

Final Minutes

Legislative Commission on Statutory Mandates Meeting

2:00 p.m. • Wednesday, February 13, 2008

Room 210 • Farnum Building

Members Present:

Amanda Van Dusen, Chair
Robert Daddow, Co-Chair
Ralph "Skip" Maccarone
Dennis Pollard
J. Dallas Winegarden, Jr.

Members Excused:

None

Others Present:

Mitch Bean, House Fiscal Agency
The Honorable Michael Bishop, Senate Majority Leader
David Bertram, Michigan Townships Association
Susan Cavanagh, Office of the Legislative Council Administrator
Karen East, Legislative Service Bureau
Thomas Hickson, Jr., Michigan Association of Counties
Ellen Jeffries, Senate Fiscal Agency
Larry Lee, Gongwer News Service
Eric Scorsone, Michigan State University

Elliott Smith, Legislative Service Bureau
Adam Stacey, House Republican Policy Office
John Strand, Legislative Council Administrator
Bill Sullivan, Office of Senator Bishop
Craig Thiel, Citizens Research Council
David Worthams, Michigan Municipal League
Donald Wotruba, Michigan Association of School Boards

Several others were present, but did not identify themselves.

I. Call to Order

The Chair called the meeting to order at 2:00 p.m. and asked the clerk to take the roll. A quorum was present.

II. Approval of Agenda

The Chair asked for a motion to approve the agenda. **Mr. Daddow moved, seconded by Mr. Pollard, to approve the agenda. There was no further discussion. The agenda was unanimously approved.**

III. Approval of Minutes – January 9, 2008 Meeting

The Chair asked for a motion to approve the minutes of the January 9, 2008 meeting. **Mr. Pollard moved, seconded by Mr. Winegarden, to approve the minutes of the January 9, 2008 meeting. There was no further discussion. The minutes were unanimously approved.**

IV. Presentation by Senate Majority Leader Michael Bishop

The Chair invited Senator Bishop to address the Commission. Senator Bishop began by thanking the members for their service on the Commission and reiterated that the Commission's goal is to recommend how to fix the problems that currently complicate the local government process by identifying unnecessary burdens on local governments and recommending solutions. He is confident in the Commission's ability to provide an objective view and analysis of unfunded state mandates and stressed elected government should not interfere in the work of the Commission.

The Chair shared that she and Mr. Daddow hope to use a more productive and constructive approach to tackle the broad scope of the Commission's charge and have discussed with the legislative leadership the idea of dividing the Commission's charges into phases with the first phase devoted to mandates that are of greatest concern to the various types of local units in Michigan. Mr. Daddow raised the possibility of securing additional funding for the Commission and sought Senator Bishop's advice on who to contact if additional funding is needed. Senator Bishop responded that the Commission should feel free to contact himself or the Speaker to discuss special funding needs for the Commission and to get the process of securing an additional appropriation moving.

V. Comments from the Chair

The Chair reminded members that the Commission is a public body and subject to the Open Meetings Act and the Freedom of Information Act. She noted that members are not discouraged from vetting ideas, soliciting input, and communicating personal thoughts, but suggested that we speak for the Commission only when the five members have voted to authorize a member to communicate a particular course of action.

VI. Presentation by House Fiscal Agency and Senate Fiscal Agency

The Chair then called on Mitch Bean, Director of the House Fiscal Agency, and Ellen Jeffries, Deputy Director of the Senate Fiscal Agency, to share their comments on what the fiscal agencies already do, what the challenges are in identifying the cost of mandates that arise through the legislative process, and their thoughts on the idea that there should be more of a process that tries to pin down more specifically the actual cost to local units of implementing the mandates that are imposed through legislation. Mr. Bean proceeded with his presentation and gave a general overview of the budget and outlined the constitutional and implementing statutes that currently exist. Mr. Bean added that, with over 1900 local units of governments of varying size in Michigan, it is very difficult to estimate the cost of a proposed

change in state statute that has a local government implication. Ellen Jeffries followed with a presentation on the appropriation process and an overview of the typical structure of an appropriation bill.

Commissioner Pollard inquired if the Commission should turn to the Legislative Service Bureau or the Fiscal Agencies to document the status of things that are expressly required to be done by entities such as the Department of Management and Budget and the Legislature when the Headlee amendment was implemented. Mr. Bean explained that statutorily the Fiscal Agencies' focus has to be on appropriations first and, while they would certainly be willing to help, it may be better to have someone from the Legislative Service Bureau or the State Budget Office receive and research the request. Mr. Elliott Smith, Director of the Legislative Service Bureau, was present and the Chair called on him to join in the discussion. Mr. Smith responded that the Bureau's Research Division would try to help in any way it can within the timeframe allotted by the Commission. The issue was discussed further. Mr. Maccarone commented that he understands the difficulties in researching the status of compliance with the Headlee amendment requirements, but noted that the Commission is looking for assistance and cooperation so that the Commission can accurately report the status to the Legislature. Mr. Daddow questioned if there has ever been a situation where the Legislature has gone back to quantify the fiscal impact of legislation that has been passed and provided a supplemental appropriation. Ms. Jeffries noted that revenue sharing is an example where a special request for an appropriation may be made after-the-fact due to a change in population.

VII. Framework for Approaching Charge – Phases

A suggestion that the Commission start with a request to the various associations to identify the top ten mandates that are the most costly and burdensome was discussed next. The issues of enlisting the services of an accounting firm to assist in determining the funding status and the inclusion of reporting requirements in the assembly of the mandates list were also discussed. Representatives of the associations that were present at the meeting had no objections to providing the Commission with a list of their top ten mandates. Dr. Eric Scorsone of Michigan State University also indicated that ten is a very achievable number and his staff has the methodology and access to the financial data necessary to assist in the cost accounting within approximately a two-month time period. Conducting a survey of what other states have done to quantify mandates was also raised and the Chair asked Craig Thiel from the Citizens Research Council to assist in this endeavor. **Mr. Daddow moved, supported by Mr. Pollard, to adopt the Report Framework attached to these minutes with the modification that no more than ten mandates and/or reporting requirements as submitted within 60 days by individual groups defined as the Michigan Municipal League, Michigan Township Association, Michigan Association of Counties, the School and Intermediate School Districts, Community Colleges, and Road Commissions be included for pricing out to determine whether they are funded or unfunded.** The Chair clarified that this motion would permit the Commission to communicate with these groups asking them to put this list together which might lead to the development of a survey that will allow the Commission to be in a better position to price the project out. **There was no further discussion. The motion was unanimously approved.**

The Chair returned to the agenda item regarding the letter to Mr. Elliott Smith of the Legislative Service Bureau which is attached to these minutes. Mr. Pollard submits having someone from within state government provide confirmation to the extent the information is available about the degree of compliance with Act 101 will be very productive and could serve as a predicate for what this Commission does from that point forward. **Mr. Maccarone moved, supported by Mr. Daddow, to adopt the letter to Mr. Elliott Smith for signature and mailing. There was no further discussion. The motion was unanimously approved.**

VIII. Compliance with Act 101; Cost of Mandates in Prospective Legislation (Maccarone Motion)

A question of whether the Legislature could incorporate into their process the tenets of Headlee which include the requirement that all legislation be required to carry with it an appropriation if a cost is imposed on local government was raised by Mr. Maccarone and discussed. **Mr. Maccarone moved that his motion be left on the table. No objections being offered, the motion is left on the table.**

IX. Future Meeting Dates, Locations, and Times

The Chair noted that there is a problem with the date originally scheduled for the next meeting and proposed the meeting date be moved to **Wednesday, March 26, 2008 at 2:00 p.m.** with the location to be held in Oakland County. There was no objection. Details of the meeting location will be announced later.

X. Public Comments

The Chair asked for public comment. There was none.

XI. Adjournment

Having no further business, Mr. Winegarden moved, supported by Mr. Pollard, to adjourn the meeting. Without objection, the motion was approved. The meeting was adjourned at 3:55 p.m.

NEXT MEETING DATE

The next full Commission meeting is scheduled for **Wednesday, March 26, 2008**. A proposed agenda will be sent to members.