

No. 84
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Wednesday, November 5, 1997.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Connie B. Binsfeld.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Bennett—present
Berryman—excused
Bouchard—present
Bullard—present
Byrum—present
Cherry—present
Cisky—present
Conroy—present
DeBeausaert—present
DeGrow—present
Dingell—present
Dunaskiss—excused
Emmons—excused

Gast—present
Geake—present
Gougeon—present
Hart—present
Hoffman—present
Koivisto—present
McManus—present
Miller—present
North—present
O'Brien—present
Peters—present
Posthumus—present

Rogers—present
Schuette—present
Schwarz—present
Shugars—present
A. Smith—present
V. Smith—present
Stallings—present
Steil—present
Stille—present
Van Regenmorter—present
Vaughn—present
Young—present

Senator Dale L. Shugars of the 21st District offered the following invocation:

“But select capable men from all the people—men who fear God, trustworthy men who hate dishonest gain—and appoint them as officials over thousands, hundreds, fifties and tens.”

—Exodus 18:21

Lord, we would like to offer our thanks and praise for selecting us as the officials and all of Your blessings. We are thankful that You have blessed us with loving and supportive families who give us the strength to continue to fight for what is right and honest. Please continue to grant us the integrity and the conscience to act in the ways that glorify You. Give us the ability to make the right decisions—not decisions based on personal gain, but decisions that will benefit others. Grant us the power to see each other in unprejudicial ways and tolerate our differences. Let us remember that the steps of a good person are ordered by You, Lord, and let all our actions at work, home and in our personal lives glorify You and Your word. It is with Your grace alone that we can succeed and have happiness. In Your Son’s name we pray. Amen.

Motions and Communications

Senators Young and Hart entered the Senate Chamber.

Senator DeGrow moved that Senators Bouchard, Bullard, Van Regenmorter and McManus be temporarily excused from today’s session.

The motion prevailed.

Senator DeGrow moved that Senator Dunaskiss be excused from today’s session.

The motion prevailed.

Senator DeGrow moved that Senator Emmons be excused from today’s and tomorrow’s sessions.

The motion prevailed.

Senator Emmons is in Washington, D.C., chairing the Human Services Committee of the National Conference of State Legislatures.

The following communications were received:
Department of State

Administrative Rules Notice of Filing

October 23, 1997

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 4:00 p.m. this date, administrative rule (97-10-8) for the Department of Natural Resources, Law Enforcement Division, entitled “*Local Watercraft Control*,” effective 15 days hereafter.

Sincerely,
Candice S. Miller
Secretary of State
Helen Kruger, Supervisor
Office of the Great Seal

The communication was referred to the Secretary for record.

The Secretary announced the printing and placement in the members’ files on Tuesday, November 4, of:

Senate Bill Nos. 776 777 778 779 780 781

Senators McManus and Bouchard entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senator Shugars introduced

Senate Bill No. 787, entitled

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 16 (MCL 207.566), as amended by 1984 PA 417, and by adding section 16b.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Dunaskiss introduced

Senate Bill No. 788, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending section 316 (MCL 484.2316), as amended by 1995 PA 216.

The bill was read a first and second time by title and referred to the Committee on Technology and Energy.

Senators Rogers, DeBeaussaert, Stille and Steil introduced

Senate Bill No. 789, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 405 (MCL 418.405), as amended by 1980 PA 457.

The bill was read a first and second time by title and referred to the Committee on Human Resources, Labor and Veterans Affairs.

Recess

Senator DeGrow moved that the Senate recess until 10:45 a.m.

The motion prevailed, the time being 10:09 a.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Binsfeld.

During the recess, Senators Bullard and Van Regenmorter entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator A. Smith entered the Senate Chamber.

Senator DeGrow moved that consideration of the following bills be postponed for today:

House Bill No. 4509

House Bill No. 4939

Senate Bill No. 459

Senate Bill No. 460

Senate Bill No. 461

Senate Bill No. 462

Senate Bill No. 463

Senate Bill No. 761

The motion prevailed.

The following bill was read a third time:

House Bill No. 4944, entitled

A bill to amend 1962 PA 192, entitled "Professional service corporation act," by amending section 4 (MCL 450.224), as amended by 1990 PA 166.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 561

Yeas—34

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetz	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussiaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0

Excused—2

Dunaskiss Emmons

Not Voting—1

Berryman

In The Chair: President

Senator V. Smith moved that Senator Berryman be excused from today's session.
The motion prevailed.

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the bill shall read as follows:

"An act authorizing the creation of professional service corporations; providing definitions; providing exceptions; providing the manner and method of creating such corporations; providing for individual liability of officers, employees and agents of such corporations in certain instances; authorizing certain investments of corporate funds; regulating the issuance and transfer of capital stock; providing forfeiture of corporate franchise in certain instances; and requiring identification as a corporation."

The Senate agreed to the full title of the bill.

The following bill was read a third time:

House Bill No. 4049, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 51701 and 51702 (MCL 324.51701 and 324.51702), as added by 1995 PA 57, and by adding sections 51703, 51704, and 51705.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 562**Yeas—34**

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetten	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0**Excused—3**

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the bill shall read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,”.

The Senate agreed to the full title of the bill.

The following bill was read a third time:

Senate Bill No. 714, entitled

A bill to authorize the department of natural resources to convey certain state owned property in Mackinac county; to prescribe conditions for the conveyance; and to provide for disposition of the revenue derived from the conveyance.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 563**Yeas—34**

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetten	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0

Excused—3

Berryman

Dunaskiss

Emmons

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 4814, entitled

A bill to authorize the department of state police to convey certain state owned property in Iron county; to prescribe conditions for the conveyance; and to provide for the disposition of revenue derived from the conveyance.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 564

Yeas—34

Bennett
Bouchard
Bullard
Byrum
Cherry
Cisky
Conroy
DeBeaussaert
DeGrow

Dingell
Gast
Geake
Gougeon
Hart
Hoffman
Koivisto
McManus
Miller

North
O'Brien
Peters
Posthumus
Rogers
Schuette
Schwarz
Shugars

Smith, A.
Smith, V.
Stallings
Steil
Stille
Van Regenmorter
Vaughn
Young

Nays—0

Excused—3

Berryman

Dunaskiss

Emmons

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5079, entitled

A bill to authorize the department of natural resources to convey certain state owned property in Berrien county; to prescribe conditions for the conveyance; and to provide for disposition of the revenue from the conveyance.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 565

Yeas—34

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetten	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0

Excused—3

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 611, entitled

A bill to repeal 1935 PA 140, entitled "An act to prohibit endurance contests known as walkathons and similar endurance contests; to prescribe a penalty for the violation thereof, and to repeal Act No. 65 of the Public Acts of 1933," (MCL 752.161 to 752.162).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 566

Yeas—34

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetten	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0

Excused—3

Berryman

Dunaskiss

Emmons

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

By unanimous consent the Senate returned to the order of

Messages from the House

Senate Bill No. 178, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 17a (MCL 388.1617a), as amended by 1996 PA 300, and by adding section 147a.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House, Senator DeGrow offered the following substitute to the House substitute:

Substitute (S-3).

The question being on the adoption of the substitute,

Senator Bullard offered the following amendments to the substitute:

1. Amend page 18, line 20, after "11E." by inserting "(1)".
2. Amend page 19, following line 10, by inserting:

"(2) IN ORDER FOR THE DEMOCRATIC PROCESS TO INFORM AND SHAPE DISTRIBUTION OF THE MONEY PAID UNDER THIS SECTION, AS REFERENCED IN THE MICHIGAN SUPREME COURT'S JULY 31, 1997 OPINION IN THE CONSOLIDATED CASES KNOWN AS DURANT V STATE OF MICHIGAN, NOT LATER THAN 90 DAYS AFTER RECEIPT OF FUNDS UNDER THIS SECTION, AND BEFORE EXPENDING ANY OF THOSE FUNDS, THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS SECTION SHALL HOLD A PUBLIC HEARING OF THE BOARD TO DISCUSS HOW THE BOARD WILL USE THOSE FUNDS. THE BOARD MAY HOLD THIS HEARING AS PART OF A REGULARLY SCHEDULED BOARD MEETING IF THE PUBLIC NOTICE OF THAT REGULAR MEETING CLEARLY INDICATES THAT THE ISSUE OF USE OF FUNDS RECEIVED UNDER THIS SECTION WILL BE ON THE AGENDA AT THE REGULAR MEETING."

3. Amend page 22, following line 4, by inserting:

"(7) IN ORDER FOR THE DEMOCRATIC PROCESS TO INFORM AND SHAPE DISTRIBUTION OF THE MONEY PAID UNDER THIS SECTION AND SECTION 11G, AS REFERENCED IN THE MICHIGAN SUPREME COURT'S JULY 31, 1997 OPINION IN THE CONSOLIDATED CASES KNOWN AS DURANT V STATE OF MICHIGAN, NOT LATER THAN 90 DAYS AFTER RECEIPT OF FUNDS UNDER THIS SECTION AND SECTION 11G, AND BEFORE EXPENDING ANY OF THOSE FUNDS, THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS SECTION AND SECTION 11G SHALL HOLD A PUBLIC HEARING OF THE BOARD TO DISCUSS HOW THE BOARD WILL USE THOSE FUNDS. THE BOARD MAY HOLD THIS HEARING AS PART OF A REGULARLY SCHEDULED BOARD MEETING IF THE PUBLIC NOTICE OF THAT REGULAR MEETING CLEARLY INDICATES THAT THE ISSUE OF USE OF FUNDS RECEIVED UNDER THIS SECTION WILL BE ON THE AGENDA AT THE REGULAR MEETING."

The amendments to the substitute were adopted.

Senators DeBeaussiaert, Peters and Stallings offered the following amendment to the substitute:

1. Amend page 16, following line 20, by inserting:

"SEC. 10. MONEY DEPOSITED IN THE STATE SCHOOL AID FUND UNDER THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF 1996, MCL 432.201 TO 432.216, SHALL BE DEPOSITED INTO A SEPARATE ACCOUNT IN THE STATE SCHOOL AID FUND. MONEY IN THIS SEPARATE ACCOUNT SHALL NOT BE EXPENDED UNLESS IT IS SPECIFICALLY APPROPRIATED BY THE

LEGISLATURE FROM THIS SEPARATE ACCOUNT. AN APPROPRIATION FROM THE STATE SCHOOL AID FUND THAT DOES NOT SPECIFICALLY IDENTIFY THAT IT IS BEING MADE FROM THIS SEPARATE ACCOUNT SHALL NOT BE CONSIDERED TO BE AN APPROPRIATION OF MONEY IN THIS SEPARATE ACCOUNT.”.

The amendment to the substitute was adopted.

Senator Conroy offered the following amendment to the substitute:

1. Amend page 16, following line 20, by inserting:

“SEC. 8A. FOR EACH OF THE DISTRICT’S SCHOOL BUILDINGS THAT OPERATE SOME OR ALL OF GRADES K-3, A DISTRICT SHALL REPORT TO THE DEPARTMENT NOT LATER THAN NOVEMBER 1 OF EACH SCHOOL YEAR THE AVERAGE NUMBER OF PUPILS PER CLASS IN GRADES K-3 IN THE SCHOOL BUILDING.”.

The amendment to the substitute was adopted.

Senator Van Regenmorter offered the following amendment to the substitute:

1. Amend page 59, line 26, by striking out all of line 26 through the balance of the subsection and inserting “IT IS THE INTENT OF THE LEGISLATURE THAT THE ADDITIONAL REVENUE SHALL BE USED TO INCREASE DISTRICTS’ FOUNDATION ALLOWANCES FOR 1998-99 AS FOLLOWS:

(A) THE FIRST \$80,000,000.00, OR PORTION THEREOF, THAT IS AVAILABLE SHALL BE USED TO INCREASE THE 1998-99 FOUNDATION ALLOWANCE FOR DISTRICTS THAT HAD A FOUNDATION ALLOWANCE FOR 1997-98 THAT WAS LESS THAN \$5,462.00. THE INCREASE SHALL BE ACCORDING TO THE FORMULA UNDER SUBSECTION (3)(A), ASSUMING AN INCREASE IN THE BASIC FOUNDATION ALLOWANCE FOR 1998-99 FOR THOSE DISTRICTS ONLY, AND CALCULATED BASED ON THE ADDITIONAL REVENUE AVAILABLE FOR THOSE DISTRICTS AS DESCRIBED IN THIS SUBDIVISION.

(B) THE NEXT \$178,700,000.00, OR PORTION THEREOF, THAT IS AVAILABLE SHALL BE USED TO INCREASE THE 1998-99 FOUNDATION ALLOWANCE FOR DISTRICTS THAT HAD A FOUNDATION ALLOWANCE FOR 1997-98 THAT WAS AT LEAST \$5,462.00 AND NOT GREATER THAN \$6,962.00. THE INCREASE SHALL BE ACCORDING TO THE FORMULA UNDER SUBSECTION (3)(B), ASSUMING AN INCREASE IN THE BASIC FOUNDATION ALLOWANCE FOR 1998-99 FOR THOSE DISTRICTS ONLY, AND CALCULATED BASED ON THE ADDITIONAL REVENUE AVAILABLE FOR THOSE DISTRICTS AS DESCRIBED IN THIS SUBDIVISION.

(C) THE NEXT \$47,800,000.00, OR PORTION THEREOF, THAT IS AVAILABLE SHALL BE USED TO INCREASE THE 1998-99 FOUNDATION ALLOWANCE FOR DISTRICTS THAT HAD A FOUNDATION ALLOWANCE FOR 1997-98 THAT WAS GREATER THAN \$6,962.00. THE INCREASE SHALL BE ACCORDING TO THE FORMULA UNDER SUBSECTION (3)(B), ASSUMING AN INCREASE IN THE BASIC FOUNDATION ALLOWANCE FOR 1998-99 FOR THOSE DISTRICTS ONLY, AND CALCULATED BASED ON THE ADDITIONAL REVENUE AVAILABLE FOR THOSE DISTRICTS AS DESCRIBED IN THIS SUBDIVISION.”.

The amendment to the substitute was not adopted.

Senator Conroy offered the following amendment to the substitute:

1. Amend page 72, following line 14, by inserting:

“SEC. 31B. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$9,750,000.00 FOR GRANTS TO ELIGIBLE DISTRICTS FOR PILOT PROGRAMS TO MAINTAIN OR ESTABLISH SMALL CLASSES FOR THE SECOND SEMESTER OF THE 1997-98 SCHOOL YEAR IN GRADES K TO 3 IN ELIGIBLE SCHOOL BUILDINGS IN THE DISTRICT.

(2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST HAVE AT LEAST 1 ELIGIBLE SCHOOL BUILDING AND SHALL APPLY TO THE DEPARTMENT NOT LATER THAN DECEMBER 1, 1997 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR MAINTAINING OR ESTABLISHING SMALL CLASSES IN GRADES K TO 3 AND SHALL DEMONSTRATE IN THE PROJECTED BUDGET THAT AT LEAST \$1,000,000.00 OR 12.5% OF THE FUNDS RECEIVED BY THE DISTRICT UNDER SECTION 31A, WHICHEVER IS LESS, WILL BE USED TO SUPPORT SMALL CLASSES UNDER THIS SECTION. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF ITS DECISION NOT LATER THAN DECEMBER 15, 1997.

(3) FOR A SCHOOL BUILDING TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, THE SCHOOL BUILDING MUST OPERATE AT LEAST 1 OF GRADES K TO 3; THE SCHOOL BUILDING MUST BE OPERATED BY A DISTRICT THAT OPERATES ALL OF GRADES K TO 12 AND THAT RECEIVES FUNDS UNDER SECTION 31A; AND AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO 1766b, 1769, 1769b TO 1769c, AND 1769f, AND

REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(4) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER SUBSECTION (1) MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL MAKE ALLOCATIONS UNDER THIS SECTION TO AT LEAST 12 DISTRICTS, AND THE DISTRICTS SHALL BE GEOGRAPHICALLY DIVERSE.

(5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS TO MAINTAIN OR ESTABLISH SMALL CLASSES FOR THE SECOND SEMESTER OF THE 1997-98 SCHOOL YEAR IN GRADES K TO 3 IN SCHOOL BUILDINGS OF THE DISTRICT FOR WHICH FUNDS ARE RECEIVED UNDER THIS SECTION. THE AVERAGE CLASS SIZE SHALL BE NOT MORE THAN 17 PUPILS PER CLASS, WITH NOT MORE THAN 19 PUPILS IN ANY PARTICULAR CLASS. A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE AT LEAST \$1,000,000.00 OR 12.5% OF THE FUNDS THE DISTRICT RECEIVES UNDER SECTION 31A, WHICHEVER IS LESS, FOR THE PURPOSES OF THIS SECTION.

(6) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1997-98 IS INTENDED TO BE FOR THE FIRST OF 4 YEARS OF FUNDING.

(7) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 1997-98 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY OF THE EFFECTIVENESS OF SMALL CLASSES IN IMPROVING PUPIL PERFORMANCE.” and adjusting the subtotals, totals, and summary sections accordingly.

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 567

Yeas—15

Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young
DeBeaussaert	Miller	Smith, V.	

Nays—18

Bennett	Gast	North	Shugars
Bouchard	Geake	Posthumus	Steil
Bullard	Gougeon	Schuetz	Stille
Cisky	Hoffman	Schwarz	Van Regenmorter
DeGrow	McManus		

Excused—3

Berryman	Dunaskiss	Emmons
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Not Voting—1

Rogers

In The Chair: President

Senator V. Smith offered the following amendment to the substitute:

1. Amend page 60, following line 2, by inserting:

“(17) FROM THE SCHOOL AID FUND APPROPRIATION IN SECTION 11, AN AMOUNT NOT TO EXCEED \$1,250,000.00 IS ALLOCATED FOR 1997-98 TO SCHOOL DISTRICTS LOCATED IN CITIES WITH A POPULATION GREATER THAN 100,000 OR IN WHICH AT LEAST 75% OF THE PUPILS IN MEMBERSHIP MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SUBSECTION (1), TO BE USED TO EXTEND THE TIME SCHOOLS OF THE SCHOOL DISTRICT ARE OPEN BY AN EXTRA 3 HOURS PER DAY. FUNDS SHALL BE DISTRIBUTED TO SUCH SCHOOL DISTRICTS ON A PRORATED BASIS, USING TOTAL NUMBER OF PUPILS PER SCHOOL DISTRICT AS THE BASIS FOR THE PRORATION. DURING THE EXTRA 3 HOURS PER DAY, A SCHOOL DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL USE THE FUNDS FOR 1 OR MORE OF THE FOLLOWING NONATHLETIC PROGRAM AREAS:

(A) ACADEMIC GAMES.

(B) COMPUTER LITERACY PROGRAMS.

(C) PEER MEDIATION.

(D) CONFLICT RESOLUTION PROGRAMS.

(E) TUTORIAL PROGRAMS.

(F) LITERACY PROGRAMS.” and renumbering the remaining subsections.

The question being on the adoption of the amendment,

Senator Conroy requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 568

Yeas—15

Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young
DeBeaussaert	Miller	Smith, V.	

Nays—19

Bennett	Gast	North	Shugars
Bouchard	Geake	Posthumus	Steil
Bullard	Gougeon	Rogers	Stille
Cisky	Hoffman	Schuetz	Van Regenmorter
DeGrow	McManus	Schwarz	

Excused—3

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

The substitute, as amended, was adopted.

The question being on concurring in the House substitute, as substituted,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 569**Yeas—34**

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuette	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussiaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0**Excused—3**

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

Senator DeGrow moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senator DeGrow offered to amend the title to read as follows:

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending the title and sections 6, 8, 11, 17b, 20, 24, 26a, 31a, 36, 39, 41, 51a, 53a, 54, 56, 57, 61a, 62, 67, 68, 74, 81, 94, 99, 101, 107, and 147 (MCL 388.1606, 388.1608, 388.1611, 388.1617b, 388.1620, 388.1624, 388.1626a, 388.1631a, 388.1636, 388.1639, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1667, 388.1668, 388.1674, 388.1681, 388.1694, 388.1699, 388.1701, 388.1707, and 388.1747), the title as amended by 1991 PA 118, sections 6, 11, 17b, 20, 24, 36, 39, 41, 51a, 53a, 54, 56, 57, 61a, 62, 74, 81, 94, 99, 101, 107, and 147 as amended and sections 26a, 67, and 68 as added by 1997 PA 93, section 8 as amended by 1993 PA 175, and section 31a as amended by 1997 PA 24, and by adding sections 8a, 10, 11e, 11f, 11g, 11h, 11i, 31c, 36a, and 43; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator DeGrow moved that the Committee on Appropriations be discharged from further consideration of the following bill:

House Bill No. 5083, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 353e.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator DeGrow moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on its immediate passage:

House Bill No. 5083

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of
Third Reading of Bills

The following bill was read a third time:

House Bill No. 5083, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 353e.

The question being on the passage of the bill,
 Senator DeGrow offered the following substitute:
 Substitute (S-1).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 570

Yeas—34

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuette	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0

Excused—3

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

Senator DeGrow moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the bill shall read as follows:

"An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts,".

The Senate agreed to the full title of the bill.

The following bill was read a third time:

Senate Bill No. 775, entitled

A bill to amend 1962 PA 192, entitled "Professional service corporation act," by amending sections 2, 8, and 10 (MCL 450.222, 450.228, and 450.230), sections 2 and 10 as amended by 1990 PA 166.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 571**Yeas—34**

Bennett	Dingell	North	Smith, A.
Bouchard	Gast	O'Brien	Smith, V.
Bullard	Geake	Peters	Stallings
Byrum	Gougeon	Posthumus	Steil
Cherry	Hart	Rogers	Stille
Cisky	Hoffman	Schuetz	Van Regenmorter
Conroy	Koivisto	Schwarz	Vaughn
DeBeaussiaert	McManus	Shugars	Young
DeGrow	Miller		

Nays—0**Excused—3**

Berryman	Dunaskiss	Emmons
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Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 411, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 13a.

The question being on the passage of the bill,

Senators A. Smith and Young offered the following amendment:

1. Amend page 2, following line 4, by inserting:

"(3) IF THE DEPARTMENT REALIZES A SAVINGS IN A FISCAL YEAR IN THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE DISTRIBUTED UNDER THIS ACT AS A RESULT OF THE OPERATION OF SUBSECTION (1), THE DEPARTMENT SHALL IN THE FOLLOWING FISCAL YEAR REDISTRIBUTE THE AMOUNT OF THOSE SAVINGS TO LOCAL HOMELESS SHELTERS, FOOD BANKS, AND SIMILAR PROGRAMS FOR INDIGENTS." and renumbering the remaining subsection.

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 572**Yeas—15**

Byrum	Dingell	O'Brien	Stallings
Cherry	Hart	Peters	Vaughn
Conroy	Koivisto	Smith, A.	Young
DeBeaussiaert	Miller	Smith, V.	

Nays—19

Bennett	Gast	North	Shugars
Bouchard	Geake	Posthumus	Steil
Bullard	Gougeon	Rogers	Stille
Cisky	Hoffman	Schuetz	Van Regenmorter
DeGrow	McManus	Schwarz	

Excused—3

Berryman

Dunaskiss

Emmons

Not Voting—0

In The Chair: President

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 573**Yeas—27**

Bennett
Bouchard
Bullard
Byrum
Cherry
Conroy
DeBeaussaert

DeGrow
Dingell
Gast
Geake
Gougeon
Hart
Hoffman

Koivisto
McManus
Miller
North
Peters
Posthumus
Rogers

Schuette
Schwarz
Shugars
Steil
Stille
Van Regenmorter

Nays—7

Cisky
O'Brien

Smith, A.
Smith, V.

Stallings
Vaughn

Young

Excused—3

Berryman

Dunaskiss

Emmons

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Protests

Senators V. Smith, Young, and A. Smith, under their constitutional right of protest (Art. IV, Sec. 18), protested against the passage of Senate Bill No. 411 and moved that the statements they made during the discussion of the amendment offered by Senator A. Smith and the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator V. Smith's first statement is as follows:

I rise to support the Alma Smith amendment. I hope that the members reflect a little bit on what the good Senator from the 18th District is trying to bring to this body. One, she is trying to bring some compassion and common sense. I do think it makes common sense, I think, if you look at the population we are trying to affect. We have eliminated general assistance, so we are not talking about men—we are not talking about able-bodied men. We are talking about mothers with young children who, because of their economic circumstances, need assistance from the state to survive.

We got into this program primarily to make sure that people were fed. We did not want women and children starving on the streets of Michigan. I really think the bill is punitive, but the Alma Smith amendment makes it a little bit more palatable. Even with that amendment I am not sure that I will support it. Her amendment at least would send whatever savings that we get to the cities where the problems are and make sure that at least there would be food for the children and the mothers who are caught by this language. It is really silly to go after mothers and children. What is the purpose of going after mothers and children? I just do not understand it.

Senator V. Smith's second statement is as follows:

I would ask the body to turn down Senate Bill No. 411 and to vote "no." It would have been a little bit more palatable if the Alma Smith amendment had been adopted. Outside of that, it just raises a whole bunch of questions in my mind.

What kind of problem are we trying to address? I guess I would pose that to the sponsor of this legislation. What are we trying to address? Have we seen large numbers of people moving into this state to obtain welfare benefits? How much additional monies have come into state government as a result of or how many dollars has it cost the state government as a result of people moving into Michigan to gain welfare benefits? Is this a significant problem and, if it is a significant problem, why try to address it in this fashion?

Why don't we recognize that if we do have mothers and children coming to Michigan, are they coming here because their families are here? Are they coming here because this is where their support base is? Are they coming here because this is the place that used to be home before they went to some other state and as they come here, they have to deal with the cost of Michigan's economy. I realize that some states pay lesser benefits than Michigan, but they have a different economic structure. We're an industrialized state; we have an industrialized economy. We have higher costs for certain things than in other parts of the state. I don't see the need for a punitive gesture, if that's indeed what this bill is attempting to do—to punish women and children for trying to come home and gain some support in the raising of their own children.

Don't forget that we've eliminated general assistance. We require contracts. We've limited the time that mothers and children have availability to the welfare rolls and we've done any number of things to try to tighten up the process.

Is it necessary, at this point, to now take this approach to further penalize, punish or say to families in other parts of the country, "Don't come to Michigan, even if this is home and even if your family is here."

Senator V. Smith's third statement is as follows:

I thought it was telling that the sponsor of this legislation and the good Senator from the 9th District did not respond to my question. I think my primary question was, why are we doing this? What problem is this trying to address? He did not respond to that and what that tells me is that there is no problem. He has not told you that we see an additional 3,000 families coming to Michigan. He has not told you that we see an additional 500 families coming to Michigan to take advantage of our welfare benefits. I think that is ludicrous that families would move to take welfare benefits when Michigan is one of the toughest states in the country and was one of the first states in the country to implement workfare. If you come here, you are going to get a job. You are going to have to get a job. You are going to have a certain time limit to get a job. You are going to have to seek training and counseling in order to be prepared to get a job. You are going to have to put your children into child care and you are going to have to go to work. You are going to have to sign a contract with the state of Michigan. That is, if you come here. For those who are already here, those are the provisions that they have to comply with.

So, if we have not been told that this is a problem and if we have not seen where this has been an increased cost in the state of Michigan in terms of our welfare rolls, then why are we trying to take this step, which I consider to be a punitive step? What most bothers me about this is if we had not eliminated general assistance, I could understand this a little bit more—we are talking about able-bodied men, but here we are talking about women and children. Bottom line, we are talking about women and their children. Bottom line. So why, if this is not a problem; why, if we are talking about women and children; why, if we require workfare; why, if we require a social contract in the state of Michigan, do we also feel it necessary to be punitive in our approach to anybody who might want to come here for support and to be close to their family? I have not heard any arguments to the contrary. I am still in opposition to Senate Bill No. 411 and I hope the body turns it down.

Senator Young's first statement is as follows:

I rise to support the amendment. I think it would allow the bill not to penalize as it approaches it currently. Actually, what we should be doing is provide more structure and provide an opportunity for people to in fact come for a chance to have a better lifestyle and better living—to be offered that in Michigan, which many of us already partake in. I think another point she makes is that we are trying to address here what I call a reverse mandate. We are actually going to cut benefit levels and shuffle that responsibility to the cities without providing them with the monies that are needed for them to take care of their problem. In fact, what is going to happen is, as individuals come, they will be dumped in these cities. The cities are going to acquire the problems, but we haven't provided the money. If we didn't take this punitive approach, we would in fact be suggesting that they ought to be held responsible. Their benefit level is going

to be the same. The opportunities are going to be the same for them to in fact turn their lives around, but what we are saying is no. The other side of that is that we, on the other hand, to those individuals who are just looking for a state with higher benefits, are providing them with an opportunity. I think the chief sponsor of this amendment is heading in the right direction and all she is suggesting is that if we do this, then those monies ought to go to those local units of government so they can utilize what we call a state savings. But it's going to be a city increased burden that they can utilize that funding to in fact take care of some of the problems. And they are closer to the problem so they would begin to not only mitigate that, but hopefully get some peoples' lives back on the right track. So I would hope we support the amendment. I don't think we should penalize people to get the result we want. I think more of a reward system to get the result we want is by adding accountability and responsibility, which speaks to what the chief sponsor wants to do, and I hope we support the amendment.

Senator Young's second statement is as follows:

I rise in opposition to Senate Bill No. 411. I think, as I indicated earlier in some of my statements, one of the problems that bothers me is the direction in which this is going. We are talking about penalizing welfare recipients coming in from another state of which we are trying to assist and make sure that we don't become a welfare state. But, at the same time, as I look at the legislation, it kind of intrigued me because of its puzzle. Because the amendment that was not adopted that was offered by the chief sponsor, Senator Alma Wheeler Smith—the holes weren't filled—and so it dictates what I must go through to point out what in fact we are doing. We are going penalize those who are on welfare currently, but for some reason, the wisdom and the direction of this legislation wants to take us into creating a whole new category of welfare recipients. We are talking about people who are in another state who don't want to work and want to shop around for where they can find a higher welfare benefit level and then come into that state. Obviously, this legislation is not addressing a problem of major proportions because we are only looking at 1.5% of the people around, who have in fact come into this state as of late who are welfare recipients.

The other thing that bothers me is that, while this national economy is going great and has benefitted states—and for the record, we ought to know that if we are going to blame President Clinton, we ought to do it in a proper perspective. And that perspective is this—number one, it's the national economy that drives the state. States are not the ones who in fact have created some kind of boondoggle which are taking place in benefitting our economy. So the direction that President Clinton has taken us is the direction we ought to be going. Everyone knows that, and it is not the policy that has been taken place in this state. We are going to find shortly that those policies are really going to put us in trouble.

Let me get back to the point of issue here and let me just demonstrate to the body the new welfare groups that we could be creating. If you live in Alabama and come to Michigan because we have higher benefits, if you are not on welfare, we will put you on welfare because you wouldn't want to stay in Alabama because we have greater benefits in Michigan. Come on from Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, South Dakota, North Dakota, Tennessee, Texas, Utah, Virginia, West Virginia and Wyoming. Because what this is saying is that we are going to create a whole new welfare state and we are saying that if you don't want to work, and according to Senate Bill No. 411, if you don't want to work and you're shopping around for a place where you can find a new horizon and be on welfare, because we are only going to penalize your siblings and relatives who are on welfare in the same state you live in—then you come on to Michigan. It's for that reason the policy is misdirected. It's going in the wrong direction. It's penalizing one group and creating a much larger group. I think that is not the direction we should be going.

As I mentioned before, it is an interesting puzzle and I hoped we had filled that gap by providing an opportunity for monies to go to those local units of government to take care of some of the problems they will be faced with. Quite frankly, one of the issues that we've always had to deal with is that there aren't enough shelters and food programs, and everybody knows this. Unfortunately, we have people for no fault of their own suffering in cities and here in the state of Michigan. We are about to approach the winter and we are talking about something like this; when in fact we are saying, "You all come on in." We are going to eliminate one to make our books look good, but we are going to create another category tomorrow. I would hope we would oppose Senate Bill No. 411.

Senator A. Smith's first statement is as follows:

This is the amendment that I offered yesterday on General Orders that would require the Appropriations Committee to appropriate to local units of government any savings that this legislation would create by reducing the payments to individuals who come from other states to the state of Michigan. When those individuals come into the state, even if they are complying and fully complying with the state social contract, which means that they may be working and earning tax dollars and paying tax dollars, they may be doing voluntary work which is required by the social service department. Despite that effort to meet the agreement that the Family Independence Agency exacts from all Michigan citizens—and these are, in fact, Michigan residents—they would be treated differently from other residents of the state of Michigan who might be applying for welfare and they would only be allowed to get the grant dollars that would be equivalent to those that they were receiving in another state.

This amendment says that if, in fact, the state realizes a savings with this kind of punitive measure, those savings would have to go to the local units of government that would have to, in turn, spend money for housing and food programs for individuals who, because of a reduced allowance, would not be able to meet the higher cost of living in the state of Michigan.

I urge the support of my colleagues for the amendment. I think it's fair. I think it addresses what is going to happen at the local unit level when they are actually required to meet housing and food costs for individuals who cannot because of this reduced payment do it on their own.

Senator A. Smith's second statement is as follows:

This is an argument we heard yesterday, as Senator Geake pointed out. The argument, however, is a bit specious. This is not an appropriation amendment. This is a directive of the Legislature to the Appropriations Committee, if you will, that says that if this policy position that we take here results in a loss to local units of government, then we, as the Legislature, direct the Appropriations Committee to expend the federal dollars that are involved in this program back to the cities so that they do not encumber their own budgets by providing housing in the shelters of their cities and local units of government and they don't incur additional costs and unnecessary costs with food programs that they have to put forward.

Your measure before us on Senate Bill No. 411 has the potential impact on our core cities in the state of Michigan: Grand Rapids, Detroit, Flint, Lansing, Kalamazoo, and Ann Arbor. These are cities that are already running shelter programs on the fringe. They can't afford to do what they are currently doing. They are reaching deep within their local unit budgets and we are, with this legislation, potentially putting an awesome burden on them when it would be far cheaper for us as a state to say: If we, as individuals, are in fact signing the social contracts that we require them to sign, and doing what we require them to do under the agreement with the Family Independence Agency, that they will be treated as every citizen of the state of Michigan is treated, then we are not forcing that kind of debt load onto the local units of government. We are treating individuals as if they belong to the state in which they reside and in which they hold their citizenship.

I think this is a good amendment. I think it certainly addresses the concerns that you are going to hear from your local units of government, when they are, in fact, facing additional individuals pushed into the shelters because they can't afford the full rent payments in the state of Michigan, because they can't keep a roof over the heads of their children, and because they can't keep food on the table, they end up in the food programs of the local units of government. I think this is a good amendment. I think it says that we, as a state, recognize some of the potential pitfalls of this legislation and we intend to remedy it to our local units of government to the best of our ability. Again, this is federal money; it is not an appropriations issue. It is a policy directive from the Legislature to the Appropriations Committee. It is a policy statement and a policy bill, and I urge your support for the amendment.

Senator A. Smith's third statement is as follows:

I rise to oppose Senate Bill No. 411.

We, as a state, have a responsibility to those individuals who live in this state and we have a contract that has been developed by this Legislature that is called a social contract that we ask people who are in of need of state assistance to meet their daily living obligations. That contract requires that they work or that they do community service or that they are in school. They can't get welfare benefits in the state of Michigan unless they sign this contract and fulfill the components of that contract. So, what Senate Bill No. 411 is saying to individuals is that even though you may be complying, and you may be in full compliance—you may be working, you may be paying taxes—even if that's true, you are going to be treated differently from anybody else in the state of Michigan because you happen to have come to your job or to a house from another state and you were on welfare there, but you weren't working.

Senate Bill No. 411 also says to individuals in other states that if you lose your job in Indiana and there is a possibility that you need to go on welfare because you haven't been able to find a job, you can come to Michigan and there will be no penalty assessed against you even if you come and you're not working because we don't penalize people who weren't on welfare in the 30 days prior to their moving from another state and moving to the state of Michigan. So they come with a free grant of full welfare benefits, but those individuals who are here who had been on welfare in another state but are here in Michigan and may be in full compliance with the state contract and may be working and, again, may be paying taxes, are not allowed the full benefit.

This type of legislation has been challenged on constitutional grounds in five states. Other states have pending or will have pending suits as soon as plaintiffs are found. That illustrates Senator V. Smith's comment. There isn't a lot of this population migration for the purpose of welfare benefits going on. Any savings that the state of Michigan realizes from this legislation is actually going to be federal dollars because we have to maintain the state's mandated match and we're not going to save any General Fund/General Purpose dollars.

This is punitive. This is, in all probability, unconstitutional. I think it's a mistake for us to do this because it is also unfair. It passes a burden down to our local units of government that we ourselves are not willing to pay. Somebody is going to pick up the tab and it will, in fact, be the local units of government. I urge your rejection of this bill.

General Orders

Senator DeGrow moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Binsfeld, designated Senator Peters as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Binsfeld, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

Senate Bill No. 640, entitled

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending section 402b (MCL 550.1402b), as added by 1996 PA 516.

The bill was placed on the order of Third Reading of Bills.

Resolutions

Senator DeGrow moved that consideration of the following resolutions be postponed for today:

Senate Resolution No. 71

House Concurrent Resolution No. 21

The motion prevailed.

Senate Resolution No. 77.

A resolution to recognize suicide as a serious state and national problem and to encourage suicide prevention initiatives.

The question being on the adoption of the resolution,

The resolution was adopted.

House Concurrent Resolution No. 48.

A concurrent resolution to establish a sister-state relationship with Egypt and to encourage Detroit city officials to establish a sister-city partnership with Luxor, Egypt.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

Senators Emmons, North, McManus, Rogers, Gougeon, Steil, Bennett, Stille, Geake, Schwarz, Dunaskiss, DeGrow, Bullard and Schuette offered the following concurrent resolution:

Senate Concurrent Resolution No. 52.

A concurrent resolution to memorialize the Congress of the United States to overturn the ruling of the United States Labor Department that subjects workfare/welfare recipients to the provisions of the Fair Labor Standards Act and other regulations.

Whereas, Our country has made significant strides in revamping our system of welfare. Through landmark federal legislation and the leadership and cooperation of the states, disincentives have been replaced by workfare opportunities to help people gain self-sufficiency; and

Whereas, The new federal provisions on assistance require those able to work to move to employment and/or training. However, this effort is hampered by a recent ruling by federal labor officials. In April 1997, the United States Department of Labor ruled that a host of labor laws and regulations apply to welfare recipients as well as to other employees. This policy is a major blow to welfare reform efforts; and

Whereas, Subjecting welfare/workfare employment to the same laws and regulations as other employees is counterproductive to the ultimate aims of encouraging all people to seek work and encouraging employers to provide meaningful opportunities for these men and women. The requirements of the Fair Labor Standards Act, Social Security taxes, unemployment insurance benefits, and prevailing wage provisions will not open more doors to people needing work. Instead, these provisions make it much easier for recipients and employers alike to abandon a partnership that holds great promise for our nation. There are clearly other means to protect these workfare participants without jeopardizing the advances we are making in replacing welfare with work; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the Congress of the United States to overturn the ruling of the United States Labor Department that subjects workfare/welfare recipients to the provisions of the Fair Labor Standards Act and other regulations; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pursuant to rule 3.204, the concurrent resolution was referred to the Committee on Government Operations.

House Concurrent Resolution No. 63.

A concurrent resolution to express concern over the Michigan Board of Dentistry's adoption of new policies in the examination and certification of dental specialists and to urge reconsideration of the recent revisions of the examination process.

Whereas, There is considerable concern over the Michigan Board of Dentistry Examination Committee's recommendation to implement the Northeast Examination Regional Board of Specialty Examinations (NERB) as the state examination to be required for certification as a specialist in the state of Michigan; and

Whereas, In addition, the "authority and responsibility" for the function of the Specialty Field Task Force has been transferred to the Director of the Department of Consumer and Industry Services; and

Whereas, Various educational experts from the dental specialist community have testified before the Board of Dentistry that the NERB examinations are not substantially equivalent to the present Michigan Specialty Examinations. Dental specialty groups in Michigan were unanimous in their opposition to the change in testing procedures; and

Whereas, Many experts believe the implementation of the NERB examination will lessen long-standing professional standards of dental care in Michigan; now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That the members of the Michigan Legislature express our concern over the Michigan Board of Dentistry's adoption of new policies in the examination and certification of dental specialists; and be it further

Resolved, That we urge the full Michigan Board of Dentistry to reconsider the recent revisions of the Michigan Dental Specialty Examination process; and be it further

Resolved, That copies of this resolution be transmitted to the Board of Dentistry.

The House of Representatives has adopted the concurrent resolution.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations,

Senator DeGrow moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the concurrent resolution,

Senator DeGrow moved that the concurrent resolution be referred to the Committee on Health Policy and Senior Citizens.

The motion prevailed.

The President pro tempore, Senator Schwarz, assumed the Chair.

Statements

Senators Byrum, McManus and DeGrow asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Byrum's statement is as follows:

The actions of the Legislature today restored the at-risk funding to those students most at risk of failing in school. It is important to note that the at-risk monies were never part of the Durant settlement. It was the Governor who held kids hostage. The Governor held kids hostage, delayed and disrupted programs and services to the most vulnerable of students in Michigan schools. It was the Legislature that solved the problem. The Legislature put forward a solution to the Durant settlement—the underfunding of special education. It started with a very complicated and confusing process or scheme that used Michigan's children as pawns in the bargaining. It was the Legislature that unraveled that with bipartisanship, Republican and Democrat. I earlier noted the great work of Senator Dan DeGrow and Representative Bob Emerson. We went from a very complicated and confusing scheme that significantly increased the state's debt through bonding and had less money to kids.

What we have today, and our actions in today's business was a straightforward and honest approach to settling the underfunding to Michigan schools for special education—the Durant settlement. We have addressed through amendments on the floor today some significant issues. How many times have each of us gone to a public forum and have the question, "What happened to the lottery money?" I'm sure that each and every one of us has that question asked every time we're before a public group.

We've addressed that issue as it relates to casino gambling with the DeBeaussiaert amendment. Now there is a separate fund for casino revenue so that we can be honest and straightforward with the citizens as to what happens with the casino revenues. Through the work of Senator Joe Conroy, we have addressed small class size and how critical it is, especially in the K-3 grades, that smaller class sizes make a difference in students' ability to learn to read. Without that basic building block of reading, it will handicap students far into the future and have a significant impact on their progress.

Today's actions, truly the students have been the beneficiary of what has gone on in the Michigan Legislature today. I can say that I feel good about what we have done because the Legislature has forged a solution, bipartisan—Republican and Democrat.

Senator McManus' statement is as follows:

I rise to speak for some of the poorest districts, moneywise, in the state of Michigan. I'm not talking about quality. I'm talking about money. The chairman of the Appropriations Committee reminds me that we go into session at 2:00, so I'll try to keep my remarks short.

The Durant case settlement of \$1 billion is essentially a windfall to school districts in this state. It was a 17-year-old problem that we got saddled with in this particular session of the Legislature. Actually, the money belongs to the taxpayers of the state of Michigan and not particularly to the school districts, but it looks like it's going to end up in the districts. I'm sure the districts can use it and will use it wisely. However, in the process of all this, the foundation grant increase is frozen for one year. It may look equitable because we have reduced the amount of money the districts have to pay into the pension fund by 3.44% of payroll, or about a 3% decrease, which would be on the average about equal to a 2.8% increase in the foundation allowance. So it looks like everything is "even-steven."

However, such is not the case. The basic foundation allowance is \$5,462. I have districts as low as \$5,124 per pupil in my district. In fact, I have 18 out of 33 districts in that particular position. There are 26,257 in those particular school districts out of the 48,000 students that I have in the district.

Under Proposal A, we said we were going to get to equity—equity meaning that we were going to get to the same amount of money behind each students in each school over a period of time. So, we were playing catch-up with those districts that were below the foundation basic of \$5,462. By freezing this for one year, we've slowed down the process and those particular districts that would have received someplace between the 2.8 and 6% now will receive the -3% in which they pay into the pension fund. So that difference is not going to those districts and there are 260 of them, just for your information, out of the 555 in the state. So, I don't have all of them in my district. You have some, too.

What I'm saying today is that by not having that increase for one year, even though these districts will have additional funding because of Durant, in total, it slows down the amount of foundation allowance that would get us to equity. What I'm asking today is that when we come to the year 2000 and we've got Durant behind us, that we will give some special consideration to those districts that are below the foundation allowance—those poorest districts in the state of Michigan. I believe you all have some of them.

Senator DeGrow's statement is as follows:

In regards to the Durant settlement, the nice thing about its success is that there is plenty of credit to go around and I do feel the need to respond to earlier remarks in terms of the Governor. As one who sat through three months of negotiations, the Governor was a very active participant in this, personally, and at times, through his Budget Director, Mark Murray. And, to the extent that this was accomplished, while I appreciate the earlier comments giving Representative Emerson and myself tons of credit, the Executive Office was involved in a major role—without them this would not occur. So, I think the people of this state need to know their Governor was there at the table helping solve the problem.

One of the reasons we got to this point, it is true we had 17 years of litigation, but approximately 12 hours before the Governor had to make a decision on the K-12 bill, the Durant case came down. The Governor had to make a decision in terms of the fiscal integrity of this state when faced with a minimum, immediate bill of over \$200 million. I think he made the right choice in terms of vetoing some items. I think that protected the integrity, but I think it also brought us to the table and, quite frankly, protected the nonplaintiffs. Without some of the actions of the Governor, I'm not convinced that the nonplaintiffs would have gotten their money.

So, it is a good day in that we are beginning to move forward. There's plenty of credit, I think, for everyone in terms of solving this problem. And there's always plenty of blame when you don't solve a problem. But the idea that the Governor did not participate in solving this problem is ludicrous on its face. Without him, there is no solution; without us there is no solution, but Governor Engler helped get this problem solved.

Committee Reports

COMMITTEE ATTENDANCE REPORT

The Trial Court Assessment Commission, Committee on Court Organization submits the following:

Meeting held on Friday, October 31, 1997, at 9:00 a.m., 8th Floor Conference Room, Farnum Building

Present: Senator Dingell

Scheduled Meeting Canceled

Michigan Trial Court Assessment Commission - Friday, November 7, at 10:00 a.m., 8th Floor Conference Room, Farnum Building (3-7000).

Senator DeGrow moved that the Senate adjourn.
The motion prevailed, the time being 12:53 p.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Thursday, November 6, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.