



The Insider

www.senate.michigan.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

February 20, 2009

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See the schedule below for details.

Mickey's Blog: How To Spend \$2.5 Billion It's a lot harder than you think

It is the best of times, it is the worst of times.

Call it the Age of Legislative Schizophrenia. We have oodles of money to spend, but we are broke and have to cut the budget.

We face a long struggle over painful cuts to excise a \$1.3 billion deficit. But we will also be in a hurried scramble to quickly spend \$3.7 billion in Federal Stimulus money.

It's difficult to do two contradictory things well. If we adopt two simple principles, we can reconcile these tasks and avoid wasting billions.

Our first priority must be to create as many jobs as possible to put unemployed people back to work. Don't spend one-time stimulus dollars on programs that will create a new structural deficit.

Stimulus dollars should be invested in sustainable projects that improve efficiency and productivity. We can't get ourselves into a situation like school districts occasionally do, where they build a new building and then can't open it because they don't have enough money to operate it. If projects require additional operating dollars, those dollars better be identified from ongoing revenues from the get go. Otherwise, the project is unsustainable. Priority should go to projects that actually reduce future operating expenses below the current baseline.

Let's not build new buildings or transit systems, or fund programs that are not supported by ongoing operating revenues. Instead we should make one-time investments in energy efficiency projects that lower future utility costs. Let's invest in new technology that reduces future information, communications, and data costs. Let's share data centers and networks between different layers of

government and public institutions like schools and hospitals, lowering our bills and eliminating duplication.

All these decisions should be driven by data. And we should apply these principles to every proposal. Even proposals from our friends.

Which brings me to the recent proposal to offer teachers an *early out* pension enhancement. Advocates claim it will save money. In reality, this initiative violates our stated principles by creating a significant structural deficit for the state. *Early out* pension sweeteners only succeed if the goal is to humanely downsize the workforce. Yet the stated intention of the proposal is to replace on a 1 for 1 basis all the retired members of MPERS, the Michigan Public School Employees Retirement System.

Consequently, this proposal would add costs, both the annual cost of the \$500 per month pension enhancement, and the cost of carrying 2 employees health insurances instead of 1. The short term savings of lower salaried new hires would evaporate every year and be gone in less than a decade, leaving the state to continue to pay higher pension and health care base costs for a far longer period. Nor would the state benefit from these transitory salary savings - those temporary savings would accrue to the local school districts.

Advocates trumpet the supposed \$100 million in savings, which seems attractive, until you weigh it against the \$500 million in costs. According to a *Senate Fiscal Agency Memorandum*, the proposal could raise the pension systems Unfunded Accrued Actuarial Liability (UAAL) by as much as \$6.3 billion. That would cost the state \$1.3 billion annually to resolve.

Click on the link to the 2-page memo if you are a fan of horror stories:

<http://www.senate.michigan.gov/sfa/Publications/Memos/mem02102009MEA.pdf>.

It is a measure of the desperation of our times that the proposal could even get consideration. I am sure it will show up in the fine print of future proposals to cut hundreds of millions in state spending.

Proponents will fixate on the \$100 million in savings by having \$70,000 a year teachers retire and be replaced with \$30,000 a year new hires. They will ignore the UAAL costs, and the double health care costs detailed above.

The early out pension sweetener isn't the only bad deal awaiting the unwary. I have called for an end to the DROP program, which allows employees to collect pension payments in addition to their salaries. This program is doing the exact opposite of the aforementioned early-out proposal, by providing a bonus to retirement eligible employees to delay their retirement. It prevents us from filling jobs opened by retirement with new employees. With 10.6% unemployment in the state, why would we offer employees a sweetener to *not* retire?

This is not a time for pension bonuses, either as sweeteners to induce early retirement, or as supplements to convince employees who otherwise would retire to stay on the job.

I pray we have the foresight to avoid these bad choices and that we spend our stimulus money wisely.

Mickey's Ends and Notes

MICHIGAN STRENGTHENS LIMIT ON UTILITY SHUTOFFS

Recently, the Michigan Public Service Commission (PSC) issued emergency rules to keep people from losing electricity or heat in the winter just weeks after a 93-year-old Bay City man froze to death inside his house. Unemployed workers and a larger number of lower-income customers will now be protected from utility shutoffs as long as they pay a small portion of their monthly bills.

PSC commissioners also gave customers an extra month of winter shut-off protections, extending the period from March 31 to April 30, and wrote new rules governing how customers must be notified if their power or heat is going to be shut off. The PSC also banned regulated utilities from using power-limiting devices and will now be required to send an employee to the premises and verify that the customer does not meet conditions preventing a shut-off.

MICHIGAN MILITARY FAMILY RELIEF FUND

Michigan citizens that are required to file a Michigan Income Tax return may choose to donate a portion of their return to the Military Family Relief Fund by entering a donation amount on the "Military Family Relief Fund" line of the MI-1040. The MFRF provides grants to qualifying families of military members of the Michigan National Guard and Reserve forces stationed in Michigan who are experiencing financial hardships as a result of an active duty deployment or a line of duty related injury or illness. This is a simple yet effective way we can show our gratitude to these dedicated individuals.

Three basic items are required to qualify for assistance:

- A copy of deployment orders issued by headquarters or a military contact for verification of in line of duty injury or illness cases.
- Copies of bills/invoices/estimates/notices for expenses.
- A completed DMVA application form 10-1 (Rev. 04/08).

The DMVA application form is available at the Michigan Department of Military and Veterans Affairs website: www.michigan.gov/dmva, by clicking on "Inside DMVA" and then, "Support our Troops," or by calling 1-866-271-4404. In addition to the Michigan Income Tax return, donations may also be mailed to: Military Family Relief Fund, Department of Military and Veterans Affairs, P.O. Box 30261, Lansing, MI 48909-7761.

SENATE APPROVES FRIEND OF THE COURT REFORM PACKAGE

The Senate unanimously approved a package of bills changing child support and Friend of the Court procedures. This package helps us in our attempts to streamline government to make it work more efficiently. Senate Bills 99-107 would: simplify payment plan requirements for past-due child support by giving judicial discretion; permit law enforcement authorities to place boots on vehicles of those behind on child support; allow the court to order a jail alternative program for non-payment of child support; eliminate the automatic application of surcharges on overdue payments; streamline the process of suspending licenses and reinstating them if child support is owed.

SENATE DEMOCRATS LAUNCH FACEBOOK, TWITTER PAGES

Recently, the Michigan Senate Democrats launched the state's first ever legislative caucus Facebook and Twitter pages. These new interactive tools will feature up-to-date information on legislation and issues of interest, offer an insider perspective of the Capitol and focus on the Senate Democrats' priorities for Michigan. Through these new forms of media the Senate Democrats will be able to interact directly with the people of Michigan and receive feedback on what issues are most important to them.

The Senate Democrats' Facebook page can be found at <http://www.facebook.com/pages/Lansing-MI/Michigan-Senate-Democrats/57144052517?ref=mf> and the Twitter page can be found at <http://twitter.com/MISenDems>. I have also taken a stab at Facebook and you can check out my page at: <http://www.facebook.com/home.php?#/profile.php?id=1273804774&ref=ts>.

FOOD SAFETY ALERTS AVAILABLE

With the recent peanut butter recall, it's important to stay up to date on what foods are safe for you. The Michigan Department of Agriculture has recently unveiled a new program that alerts users about food-borne illness and product recalls available via text messages and e-mail. This new technology is vital in the effort to quickly inform citizens and consumers of products that may pose potential danger to themselves and their families. This is a terrific program that combines cost and labor efficiency with improved communication between state officials and Michigan citizens. Those wishing to subscribe to the alerts may do so at <http://www.michigan.gov/mda>.

CENSUS BUREAU HIRING FOR TEMPORARY POSITIONS

The Census Bureau, a branch of the U.S. Department of Commerce, is gearing up for the 2010 Census, the information the government uses to determine how to distribute \$300 billion annually in government funding for community services. The U.S. Constitution requires a national Census every 10 years. The positions, which pay \$10.50 to \$17 hourly, include office clerk, recruiting assistant, administrative assistant, office operations supervisor, enumerator, crew leader, crew leader assistant, and field operations supervisor. Practice tests, job descriptions, and applications are available online at <http://www.2010censusjobs.gov>.

INTERNAL REVENUE SERVICE ANNOUNCES TAX CREDITS

Buying energy efficient home improvements is not only good for the environment, but also for your wallet. This year, a tax credit will be available for those who purchase energy improvements for their homes. Also, if you installed a small windmill to generate energy for your home, you may qualify for a credit for up to \$4,000 of the cost. Wind-produced energy was added for 2008 to the alternative energy sources under the Residential Energy Efficient Property Credit.

It's not just energy efficiency in your home that can save you money on taxes. Also for 2009, Congress has added a tax credit for plug-in electric cars, up to \$7,500. Visit <http://www.irs.gov> to view a list of 2008 and 2009 model year hybrid vehicles eligible for a tax credit, and the amount of the available credit.

STUDENTS, PARENTS ADVISED TO APPLY EARLY FOR FINANCIAL AID

If you or your teenager is heading to college this fall, many educational counselors are advising you to apply for financial aid as early and often as possible. Experts say competition for college financial aid will be tougher this year because of decreased endowments, fewer private student loans and increased unemployment.

This year more than ever, students should make sure they fill out the paperwork for the Free Application for Federal Student Aid, known as FAFSA. The FAFSA form is needed to apply for state and federal grants and loans. It also is a must for the need-based scholarships and grants awarded by colleges and universities. The deadline for the FAFSA is March 1, but many types of financial aid are awarded on a first-come, first-served basis.

Mickey's Legislation: Targeting Steroid Abuse, Super Caffeinated Kid's Drinks

This week, I unveiled my Children's Health Initiative, a series of bills that would help protect the health and safety of Michigan's children. The package includes legislation that would require random steroid testing for student athletes, calls for the elimination of a junk-food tax break for vending machine products to fund increased access to dental care, and requires a listing of the amount of caffeine in drinks such as 5-Hour Energy and Red Bull, among others.

I believe these bills are absolutely necessary to protect the health and safety of our children. The huge pressure to perform well in high school athletics and the desire to gain a performance advantage over their opponents have led to an increase in steroid abuse among high school athletes, numerous studies have shown. A random drug testing program with consequences, combined with an increased educational awareness, would serve as an effective deterrent to young athletes putting their health at risk.

Among the bills contained in the Switalski Children's Health Initiative includes:

- Senate Bill No. 228 would eliminate the tax exemption for junk food sold in vending machines with the funds redirected to dental services for underprivileged children;
- Senate Bill No. 229 would require school districts to adopt and implement a policy that requires random steroid testing for all student athletes who participate in statewide tournaments. Funding for the tests would come from a \$1 surcharge on tournament games and penalties would include prohibitions from participating in athletic events to counseling and additional testing;
- Senate Bill No. 230 would require the amount of caffeine in all bottled, canned, or packaged drinks to be listed clearly on the label;
- Senate Bill 231 would require school districts to adopt a steroid education component as part of the health/physical education instruction;
- Senate Bill No. 232 would require school districts to adopt and implement a local school nutrition policy and would limit the sale of food and drinks that are determined by the FDA to have "minimal nutritional value" on school grounds;
- Senate Bill No. 233 would require school districts to create a policy that addresses the concerns of pupils with serious food allergies;
- Senate Bill No. 278 would require screening for performance-enhancing substances when student-athletes take a physical;
- Senate Bill No. 279 would prohibit the sale of soft drinks to students at school and the maintenance of vending machines containing soft drinks on school grounds (unless exceptions applied).

Energy drinks are a big money business and are marketed directly to our youth, promising a sudden rush of energy. There appears to be a proliferating java race among the makers of these drinks to come up the hippest, coolest name and the most amount of zing for the buck. Senate Bill 230 would provide consumers, especially parents of children, with the ability to better manage their caffeine intake and its potential negative health effects.

I have also cut a YouTube video discussing the need for the labeling of caffeine content on beverages. You can check it out at: http://www.youtube.com/watch?v=R3UZ9KUZMek&feature=channel_page.

Caffeine Content of Selected Beverages

Drink:	Caffeine per 8 oz. serving:
Monster (green):	80mg
180 Blue with Acai Energy Drink:	82mg
Go Fast:	76mg
Hype Energy (Original):	76mg
Hype Energy (MFP):	76mg
Vitamin Water (orange-orange):	0mg
Vitamin Water (Rescue Green Tea):	11mg
Vitamin Water (Tropical Citrus):	20mg
Pepsi:	25mg
5 hour:	500mg
Coca-Cola:	23mg
Diet Coke:	31mg
Red Bull:	76mg
Wired:	172mg
Fixx:	200mg
Folgers Coffee:	90mg
Folgers Decaf:	5mg

Coffee Hours

*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

February 23 7-8 p.m. Location: Clinton-Macomb Library (35891 South Gratiot) Clinton Township	March 31 1:30-2:30 p.m. Location: Biggby Coffee 26740 Gratiot Roseville
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Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 1 p.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times-check local listings
(Comcast Channel 18/WOW Channel 10)

Contact My Office

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