



## WEEKLY LEGISLATIVE REPORT

January 15, 2010

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MTA Web site: [www.michigantownships.org](http://www.michigantownships.org)

Please route to all interested parties in your township.

### **STATE FACING A \$1.7 BILLION BUDGET HOLE FOR FY 2011**

The State of Michigan is expected to face roughly a \$1.7 billion budget shortfall for Fiscal Year 2011. The projection comes from estimates agreed upon on Monday at the Consensus Revenue Estimating Conference. During the meeting, the state treasurer met with the heads of the House and Senate Fiscal Agencies to create revenue estimates for the coming year and to make adjustments to the current year's assumptions. These figures will be used by the Granholm Administration to prepare the 2011 state budget, which begins on Oct. 1, 2010. The governor will present her budget to the Legislature on Feb. 11. State revenues are predicted to grow by a positive 0.5 percent overall in the 2011 fiscal year. That is compared to negative numbers last year. One sobering note is that since much of the federal stimulus funds (ARRA) have already been appropriated, state leaders will have to make up this shortfall through cuts and or revenue increases. In the current year, ARRA funds helped the state soften cuts by over \$1 billion.

### **MI PUBLIC SERVICE COMMISSION CREATES LED RATE CATEGORY**

The MI Public Service Commission (MPSC) on Monday directed 15 Michigan electric utilities to file applications seeking approval of tariffs (rates) that govern the provision of unmetered street lighting, area lighting and traffic signal devices based on emerging light-emitting diode (LED) technologies used by municipalities. The action came in Case No. U-16186 for the utilities except for Detroit Edison (DTE), which was directed to do the same thing in its rate case also decided on Monday in Case No. U-15768. The action was necessary because local governments have been installing more energy efficient LED street lights over the past few years, many under a state government driven pilot program, but are unable to reap the benefits of their increased efficiency efforts. In many situations, like recently in Union Charter Township (Isabella Co.), where the township's East Downtown Development Authority installed LED street lights along 1.5 miles of streets, they found out after installation that they would not receive a reduced energy consumption rate being charged by the utility for using less energy because the utility did not establish rate categories for LED lighting. In many circumstances, local governments are installing the LED street lights without meters because the expense of meters dramatically cuts into the savings gained in energy efficiencies. MTA is pleased with the action of the MPSC and believes that once utilities create a rate category that recognizes LED street lighting, area lighting and traffic signals, there will be a financial incentive for local governments to consider energy efficient LED systems. The MPSC directive gives utility companies until Feb. 10, 2010 to submit a tariff with an explanation for approval.

### **GOVERNOR NAMES BECKY HUMPHRIES TO HEAD NEW DEPARTMENT**

Earlier this week, Gov. Jennifer Granholm named current Department of Natural Resources (DNR) Director Becky Humphries to head the new Department of Natural Resources and Environment (DNRE). Under Executive Order #2009-45, the DNRE recombines the DNR and the Department of Environmental Quality into one agency starting on Jan. 17. Under a reorganization plan, the new department is expected to have three main units, Resource Management, Stewardship and Environmental Protection. The reorganization plan also contemplates four regional directors based on the state's four Great Lakes watersheds and reduces the current 22 divisions down to 14.

### **GREAT LAKES RESTORATION GRANTS DEADLINE FAST APPROACHING**

The deadline to apply for funding for Great Lakes restoration projects is noon on Jan. 29, 2010 (CST). Roughly \$475 million is available for eligible entities (including local governments) for grants and cooperative agreements pursuant to the Great Lakes Restoration Initiative. Use the following link to the front page of the MTA Web site for further information, [www.michigantownships.org](http://www.michigantownships.org).

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