



WEEKLY LEGISLATIVE REPORT

July 2, 2010

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Please route to all interested parties in your township.

HOUSE TAKES UP LEGISLATION ON COOPERATIVE AGREEMENTS

Under the banner of "government reform," the House has taken up legislation that would amend laws that govern cooperative agreements between local units of government to provide services. The House is examining SBs 1085 and 1086, which amend the Urban Cooperation Act and the Intergovernmental Transfer of Functions and Responsibilities Act. Both acts contain language that no employee can be disadvantaged from the standpoint of salary or benefits when local governments combine employee groups. It has been argued that if no one can be disadvantaged, the blended unit will likely operate on the highest common factors, which means it costs more. The bills specify that the combined operation can continue to operate with two employee contracts governing one set of employees, ignoring the practical problems of this approach. The legislation also specifies changes can be made once a new contract is established, which has always been assumed. Unfortunately, the legislation assumes all local government employees work under a union agreement. While this legislation is not regressive from the employer standpoint, as was the case of the binding arbitration legislation passed last week, this "reform" is, for all practical purposes, a restatement of existing practice.

STATE BUDGET: ONE STEP FORWARD, TWO STEPS BACK

Legislative leaders had vowed earlier this year to complete the state budget by July 1. In years past, this was the traditional timetable for completing the appropriation bills. Unfortunately, with one exception, this deadline was not met. The Legislature was able to complete the School Aid budget for the coming year. The agreement included an extra \$11 per student for both the school year that just ended and the year that began on July 1. That is the good news; the bad news is that the rest of the state budget is getting more problematic each day that passes. The latest issue involves federal funding. \$500 million of federal funding that was included in the original state budget presentation now looks like it will not materialize. This means that the \$1.7 billion shortfall for next year jumps to \$2.2 billion. Adding to the problem could be Congress's decision not to extend unemployment benefits; this could result in higher welfare caseloads at the state level and additional costs. As a result of the pending loss of federal funding, Gov. Jennifer Granholm once again started discussing cuts to statutory revenue sharing in order to make up the state shortfall. The state may be looking at the potential of another budget debate going until the Oct. 1 deadline.

SENATE ANNOUNCES SUMMER SESSION SCHEDULE

The Senate has disclosed its tentative schedule for July and August. Once they adjourn this week, the Senate will not return until Wednesday, July 21. After that, the Senate is scheduled to return for Wednesday sessions only each week until Aug. 17, at which time they will return to their normal three day per week session schedule.

SUPREME COURT RULES ON LOCAL GUN LAWS

The United States Supreme Court ruled this week in *McDonald v City of Chicago* that the city ordinance that made handgun possession in the city very restrictive was unconstitutional. This landmark decision may have some future implications on Michigan gun laws, but most would agree that none of Michigan's laws would generate immediate concern about their constitutional status.

MTA OFFICES CLOSED ON MONDAY, JULY 5

MTA offices will be closed on Monday, July 5 in observance of the Independence Day holiday. The office will return to its normal schedule at 8 a.m. on Tuesday. MTA wishes all of its members a glorious and safe holiday weekend.

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