289.76	21	898,498.46	35	92,483,43	8	69,157.14	6	1980.00	15,814.28	2,091,923.07	68
2013	222,259.41	23	384,197.63	14	1,323,523.85	9	69,469.47	4	342,000.00	7,558.50	2,065,534.66	52

7.



## County of Kalamazoo County Child Care Fund

January 1, 2014 - December 31, 2014

	Projected	Actual
Available Balance of CCF for Calendar Year 2014 as of 4/30/14	\$4,555.20	\$4,555.20
<u>May-14</u>		
Governmental and Other Revenue (April 2014)	\$2,516.00	
State of Michigan reimbursement (February 2014)	\$103,921.41	
*Additional County of Kalamazoo appropriation	\$400,000.00	
Invoices currently awaiting payments at ASC3	(\$77,936.78)	
Projected May expenditures	(\$200,000.00)	
Available Balance as of May 31, 2014	<u>\$233,055.83</u>	<u>\$4,555.20</u>
<u>Jun-14</u>		
Projected Governmental and Other Revenue (May 2014)	\$2,277.46	
State of Michigan reimbursement (March 2014)	\$89,281.32	
State of Michigan reimbursement (April 2014)	\$167,844.89	
Projected June expenditures	(\$200,000.00)	
Available Balance as of June 30, 2014	<u>\$292,459.50</u>	<u>\$4,555.20</u>
<u>Jul-14</u>		
Projected Governmental and Other Revenue (June 2014)	\$2,277.46	
Projected State of Michigan reimbursement (May 2014)	\$138,968.39	
Projected July expenditures	(\$200,000.00)	
Available Balance as of July 31, 2014	<u>\$233,705.35</u>	<u>\$4,555.20</u>
<u>Aug-14</u>		
<del>Projected Governmental and Other Revenue (July 2014)</del>	<del>\$2,277.46</del>	
Projected State of Michigan reimbursement (June 2014)	\$100,000.00	
Projected August expenditures	(\$200,000.00)	
Available Balance as of August 31, 2014	<u>\$135,982.81</u>	<u>\$4,555.20</u>
<u>Sep-14</u>		
Projected Governmental and Other Revenue (August 2014)	\$2,277.46	
Projected State of Michigan reimbursement (July 2014)	\$100,000.00	
Projected September expenditures	(\$200,000.00)	
Available Balance as of September 30, 2014	<u>\$38,260.27</u>	<u>\$4,555.20</u>
<u>Oct-14</u>		
Projected Governmental and Other Revenue (September 2014)	\$2,277.46	
Projected State of Michigan reimbursement (August 2014)	\$100,000.00	
* Additional fund from the County of Kalamazoo	\$260,000.00	
Projected October expenditures	(\$200,000.00)	
Available Balance as of October 31, 2014	<u>\$200,537.73</u>	<u>\$4,555.20</u>
<u>Nov-14</u>		
Projected Governmental and Other Revenue (October 2014)	\$2,277.46	
Projected State of Michigan reimbursement (September 2014)	\$100,000.00	
Projected November expenditures	(\$200,000.00)	
Available Balance as of November 30, 2014	<u>\$102,815.19</u>	<u>\$4,555.20</u>
<u>Dec-14</u>		
Projected Governmental and Other Revenue (November 2014)	\$2,277.46	
Projected State of Michigan reimbursement (October 2014)	\$100,000.00	
Projected December expenditures	(\$200,000.00)	
Available Balance as of December 31, 2014	<u>\$5,092.65</u>	<u>\$4,555.20</u>