



WEEKLY LEGISLATIVE REPORT

July 31, 2009

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Please route to all interested parties in your township

MEETINGS CONTINUE ON BUDGET TARGETS: REVENUE SHARING KEY STICKING POINT

While legislative sessions have come to a virtual halt over the past couple of weeks, legislative leaders and the governor continue to meet on setting budget targets for the fiscal year budget that begins on Oct. 1. Rumors have it that they are close on setting budget targets with a couple of key issues yet to be resolved. One of the key sticking points is the level of revenue sharing that will be made available to cities, townships and counties. The hope is that local units of government will not continue to experience an undue burden to balance the state budget and that cuts will be minimal this time around. MTA will keep you posted on any new developments.

SENATE FISCAL AGENCY REPORTS CONTINUED REVENUE SLIDE

The Senate Fiscal Agency released a report this week detailing their current estimates for revenues and expenditures for the remainder of this fiscal year and the next. For the current fiscal year, the Senate is anticipating general fund revenues of \$8.65 billion and expenditures of \$9.63 billion. The state will use \$983 million in American Recovery and Reinvestment Act (ARRA) to make up the difference. The school aid budget will be short \$429 million for this year with ARRA money making up the difference. For next year, general fund revenue is currently projected at \$6.95 billion, while expenditures are currently pegged at \$9.47 billion. The shortfall is \$1.76 billion, but \$1.17 billion in ARRA funding is available to fill the gap. The issue that is still being debated is whether or not to use the ARRA money to fill the budget gap or use the money for other projects. If all of the ARRA money goes to balance the budget, the state still needs to find \$580 million in budget cuts or increased revenue. The school aid budget creates additional concerns for next year with a budget hole of \$958 million and only \$805 million in ARRA money available to fill the gap. The real cloud hangs over the fiscal year that begins in October 2010, when the ARRA money runs out and the state could see a \$2 billion shortfall in its operational budget for basic state and school operations due to the elimination of the temporary federal programs.

HOUSE AGRICULTURE COMMITTEE APPROVES AMENDED LIVESTOCK BILLS

The House Agriculture Committee held a third and final committee meeting on Wednesday to address legislation that would implement livestock and food industry "animal care guidelines" in law. HBs 5127-28, sponsored by Reps. Mike Simpson (D-Liberty Twp.) and Jeff Mayes (D-Bangor Chtr. Twp.), respectively, were approved after more than three hours of testimony and often-spirited debate amongst committee members. The bills were reported with the support of all four Republicans on the committee and three Democrats, while one Democrat opposed and three others did not vote. In a positive for local control, substitute versions (H-1) of the bill were reported out of committee. As introduced, HB 5127 would have pre-empted any local ordinance, regulation or resolution that purported to extend or revise the act or animal care standards adopted under the act. The original bill further stated that a local unit of government could not enforce any ordinance involving animal care standards applying to livestock covered by the act. MTA was successful in having all local government pre-emption language removed. MTA greatly appreciates the efforts of Rep. Simpson.

OPPORTUNITY TO ATTEND AUGUST MTA BOARD MEETING

The MTA Board of Directors will be holding their August Board meeting in conjunction with the MTA Summer Legislative Conference in Frankenmuth. The meeting will take place just prior to the Summer Legislative Conference on Wednesday, Aug. 12 from 9 a.m. to noon at the Bavarian Inn and Conference Center. Board members would like to extend an invitation to township officials attending the Summer Legislative Conference, and any other township official, to attend the August Board meeting. Please feel free to take advantage of this unique opportunity and learn more about what the MTA Board does for you and the MTA organization.

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