



Michigan Report

The Capitol Record Since 1906

Volume #48, Report #121, Article #1--Wednesday, June 24, 2009

DIVIDED SENATE APPROVES ITS BUDGETS WITH MAJOR CUTS INTACT

Enacting a series of what Republicans acknowledged were unpleasant cuts, the Senate approved some of the largest budgets for the 2009-10 fiscal year, putting them into position for action in conference committee.

The budget for the Department of Community Health ([HB 4436](#)■, passed 20-16) became the focus of Democratic efforts to pare back some of the more dramatic cuts majority Republicans proposed. But nearly every one of the 18-some amendments proposed was rejected on a generally party-line vote.

The state was faced, said [Sen. Roger Kahn](#) (R-Saginaw Twp.), with the need to either raise taxes or make unpleasant cuts.

The Senate did add language in some areas of the DCH to create placeholders so discussions on areas such as child health centers could continue.

But Democrats called those amendments largely well meaning and useless.

[Sen. Deborah Cherry](#) (D-Burton) charged that the Senate was attempting to balance all the budgets, no matter their topic, on the backs of the state's children.

And the cumulative budget cuts were so painful to her, and took the state so far in the wrong direction, that she announced she was resigning from the Legislative Children's Caucus.

The budgets did not just deal with cuts, but included some lectures on how the state makes decisions and who would have to face the effects of those decisions. That was largely the story of the Department of Corrections budget ([HB 4437](#)■).

COMMUNITY HEALTH: There are changes to the DCH budget from when it was sent to the full Senate by the Appropriations Committee, but the budget still encompasses the massive cuts the committee approved.

A series of amendments were adopted to hold open the chance that some programs could continue if funding for the measures could be found.

And the chamber did adopt some amendments to use the \$5 million remaining for the Healthy Michigan Fund, down some \$23 million from its current allocation, to continue a poison control center as well as an immunization records center.

But that did not placate Democrats who argued for numerous amendments to restore funding for Medicaid providers, community mental health, school health programs and other issues. At one point [Sen. John Gleason](#) (D-Flushing) said it made no sense for the state to balance the budget by denying sick and dying people the help they needed.

The budget totals \$13.48 billion, an increase over the current year, with \$2.66 billion in general funds. The general fund portion represents a cut of more than \$500 million from the current year. Much of that cut is realized because of federal stimulus funds that are allocated to Medicaid, freeing those funds for other purposes.

But the budget also includes an 8 percent cut in Medicaid reimbursements to health care providers. That represents an additional 4 percent cut on top of the 4 percent cut the state adopted last month with executive order cuts. Those cuts will save \$94.9 million.

[Sen. Hansen Clarke](#) (D-Detroit) tried to restore that cut, arguing the cut furthers a cruel irony that thousands of residents have to deal with: that even though they have health insurance, through Medicaid, they can't get access to health care.

Once that amendment failed, Ms. Cherry attempted to trim the cut back to just a 4 percent cut, but that too was rejected.

But one amendment, for at least a while, did get success: a proposal from [Sen. Liz Brater](#) (D-Ann Arbor) to create a carve-out in state drug policies for prescribing psychotropic and other drugs used for mental illness. Ms. Cherry argued that the proposal in the budget bill would reverse a critical program adopted unanimously a few years back that plays a major role in helping individuals manage their conditions.

And Ms. Brater said with the state eliminating institutions for the mentally ill, proper pharmaceutical management plays a more critical role in helping patients.

But [Sen. Roger Kahn](#) (R-Saginaw Twp.) said the program the state will develop under the budget will provide adequate safeguards for the management of those conditions.

SCHOOL AID: What has always been the state's largest budget actually falls to second place after DCH, as [HB 4447](#) will total \$12.7 billion.

The Senate version of the budget is \$627.9 million less than the current year's appropriation, and was blasted by Democrats as hurting the chances of the state's children, especially poor children, to succeed in school.

As they did with the DCH budget, Democrats attempted numerous amendments to restore cuts and all failed.

The budget includes a \$110 cut per student in the foundation grant.

Also eliminated are school readiness grants totaling \$103.5 million, special and vocational education millage equalization grants totaling \$45.9 million, declining enrollment grants at \$20 million, the remaining \$8 million that would have gone for small high school projects, and a host of other categorical grants that schools have used to boost math skills, bilingual education, transportation needs, bus inspections, and pre-college engineering training.

The budget passed on a 20-15 vote.

CORRECTIONS: The budget was approved on a 20-16 vote after Senate [Majority Floor Leader Alan Cropsey](#) (R-DeWitt) used the occasion to say the budget is designed to help promote state safety in light of [Governor Jennifer Granholm](#)'s actions to boost the number of prisoners paroled.

He also said all the arguments used to justify the increased parolees, especially the idea that doing so will save as much as \$120 million, are fallacious. There is no evidence that the department is saving money even with the lower number of prisoners, Mr. Cropsey said.

"No more nonsense about saving \$120 million when there are no such savings," Mr. Cropsey said. By releasing some 4,000 prisoners through parole - and possibly as many as 3,000 more in the future, he said - "The governor and the department are disrupting whole communities and families without even the bad excuse of saving money," he said.

But the total responsibility for releasing the prisoners through parole, and therefore any political implications, rests with Ms. Granholm, he said.

[Sen. Liz Brater](#) (D-Ann Arbor) said Ms. Granholm was engaged in an important effort to change the prison system in the state. "I don't think it's appropriate to engage in fear mongering," she said.

Senate [Minority Leader Mike Prusi](#) (D-Ishpeming) also criticized the release of prisoners "into an economy that can't support people with masters' degrees." He tried and failed to win approval of an amendment to restore funding for the prison camps the state will close, four of which are in the Upper Peninsula.

While that amendment failed, the Senate did accept an amendment that would require an examination of the economic impact on local communities from prison closures. Mr. Cropsey said it would have been nice if the state had enacted a similar proposal several years ago when the state closed the so-called "punk prison" in Baldwin.

The budget totals \$1.93 billion, with \$1.87 billion in general funds.

CONSERVATION: A budget collapsing the Departments of Natural Resources and Environmental Quality into a new Department of Conservation, [HB 4446](#), was approved on a 20-16 vote.

Both houses are now on record passing legislation that creates a single environmental/resource management department, and a spokesperson for Ms. Granholm said the administration is supportive of proposals to improve government efficiency.

Ms. Brater said she did not oppose combining the two departments, but the measure did not allocate enough money for the state to oversee critical environmental protection issues.

The budget allocates a total of \$623.9 million for the two combined departments, \$36.5 million in general funds.

The measure also includes Ms. Granholm's major environmental proposal in her budget recommendation, to end the state's oversight of wetlands and turn that over to the U.S. Army Corps of Engineers.

Copyright, 2009

Gongwer News Service: The Capitol Record Since 1906

124 West Allegan Street, Suite 1200, Lansing, Michigan, 48933

Phone: 517.482.3500 **Fax:** 517.482.4367 **Email:** gongwer@gongwer.com