

THE JACOBS REPORT
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GRANHOLM APPOINTS EMERGENCY ADVISORY PANEL
State's Fiscal Crisis is the Focus

Governor Jennifer M. Granholm is asking a bipartisan Emergency Financial Advisory Panel to review the state's current financial crisis and offer recommendations on how best to avoid similar crises in the years ahead.

Co-chaired by former governors William G. Milliken and James J. Blanchard, the advisory panel will report back to the Governor with its recommendations by the end of January.

"As I said in my Inaugural Address just days ago, we have an economic plan that will transform Michigan from a great 20th century state to an even greater state in the 21st century," said Governor Granholm. "However, full economic transformation is the most pressing problem we face, and how we solve the state's fiscal crisis is a critical part of our ability to transform our economy. I am pleased to draw upon the expertise of Michigan's most experienced and respected leaders to offer insight on how to solve this crisis."

Granholm is seeking the counsel of some of Michigan's most distinguished leaders as she prepares to deliver the 2007 State of State Address and submit her proposed 2008 state budget. Her budget recommendation will be based on revenue projections coming from the Revenue Estimating Conference scheduled for January 18. That conference is expected to identify a shortfall as high as \$1 billion for the current and upcoming fiscal years.

That shortfall is in addition to the loss of \$2 billion in 2008 as a result of lawmakers' decision to eliminate the Single Business Tax without replacing it.

The panel was selected based on the varied backgrounds and views of the members, along with their depth and breadth of knowledge about state government.

In addition to former Governors Milliken and Blanchard, the advisory panel includes former legislative leaders, one of whom also served as state budget director. They include:

- Dr. John Porter, former president of Eastern Michigan University and former state superintendent for public instruction
- Paul Hillegonds, senior vice president of DTE Energy and former co-speaker of the state House of Representatives
- Dan DeGrow, superintendent of St. Clair County Regional Educational Service Agency and former Republican state Senate majority leader
- Sr. Monica Kostielney, president & CEO of the Michigan Catholic Conference
- Dr. Lou Anna K. Simon, president of Michigan State University
- Frank Kelley, former Michigan attorney general
- S. Martin Taylor, University of Michigan regent
- John "Joe" Schwarz, M.D., former U.S. Congressman and former chair of the state Senate Appropriations Committee
- Don Gilmer, Kalamazoo County administrator and former state budget director
- Doug Roberts, former state treasurer

JACOBS & CONDINO PRAISE SIGNING OF TAX EXEMPTION LAW
Legislation Benefits Southfield, Lathrup Village, More . . .

State Senator Gilda Z. Jacobs (D-Huntington Woods) and State Representative Paul Condino (D-Southfield) praised Gov. Granholm's signing of PA 648, which will allow the Southfield school board to lower the school operating millage to 18 mills for primary residences in this school district. The funding implementation will be addressed during the next legislative session.

The existing Proposal A funding formula inadvertently penalizes communities with large commercial tax bases. Southfield school district, which includes Lathrup Village, is one of two districts helped by the new law. The legislation will save the average Southfield homeowner approximately \$77 annually.

"This reduction, while modest, is an important tool to attract and retain homeowners to aging Detroit suburbs," Sen. Jacobs said. "It's a way to address an inequity that is inherent to Proposal A."

In most communities throughout the state, primary residence owners pay 18 fewer school operating mills than other property owners. However, in Southfield and Lathrup Village, taxpayers pay the same millage rate whether or not they own a primary residence. River Rouge is the second community adversely affected by Proposal A.

“Homeowners should not be punished with higher tax bills than their neighbors because the district has fewer homesteads to tax,” Rep. Condino said. “I thank the Legislature for their overwhelming bipartisan support of HB 4125, which will allow residents of Southfield and Lathrup Village to enjoy a small amount of the property tax relief other homeowners have long enjoyed under Proposal A.”

Under the legislation, non-primary residence rates, including business and rental properties, would remain at the current rate as approved by voters.

HOME ENERGY IMPROVEMENTS COULD SAVE \$\$\$

Federal Tax Credits Available for 2007

Michigan Public Service Commission (MPSC) Chairman J. Peter Lark announced that federal tax credits of up to \$500 are available for home energy efficiency improvements made in 2007.

“Energy efficiency improvements lower energy bills immediately - and well into the future,” Lark said. “My fellow commissioners and I encourage home owners to investigate which improvements would reap big savings and to make those changes before the end of 2007, when the tax credits end.”

Lark noted that the tax credit is available to customers who purchase and install energy-efficient windows, insulation, doors, roofs, and heating and cooling equipment in their principal residence in the United States. Credits vary according to the improvement made.

Specific tax benefits for the home include:

- \$50 for purchasing an advanced main air circulating fan;
- \$150 for installing a highly efficient furnace or boiler;
- Up to \$200 for installing energy efficient windows; and
- \$300 for purchasing a highly efficient central air conditioner, heat pump, or water heater.

The tax credits are the result of the Energy Policy Act of 2005. In addition to these tax credits for home energy efficiency improvements, this law provides tax credits for businesses and commercial buildings.

The tax credits became available in 2006 and will continue until the end of 2007. Customers will be able to itemize purchases made on their federal income tax form.

For more details on the tax credits available, visit the U.S. Department of Energy Web site at www.energy.gov.

The MPSC is an agency within the Department of Labor & Economic Growth.

WIT, WISDOM, ETC . . .

Quotables

“Something in human nature causes us to start slacking off at our moment of greatest accomplishment. As you become successful, you will need a great deal of self-discipline not to lose your sense of balance, humility, and commitment.”

-Ross Perot

“If we get it right, there need not be losers.”

-John Anderson

Quote of the Week: Theodore Roosevelt

“A man who is good enough to shed his blood for the country is good enough to be given a square deal afterwards.”

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Campaign & Election Oversight Committee. She also serves on the Finance, Economic Development & Regulatory Reform, and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at

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or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

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