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House Chamber, Lansing, Wednesday, January 23, 2002.

6:00 p.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Adamini—present	Garza—present	Lockwood—excused	Schermesser—present
Allen—present	George—present	Mans—excused	Scranton—present
Anderson—present	Gielegthem—present	McConico—present	Shackleton—present
Basham—present	Gilbert—present	Mead—present	Sheltrown—present
Bernero—present	Godchaux—present	Meyer—present	Shulman—present
Birkholz—present	Gosselin—present	Middaugh—present	Spade—present
Bisbee—present	Hager—present	Minore—present	Stallworth—present
Bishop—present	Hale—present	Mortimer—present	Stamas—present
Bogardus—present	Hansen—present	Murphy—present	Stewart—present
Bovin—excused	Hardman—present	Neumann—present	Switalski—present
Bradstreet—present	Hart—present	Newell—present	Tabor—present
Brown, Bob—excused	Howell—present	O’Neil—present	Thomas—present
Brown, Cameron—present	Hummel—present	Pappageorge—present	Toy—present
Brown, Rich—present	Jacobs—present	Patterson—present	Vander Roest—present
Callahan—present	Jamnack—present	Pestka—present	Vander Veen—present
Cassis—present	Jansen—present	Phillips—present	Van Woerkom—present
Caul—present	Jelinek—present	Plakas—present	Vear—present
Clark—present	Johnson, Rick—present	Pumford—present	Voorhees—present
Clarke—present	Johnson, Ruth—present	Quarles—present	Waters—present
Daniels—present	Julian—present	Raczkowski—present	Whitmer—present
Dennis—present	Koetje—present	Reeves—excused	Williams—present
DeRossett—present	Kolb—present	Richardville—present	Wojno—present
DeVuyst—present	Kooiman—present	Richner—present	Woodward—present
DeWeese—present	Kowall—present	Rison—present	Woronchak—present
Drolet—present	Kuipers—present	Rivet—present	Zelenko—present
Ehardt—present	LaSata—present	Rocca—present	
Faunce—present	Lemmons—present	Schauer—present	
Frank—present	Lipsey—present		

Rep. Rick Johnson, from the 102nd District, offered the following invocation:

“Tonight’s prayer is an old English prayer that was given to me by the Speaker of the House of Massachusetts a few weeks ago. I think it is fitting for tonight’s events:

Take Time

Take time to think. It is the source of power.
Take time to play. It is the secret of continued youth.
Take time to read. It is the foundation of wisdom.
Take time to pray. It is the greatest power on earth.
Take time to love and be loved. It is a God-given privilege.
Take time to be friendly. It is the road to happiness.
Take time to laugh. It is the music of the soul.
Take time to give. It is too short a day to be selfish.
Take time to work. It is the price of success.
Take time to do charity. It is the key to heaven.

Amen.”

The Speaker assumed the Chair.

Rep. Jacobs moved that Reps. Bovin, Bob Brown, Lockwood, Mans and Reeves be excused from today’s session.
The motion prevailed.

Reports of Standing Committees

The Committee on Insurance and Financial Services, by Rep. Richner, Chair, reported

House Bill No. 5513, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending sections 4701 and 4702 (MCL 600.4701 and 600.4702), section 4701 as amended by 2000 PA 184 and section 4702 as added by 1988 PA 104.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

HB 5513 To Report Out:

Yeas: Reps. Richner, Ehardt, Hager, Hummel, Julian, Middaugh, Scranton, Van Woerkom, Anderson, Woodward,
Nays: None.

The Committee on Insurance and Financial Services, by Rep. Richner, Chair, reported

Senate Bill No. 639, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending section 8142 (MCL 500.8142), as amended by 1998 PA 279.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

SB 639 To Report Out:

Yeas: Reps. Richner, Bisbee, Ehardt, Hager, Hummel, Julian, Middaugh, Scranton, Van Woerkom, Anderson,
Nays: Rep. Woodward.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Richner, Chair of the Committee on Insurance and Financial Services, was received and read:

Meeting held on: Wednesday, January 23, 2002, at 10:30 a.m.,

Present: Reps. Richner, Bisbee, Ehardt, Hager, Hummel, Julian, Middaugh, Scranton, Van Woerkom, Anderson, Woodward,

Absent: Reps. Wojno, Clark, Daniels, Schermesser,

Excused: Reps. Wojno, Clark, Daniels, Schermesser.

The Committee on House Oversight and Operations, by Rep. Patterson, Chair, reported

House Bill No. 5349, entitled

A bill to amend 1976 PA 442, entitled "Freedom of information act," by amending section 13 (MCL 15.243), as amended by 2001 PA 74.

With the recommendation that the substitute (H-3) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

HB 5349 To Report Out:

Yeas: Reps. Patterson, Julian, Kuipers, Jacobs, Lipsey,

Nays: None.

The Committee on House Oversight and Operations, by Rep. Patterson, Chair, reported

House Resolution No. 299.

A resolution to urge Canadian authorities to remove all offshore drilling platforms from the waters of the Great Lakes. (For text of resolution, see House Journal No. 2, p. 21.)

With the recommendation that the resolution be adopted.

The Speaker announced that under Rule 77 the resolution would lie over one day.

Favorable Roll Call

HR 299 To Report Out:

Yeas: Reps. Patterson, Julian, Kuipers, Jacobs, Lipsey,

Nays: None.

The Committee on House Oversight and Operations, by Rep. Patterson, Chair, reported

House Concurrent Resolution No. 54.

A concurrent resolution to urge Canadian authorities to remove all offshore drilling platforms from the waters of the Great Lakes.

(For text of resolution, see House Journal No. 2, p. 22.)

With the recommendation that the concurrent resolution be adopted.

The Speaker announced that under Rule 77 the concurrent resolution would lie over one day.

Favorable Roll Call

HCR 54 To Report Out:

Yeas: Reps. Patterson, Julian, Kuipers, Jacobs, Lipsey,

Nays: None.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Patterson, Chair of the Committee on House Oversight and Operations, was received and read:

Meeting held on: Wednesday, January 23, 2002, at 10:30 a.m.,

Present: Reps. Patterson, Julian, Kuipers, Jacobs, Lipsey.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Hummel, Vice-Chair of the Committee on Civil Law and the Judiciary, was received and read:

Meeting held on: Tuesday, January 22, 2002, at 3:15 p.m.,

Present: Reps. Howell, Hummel, Bisbee, Faunce, Koetje, Richner, Voorhees, Adamini, Lipsey, McConico, Waters.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Gilbert, Chair of the Committee on Transportation, was received and read:

Meeting held on: Wednesday, January 23, 2002, at 9:00 a.m.,

Present: Reps. Gilbert, George, DeRossett, Drolet, Gosselin, Hart, Hummel, Ruth Johnson, Julian, Scranton, Anderson, Bovin, Jamnick, Murphy, Neumann,

Absent: Reps. Daniels, Schermesser,

Excused: Reps. Daniels, Schermesser.

Messages from the Senate

House Concurrent Resolution No. 52.

A concurrent resolution providing for a joint convention of the House of Representatives and the Senate.

(For text of resolution, see House Journal No. 1, p. 11.)

The Senate has adopted the concurrent resolution.

The concurrent resolution was referred to the Clerk for record.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members, Wednesday, January 23:

House Bill Nos. 5566 5567 5568 5569 5570 5571 5572

Messages from the Governor

The following message from the Governor, approving and signing the following bill at the times designated below, was received and read:

Date: January 21, 2002

Time: 11:05 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5027 (Public Act No. 2, I.E.), being

An act to amend 2001 PA 142, entitled “An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions,” (MCL 250.1001 to 250.1100) by adding section 72.

(Filed with the Secretary of State January 23, 2002, at 3:30 p.m.)

Introduction of Bills

Reps. Kooiman, Patterson, Julian, Faunce, Hummel, Kuipers, Middaugh, Stamas, Vander Roest, Stewart, Gilbert, Birkholz, Rocca, Bogardus, Kowall, Kolb, Mans, Voorhees, Meyer, Bishop, Pappageorge, Bernero, Wojno, DeWeese, Schauer, Vear, Richardville, Richner, Caul, Bovin, Jansen, Gosselin and Raczkowski introduced

House Bill No. 5573, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 11546 (MCL 324.11546) and by adding section 11514a.

The bill was read a first time by its title and referred to the Committee on Land Use and Environment.

By unanimous consent the House returned to the order of
Motions and Resolutions

Representative Patterson moved that a special committee of four members be appointed to notify the Senate that the House was ready to meet the Senate in Joint Convention.

The motion prevailed.

The Speaker appointed as such committee Representatives Jansen, Drolet, Bernero and Zelenko.

The special committee to notify the Senate that the House was ready to meet in Joint Convention returned to the House along with the members of the Senate.

The committee, through its Chairperson, reported that it had performed the duty assigned it. The report was accepted and the committee discharged.

The Sergeant at Arms announced the members of the Senate, who were admitted and conducted to seats.

Joint Convention

6:40 o'clock p.m.

The Joint convention was called to order by the President of the Joint Convention, Lieutenant Governor Posthumus. Bishop Carl S. Mengeling, Bishop of the Archdiocese of Lansing, offered the following invocation:

“Blessed are You, our Creator! You surround us with gifts beyond measure to fulfill our vast needs. Yes, we are totally needful beings, each of us with a great need, with constant thirst and hunger in body and soul.

In this historic and revered hall of government, our State Capitol, we seek Your blessing for Governor Engler and his administration, the representatives of Your people in this legislature, our judiciary, elected officials and civil servants in the counties, the cities and the towns of our state of Michigan.

By Your grace, their wise prudent and just government seeks to establish the optimum conditions that will serve these immense needs of our citizens and our families, our schools, our urban centers, our towns and our farms.

For this immense task of government that serves the needs of the citizens of Michigan, we ask you to inspire our leaders and our citizens with wisdom, integrity and optimism as they promote a culture of life and a civilization of love.

Strengthen our leaders with justice and charity in their service of the common good as they consider our pressing needs—health care, jobs, agriculture, urban centers and the environment.

In these turbulent and challenging times, we are more aware that You, O God, are the greatest of our needs. Grant that all of our citizens will deepen their confidence, their optimism and their solidarity as Americans as they experience their leaders strong faith, boundless hope, undaunted courage, and generous love as they all fulfill their government responsibilities worthily and justly. Amen.”

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

The roll of the House was called by the Clerk, who announced that a quorum of the House was present.

The President of the Joint Convention announced that the two Houses had met in Joint Convention to receive the message of the Governor.

Representative Patterson moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the State Officers to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Scranton and Rich Brown, and Senators Garcia and Byrum.

The Sergeant at Arms announced the special committee appointed to invite the State Officers to be present at the Joint Convention.

The State Officers, escorted by the committee, were conducted to seats.

Senator Emmons moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Judges of the Court of Appeals to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Bisbee and Williams, and Senators Steil and Scott.

The Sergeant at Arms announced the special committee appointed to invite the Judges of the Appeals Court to be present at the Joint Convention.

The Judges of the Appeals Court, escorted by the committee, were conducted to seats.

Representative Patterson moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Justices of the Supreme Court to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Godchaux and McConico, and Senators Schwarz and Young.

The Sergeant at Arms announced the special committee appointed to invite the Justices of the Supreme Court to be present at the Joint Convention.

The Justices of the Supreme Court, escorted by the committee, were conducted to seats.

Senator Emmons moved that a special committee, consisting of three Representatives and three Senators, be appointed to invite and escort the Governor to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Middaugh, Hummel and Kolb, and Senators North, Gougeon and Miller.

The Sergeant at Arms announced the special committee to wait on the Governor.

The Governor, escorted by the committee, was conducted to the rostrum.

The President of the Joint Convention then introduced Governor Engler who gave his message to the Joint Convention as follows:

“Thank you very much. Thank you, Bishop Mengeling, for your invocation. Lieutenant Governor Posthumus, Speaker Johnson, Majority Leader DeGrow, members of the House and Senate, Chief Justice Corrigan, justices and judges, colleagues in government, fellow citizens:

In accordance with the Constitution, I come before you once again to report on the state of our state. Tonight I would like to talk with you about Michigan’s challenges and opportunities. The two are always related. Churchill put it well: ‘A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.’

Ladies and gentlemen, I am an optimist. Michigan has always met its challenges—our state has always been a leader—when confronting crises at home or abroad. Our soldiers fought to preserve the Union in the Civil War. Our citizens manned the stations of the Underground Railroad on behalf of freedom. A great generation of automobile pioneers put America on wheels. And Michigan workers in World War II made our state the Arsenal of Democracy. We remember and honor their achievements. They inspire us in the face of our own challenges.

Challenges that our generation did not choose, but that we accept and will overcome. For many of our citizens, the challenges we face make for uneasy times. There is understandable concern over: Job and economic security; homeland defense; energy supply; health care; technological change; and the quality of our schools.

How prepared is Michigan to confront these challenges? What is the state of our state?

Ladies and gentlemen: Our state is strong—it is rock solid. After a decade of reform and renewal, Michigan is prepared to confront the challenges of the 21st century. More than that: Michigan is poised for transformation. This evening I’d like to talk with you about how we can lead, and achieve, that transformation.

I think we’d all agree, the tragedy of September 11th has been a transforming event. Our nation is experiencing a remarkable and welcomed renewal of the American spirit. On behalf of the people of Michigan, I’d like to thank our Commander in Chief, President George W. Bush, and all our men and women in uniform, serving in Afghanistan and around the world. Thank you for a job well done.

In Michigan some special citizen-soldiers are keeping us safe at our border, in our airports, and on duty overseas. With us this evening are Staff Sergeant Tyrone Redding, posted at the Ambassador Bridge in Detroit, and Specialist Robert Streeter, posted at Lansing’s Capitol City Airport. They make us proud—they are the Michigan National Guard. Welcome them. Gentlemen, thank you for joining us tonight.

I requested that the Michigan Civil Service Commission take action to continue medical benefits for state employees who have been called to active duty, and that any pay differential be covered, retroactive to September 11th. Let's show our citizen-soldiers we value their service and sacrifice.

Keeping us safe has special meaning for three legislators. Senator Gary Peters has already been called up by the U.S. Naval Reserve—we wish him Godspeed. In addition, Senator Valde Garcia and Representative Andrew Raczkowski stand ready to serve. May our prayers be with them and with all who are prepared to stand in harm's way for us and for our freedom.

Meanwhile, keeping our citizens out of harm's way is the goal of homeland defense.

Back in 1996, Michigan established an anti-terrorism task force so we would be prepared for terrorist threats. For their years of diligent work, I applaud the task force and their leader, Col. Mike Robinson, head of the Michigan State Police. Colonel, thank you.

And, the Michigan Legislature has also responded to the threat of terrorism. I congratulate you on your bipartisan efforts to date. Now, let's act promptly to complete the remaining measures in the anti-terrorism package. I am ready to sign it.

And our colleagues in local government, many of whom are here tonight, are also doing their part in the war against terrorism. To all of them we say, 'Thank you for the job you are doing!'

Michigan, with its international border crossings, has special challenges. Clearly, international borders are a national responsibility. These borders require the coordination of state and federal government, as well as international cooperation. Each year more than 28 million vehicles travel between Michigan and Canada. More cars and trucks, more people and goods, have meant more jobs—but not more security at our border. Michigan border crossings need immigration officials and customs officials, and we need them now.

Just about 48 hours ago, the world's premier auto show ended in Detroit. The creativity and technology on display highlighted Michigan's global leadership and demonstrated why our state has been an economic powerhouse for a century. Manufacturing has been the lifeblood of Michigan's economy and the engine of our prosperity. Our auto industry and its incredible network of suppliers have supported hundreds of thousands of Michigan families. Our designers, engineers, and skilled workers are second to none. In the midst of a national recession, in the aftermath of September 11th, it was our signature industry that stood tall. While Washington debated, the car companies delivered. Zero percent financing has been, without a doubt, the most important stimulus package American families have received. In an autumn of tragedy and grief, Michigan's companies helped 'Keep America Rolling.' We thank them for that.

Now, in a winter of recession, our challenge is to do all we can to keep Michigan rolling. First, we must understand what's going on in our most important industry. One day we are celebrating the opening of the Lansing Grand River plant—the most sophisticated assembly plant in the world. Mayor Hollister—I think you are here tonight, congratulations to you and your Blue Ribbon Committee and the men and women of the UAW! Great Job! One day we are celebrating that, the next, we are reading about restructuring, downsizing, undervalued stock prices and layoffs. Many of our Michigan companies are facing challenges that make the state's budget problems look easy. To the Legislature I say this: if we all go the extra mile, if we all work hard, we may be able to help these companies by keeping our tax cuts rolling. At the same time, we need to address the plight of many workers whose job security depends on these companies. Let's help all workers by protecting income tax cuts and by raising unemployment benefits.

In addition to the problems I've mentioned, other forces are bearing down on Michigan's major industry. Two debates directly challenge our state's future. The first debate concerns energy. The second, environment and global climate. These two debates are inseparably linked. Some may be asking, how will these debates impact Michigan? But I ask: how can Michigan impact these debates?

We are at the beginning of an historic transformation. While I see great challenges, I sense even greater opportunities. Science and industry are successfully developing breakthrough technologies. It is no longer a question of whether, but when, we will leave behind an economy powered primarily by fossil fuels. In fact, the transformation has already begun. Breakthrough technologies today are hastening development of hydrogen-powered internal combustion engines, clean diesel-powered cars and trucks, and an exciting array of hybrid vehicles.

One innovative technology is attracting considerable investment and attention. We ignore it at our peril. I am talking about fuel cells. Fuel cell technology will revolutionize the power generation. This technology will lead to impressive gains in energy efficiency and dramatic reductions in emissions. As fuel cells go from powering the astronaut's space shuttle to powering your family car, they will transform our very way of life. It is Michigan's great fortune to be home to so many companies that are in the vanguard of this transformation to fuel cells. Listen to what key leaders are saying. Ford Chairman and CEO Bill Ford: 'I believe fuel cell vehicles will . . . end the hundred-year reign of the internal combustion engine.' General Motors CEO Rick Wagoner: 'The 21st century will be the century of the fuel cell.' With fuel cell technology driving our future, Michigan needs to prepare. Make no mistake: Michigan cannot sit back and assume that being home to the auto industry is our birthright.

From the granting of the first patent on the gasoline-powered automobile to the pouring of the first mile of concrete road in the world on Detroit's Woodward Avenue to Henry Ford's revolutionary assembly line. Michigan, our state, Michigan, led the way to a century of progress. Now, our generation faces a new century with new challenges. But what an opportunity for our generation. What an opportunity.

Ladies and gentlemen: the race is on, the stakes are high, and Michigan must come out on top. The sheer magnitude of the coming change makes me wonder what it must have been like a hundred years ago, when society was challenged by that newfangled horse less carriage. I am sure a lot of people wanted to keep the horse and buggy around. The buggy makers were frightened and they wanted tough new regulations. The suppliers—the blacksmiths, barn builders and bridle makers, along with the oats-and-hay lobby—were under pressure to cut prices. The horse breeders were trying to breed bigger, faster, stronger horses—and cleaner ones, too. They went to their friends in Congress and Lansing and lobbied them, 'Do something!' They met with their lawyers and ordered them, 'Do something!' They contacted friendly journalists and trade associations and pled, 'Do something!' So what was done? The attorney general back then, Frank Kelley, launched an investigation. General Kelley, welcome here. General, thanks for joining us.

What else? The horseless carriage was banned on Mackinac Island. Everywhere else the horseless carriage transformed a nation and launched a century of progress. If Michigan fails to seize the opportunity, if Michigan fails to adapt, we risk becoming as irrelevant as the horse-and-buggy. That's why there must be a Michigan strategy to prepare for the transformation. Step one: work from strength. Michigan companies are our strength. Let's make sure that they are free to push the limits of technology, and that they can afford to do so. Incentives can help, but even more helpful would be removing some of the burdens and barriers imposed by Washington. For too long the auto industry has had too many regulations, too much interference, and too little cooperation. Michigan is grateful that the President and Congress have maintained the current CAFÉ... standards through 2004. We thank Michigan's congressional delegation—I note the presence of Congressman Bonior, if there are others please stand and be recognized—for their leadership on this vital issue in the past year. We appreciate that. Tonight I have a challenge for you in the new year: Let's end the threat completely—let's scrap that fossil bed of regulations known as CAFÉ.... At the same time, let's allow American drivers to take advantage of the European clean diesels. Do that, and virtually overnight our nation could achieve a 25 to 30 percent increase in fuel efficiency. We need that, but we need action.

Whether in Washington or in Lansing, whether Republican or Democrat, we should all agree that the future of the auto industry matters to the future of Michigan. Our leadership can increase fuel economy, reduce emissions—and above all protect Michigan jobs. When it comes to those jobs, Michigan's stake in the transformation of the auto industry cannot be overstated—one only needs to look at the new Lansing River plant to see this. Think about it for a moment: the coming transformation means a new generation of vehicles. The new vehicles will require a new generation of engineers to design them, a new generation of plants to assemble them—one to be built in Delta Township, right here and a new generation of workers to build them. Our actions will determine if they are Michigan engineers, Michigan plants, Michigan workers! I believe they must be.

In the next 60 days you will receive from me a message detailing the actions necessary to ensure Michigan's preeminence in the global auto industry. My agenda will address taxes, regulations, new infrastructure, intellectual property, research and development. This year is our opportunity. Let's be bold. Let's seize the opportunity. Above all, let's make sure future generations are driving vehicles that say, 'Made in Michigan.' I love hearing, 'Made in Michigan.'

There was a time, not that long ago, when even an optimist would have been discouraged by Michigan's image. Our competitors derided us as 'the Rust Belt.' Not any more. Michigan has earned a new image. Winner of four consecutive Governor's Cups for new business startups and expansions. Ladies and Gentlemen, Michigan is back! Thanks to our skilled workforce, exceptional universities and smart decisions Michigan is becoming the Technology State. More than \$2 billion of new buildings on our campuses, Automation Alley, Smart Parks, the Life Sciences Corridor—all reflect the exciting transformation under way. They also reflect our commitment to fostering the right environment to attract the best science and technology have to offer. New work opportunities have blossomed across our state, all due to our willingness to embrace technological change. As a result, we are going to be hearing a lot more about new products made in Michigan.

The world took note when Michigan invested \$1 billion in our Life Sciences Corridor. That smart decision is already paying dividends. And two decisions—one by a family, one by a company—have meant the founding of the Van Andel Institute in Grand Rapids and mean the constructing of the new Pfizer Research complex in Ann Arbor . . . by the way, that decision was the single largest corporate investment decision made last year anywhere in the entire United States—in Michigan, here in Ann Arbor. These two decisions affirmed our growing stature as a state of science and R & D.

Also affirmed was the value of partnerships. Now we have another opportunity to build a winning partnership and take the next step to secure Michigan's future as a state of science. This time the opportunity is nearby, less than 5 miles from this Capitol. Michigan State University is the home of the world's premier Cyclotron Lab. Here, one of the world's finest faculties is exploring the frontiers of nuclear physics.

For years the highest priority, they tell me, of nuclear scientists has been a new facility dedicated to the study of rare isotopes. The goal: breakthroughs in nuclear physics, biomedicine applications, materials research, even national security. So what does all this have to do with Michigan? The U.S. Department of Energy and National Science Foundation are preparing to invest \$1 billion. One billion dollars to develop the Rare Isotope Accelerator (RAI). One billion reasons to listen carefully to what I have to say on this issue. The right location for the Accelerator is on the campus of Michigan State University. Such a facility, located in the center of our Life Sciences Corridor, would lead to a research explosion in the Great Lakes State. The Wolverine State's case is strong. The Spartan faculty is prepared. And the eminent physicist serving on Capitol Hill—Dr. Vern Ehlers, congressman from Michigan—is our champion. Let's show America that Michigan is serious about being home to the Rare Isotope Accelerator. Let's make the down payment in next year's budget. Let's seize this opportunity to become the world headquarters for nuclear physics.

In Michigan, every day, we are pushing the frontiers of science to fight disease and improve our quality of life. One way we've improved the quality of life in Michigan has been by providing children and families access to medical care. The numbers tell a great success story: compared to a decade ago, 800,000 more Michigan citizens have health insurance. That's very good news. Even better news: more than half of them are children! With us this evening is a great champion of children—our friend, my former lieutenant governor, Connie Binsfeld, and her husband, John. Connie, thanks for coming down from Glen Lake to be with us.

Despite all the good news, escalating health care costs are not such good news. For the longest time, state efforts to increase access and restrain costs have been thwarted by federal regulations of bewildering complexity and excessive cost. Governors George Bush and Tommy Thompson went to Washington fully aware of the challenges presented by these regulations. Already, after one year, their productive partnership has provided long overdue flexibility to states. Because of the changes made in Washington, we are now free to do even more to improve health care in Michigan. Tonight I am pleased to announce that we will submit a fast-track waiver to Health and Human Services Secretary Thompson. Our plan is called the MI-Family health plan. The goal: coverage for an additional 200,000 Michigan citizens.

Given the recession, given our budget, you may be wondering, how can this be? How can we possibly expand benefits to thousands of our citizens? The answer is simple—I've said it many times: when Washington gives the states the flexibility to design programs that meet our needs, we stretch the dollars and we help more people. Federal approval of the MI-Family health plan will further several goals, including one that I've long sought: greater protection to people with disabilities. These citizens will be able to take a job without fearing that success in the workplace will mean loss of their health insurance. The bottom line for MI-Family health plan: 200,000 more people will have help with health care.

When most Michigan citizens need health care, they reach for their Blue Cross card. In 1939, the Legislature passed the Blue Cross Act, which created Blue Cross Blue Shield of Michigan as a 'charitable and benevolent institution.' They even made Blue Cross tax-free.

The Act, however, did not make the company supervision-free. The Legislature's intent was clear: the commissioner of insurance was 'to provide for the regulation and supervision of Blue Cross. Another intent was also clear. In creating the company, the Legislature sought 'to secure for all of the people ... access to health care services at a fair and reasonable price.' I agree with that.

Back on September 14th, Commissioner Frank Fitzgerald made public the results of the 2001 financial examination of Blue Cross. The examination revealed that the Blues have serious problems. Among them: \$400 million in losses in the small group market, archaic technology and a cumbersome board and management structure. It won't be easy for Blue Cross to fix their problems. However, since over half of Michigan citizens depend on Blue Cross for health care coverage and services, the problems of the Blues cannot be ignored. When I looked into the issue, I was surprised to learn that the insurance commissioner actually has less authority to fix financial problems at Blue Cross than at any other insurance company licensed to do business in Michigan. So, at a time when so many people feel that the cost of health care is neither fair nor reasonable, our citizens cannot have the commissioner on the sidelines. I propose the following: strengthen the insurance commissioner's financial oversight; grant the commissioner the authority to restructure the board of directors; finally, create a Community Health Trust Fund to protect our citizens and capture the public benefit should Blue Cross ever follow the path of more than 20 other state plans and become a private company. It is of paramount importance that the Blues be strong, well run and focused on providing access to health care at a fair and reasonable price. When the health security of so many citizens is dependent on the financial security of a single company, the warning signs must be heeded. With a company like Blue Cross, the Legislature has a special responsibility. The Legislature created the company and designed their board. Unfortunately, that design has resulted in a board dominated and driven by special interests, not the public interest. A smaller, reconstituted board could assure that the 'power of blue' is refocused on its historic mission. It is not yet too late, but the warning lights are flashing. The time to act is now.

Soon it will be time to act on something else as well. In February, you will receive my budget for fiscal year 2003. From health care to education, the coming budget will present some challenging choices. One choice we do not have

is to abrogate our constitutional duty to pass a balanced budget. I have already made one decision: I will not leave to the next governor a mess like the one that was waiting for me! Actually, I believe we are making good progress on the budget, and tonight I want to say that I am grateful to many of you for the input you've given. One thing about the budget is already clear: the decisions you must make won't get any easier if you wait! Long term state budget needs are dramatically lessened when we improve the family budget by raising incomes and cutting taxes.

Tonight, I have spoken about some opportunities that will transform Michigan. Another opportunity was analyzed in a study by technology experts at Gartner Consulting. The study documents Michigan's need for a high speed infrastructure. the ability to move data, voice and video at high speed along the information highway is not only essential to business and education today; it will lead to growth and investment tomorrow. Gartner estimates that a significantly greater deployment of broadband in Michigan could mean a half million new jobs in the decade ahead. Now I ask, do we seriously want to turn our back on 500,000 new jobs? Or 250,000? Or even 100,000? I want those jobs, and I want them in Michigan!

With high-speed internet, more jobs and higher incomes aren't the only benefits. For many families there just isn't enough time in the day. For some of them, high speed connections may be an answer. Moms or dads able to work at home would have more time with their children. I agree with that. So with all the benefits, what's the problem? Some say, do nothing—there's no need; we've already solved the problem. Others say, wait—eventually the market will handle it. And a few say, it's not my problem—if you don't like it, move. Well, in the 1970s and '80s, we tried those approaches on other issues. Sometimes we put off reform and did nothing. Sometimes we refused to change and simply waited. It turned out, the problems were our problems. They didn't go away—but the jobs went away, and right behind them, thousands and thousands of the sons and daughters of Michigan.

In the '90s, Michigan chose to lead; Michigan moved to the fore, where we have been most of our history. Once again, this session we have a choice to make. If our state lags behind on broadband, we will be like the towns that were bypassed by the Interstate. Most continued to exist, but the growth went elsewhere, and their future was imperiled. Ladies and Gentlemen, Michigan has a choice: to lead or to lag. Let's choose to lead. That is what Michigan does.

While leading the way with expanded health care coverage and high-speed Internet connections are important, improving education remains my top priority. In fact, you could say educating children has been my passion. And it is a passion that has only grown as I have watched my own daughters grow. The girls are here this evening—their very first State of the State—let me introduce them: Maggie, Hannah and Madeleine. And right beside them is the woman that I love, their mom and Michigan's fabulous First Lady, Michelle Engler!

1991 was my first year in office. Children who were the age of my daughters back then, will be graduating this year from high school. It hardly seems possible. I'm sure we're all curious: how have they done? But the more important question to ask is: how have we done by them? That's a question we can answer. Our achievements have made Michigan a model for the nation. We passed Proposal A—our greatest achievement. We greatly increased funding. Total state and local funding for schools has gone up almost 70 percent—more than double the inflation rate—much more than funding for state government. We made school funding fair.

We virtually eliminated millage elections. We gave massive property tax relief valued at almost \$3 billion per year to farmers, seniors and homeowners. Ladies and Gentlemen: \$3 billion represents a whole lot of nickels. When it comes to kids, I have always believed the answer to the question—how have we done by them? It is about a lot more than money. It's about reform. And it's about results.

We made reform a priority by: educational choice; charter schools; competition among schools; restructuring Detroit Schools; rewarding high performing schools and students; and enhancing technology for teachers and students. These reforms, and many more, are leading to impressive results. A significant and convincing measure of those results is seen in the higher test scores of Michigan students.

With all of the work done over the last decade, with all the good news, is there still room for significant improvement? Unfortunately, the answer is yes. Almost 40 percent of our 4th graders are still not reading at a satisfactory level. No excuse can justify that. Children simply cannot succeed in life if they cannot read in the classroom. All children must learn to read. Our strategy—keep the focus on each child. No child should be left behind. Let's bring Michigan into full compliance with the No Child Left Behind Act signed this month by President Bush.

I am proud that Michigan has been a hotbed of education innovation. We have done much. Time after time, we have risen to the challenge. Michigan's Constitution talks of knowledge being necessary to the 'happiness of mankind.' Tonight, looking at Michigan's future and the importance of understanding science and technology, the challenges ahead for our schools are clear. We have work to do, and we cannot afford to leave any child behind.

My fellow citizens: You have given me one of the greatest privileges a citizen can ever hope for: to serve you and our state. Over the last three decades, it has been my honor to serve as a member of the House, a member of the Senate and Senate Majority Leader, and, since 1991, as your governor. Each of us who serves here is greatly changed by the experience. My appreciation for public service has grown with each office I have held. I believe with all my heart that public service remains an important and noble calling.

I love this beautifully restored state Capitol. This Capitol is our seat of government ... and the symbol of a great ideal, the ideal that we are capable of self-government under the rule of law. Look at this fabulous ceiling. At the seals

of 50 sovereign states—they remind us that we are, first and foremost, a nation of states, strong, vigorous, independent states. That’s what makes America great.

Tonight, as I complete my final State of the State message, I have many, many memories. My career began 31 years ago this month when I took the oath of office in this chamber. I see Chief Justice Tom Brennan, who administered that oath and went on to found the Thomas Cooley Law School, which also became an important part of my life. Judge Brennan recently announced his retirement after a marvelous and distinguished career in public service. Tom, we wish you Godspeed and congratulations!

I see Carol Viventi, who is now the Secretary of the Senate. Thirty-one years ago, she was my first and only legislative employee. A little later on, Carol actually became my classmate and my savior in getting through law school. Carol, thanks for sharing all the notes!

Dick Posthumus is here, my first campaign manager and my successor as Senate Majority Leader. Dick, thank you for your friendship! Sometimes I think, if only everybody in East Shaw Hall could see us now.

I see Senator Harry Gast, my freshman classmate, and the last member serving from the class of ’71. Harry’s 19-year chairmanship of the Senate Appropriations Committee is a record that will never, never be matched. I am fond of telling folks that Harry and I have gone to work together every day for 31 years. Harry, of course, is fond of saying: ‘John, I’ll never let you forget where you came from.’ Harry thanks!

I see my mother, my family, nieces and nephews. This family has been through a lot—campaigns, the ups and downs and the loss of their privacy. Their support has never wavered. I love them and I am very proud of them.

So many colleagues, so many friends, so many, many memories. We all came to this Capitol because we shared a goal—we wanted a better Michigan. We came from across our state, from all walks of life converging under this dome to stand up for what we believe in. Over the years, we waged many a lively battle, the rough and tumble of democracy. No matter what the outcome, we were always fighting for a better Michigan. I will always, always treasure my memories and cherish my friends.

I thank you all. God bless you and God bless the great state of Michigan.”

The business of the Joint Convention having been completed, the Governor, the Justices of the Supreme Court, the Judges of the Appeals Court and the State Officers withdrew.

Representative Patterson moved that the Joint Convention adjourn.

The motion prevailed, the time being 8:10 o’clock p.m.

The Lt. Governor and members of the Senate retired.

The Speaker announced that the House of Representatives and Senate had met in Joint Convention and had listened to the message of the Governor.

Rep. Allen moved that the House adjourn.

The motion prevailed, the time being 8:38 p.m.

The Speaker declared the House adjourned until Thursday, January 24, at 12:00 Noon.

GARY L. RANDALL

Clerk of the House of Representatives.

