

**THE JACOBS REPORT**  
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**MICHIGAN SENATE**  
**Assistant Democratic Floor Leader**  
**FOURTEENTH DISTRICT**

For Immediate Release  
April 7, 2006

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**GOVERNOR: PASS MERIT PLAN**

**House Listens, Scholarship Legislation Moves**

House Republicans, in their last month of their majority status, moved Governor Granholm's new Merit Award scholarship plan out of committee this week . . . and they did so without any assurance of quid pro quo from the executive office on welfare reform and teacher retirement legislation.

The measure, a critical component of the governor's economic plan, has already passed the Senate.

SB 1335 and HB 6302 replace the current \$2,500 merit-based college scholarship plan with an incremental \$4,000 award to recent high school grads who keep up good grades. Lump sums will be awarded to those who pass two years of advanced schooling.

The new Merit Award would be available to every student who wants to earn a college degree or technical certification. Currently, the Michigan Merit Award is based on standardized test scores and is awarded to only half the students who graduate high school.

"If we want the jobs of tomorrow in Michigan, we need to make this commitment to this year's high school seniors and beyond," Gov. Granholm said. "The new Merit Award will send a powerful signal to employers across the country and around the globe: Michigan will have the nation's best-educated workforce. I believe this measure is not only necessary and desirable, it is critical to Michigan's economic future."

The new Merit begins with the high school class of 2007 and can be applied to any college or university in Michigan (public or private), and a wide array of technical training programs.

**SENATE PASSES WELFARE REFORM**

**Tries 48-Month Limit Again**

The Senate passed legislation that would put a 48-month lifetime limit on welfare recipients this week. A similar bill was vetoed by the governor last year.

Although this bill (SB 1501) includes flexibility and exemptions missing from last year's version, another veto seems likely. The Granholm Administration wants the Legislature to hold off on welfare reform until the state's Jobs, Training, Education (JET) program receives its first assessment next fall.

SB 1501 includes mechanisms that would suspend the 48-month limit for recipients who are following their program guidelines, are employed, are mentally or physically impaired or live in a county with an unemployment rate greater than nine percent. The bill also includes sunset language,

meaning that a future Legislature would need to vote to continue the act before anyone was actually booted off welfare.

The bill passed 22-16 with Senators Laura Toy (R-Livonia) and Shirley Johnson (R-Troy) voting no with the Democrats and Senators Dennis Olshove (D-Warren) and Jim Barcia (D-Bay City) voting yes with the Republicans.

After the vote, Senator Johnson asked Lt. Gov. John Cherry for an invite to the governor's veto party on SB 1501.

## **ISSUES COMPLICATE VIDEO FRANCHISING BILL**

### **Tuesday Floor Vote Looms**

The Senate Committee on Government Operations added several amendments to the video franchising legislation (HB 6456) and reported the bill without addressing the most salient issues surrounding it: contract abrogation, net neutrality, build-out provisions and in kind services.

Senate Majority Leader Ken Sikkema (R-Wyoming) expressed concern that reaching a compromise on those issues would be impossible. "There are some [issues] that are never going to be resolved in terms of a consensus," he said. "We can meet from now until doomsday and never get a consensus on net neutrality or abrogation."

Those in favor of a net neutrality provision (Google and other Internet sites) say that it would ensure that Internet providers (AT&T and others) don't block access to certain sites if customers opt to pay for a lesser package.

Those against net neutrality (AT&T) say competition solves the blockage issue because no Internet provider could realistically compete if they blocked access to the country's most popular Web sites.

"I would characterize [this issue] as World War III," said Sikkema.

The abrogation issue is one that pits local government against the providers. Locals don't want AT&T and other providers to break their existing contracts, since many of the agreements contain provisions and services that local governments want.

Providers contend that the old contracts prevent companies from dealing with universal franchise fees while delaying market penetration. If old contracts remained in place, new providers would have a competitive advantage over those already in the market.

Amendments that were adopted include additional protections for consumers, Metro ACT credits for providers, local emergency alert requirements, and a provision that requires the Michigan Public Service Commission (MPSC) to establish a process for ensuring public education and government channels.

Senator Gilda Z. Jacobs (D-Huntington Woods) as the only "no" vote in committee. "I'm still waiting for language in this bill that would make our schools and local governments whole," she explained. "Those are my priorities, and I'm not likely to support this legislation until I see an amendment addressing them."

The measure is scheduled for a floor vote on Tuesday.

## **GIVE THE GIFT OF EDUCATION**

### **Receive a Tax Deduction from MET**

If you're looking for a meaningful holiday gift, and could use a tax deduction, get "SET with MET" by purchasing a semester or two of college tuition for a loved one through the Michigan Education Trust (MET) prepaid tuition program. A MET contract locks-in tomorrow's tuition at today's rate at any of Michigan's public institutions. MET contracts are also portable to Michigan private and out of state colleges and universities.

"MET is a sensible savings tool for parents, grandparents and others who are looking to give a child a lasting, meaningful holiday gift that will be appreciated for years to come," said State Treasurer Robert J. Kleine. "An added bonus is the tax advantage that comes with a MET contract. A MET purchaser is eligible for a state income tax deduction for the total contract price, including enrollment fees."

MET contracts can be purchased in one-semester increments, up to four years of education (eight semesters). A special MET gift declaration can be printed online at the "SET with MET!" website, telling your child or grandchild about his or her gift of a college education.

MET enrollment forms must be postmarked by December 31st to be eligible for a 2006 Michigan income tax deduction. Several convenient payment options are available, including monthly payroll deduction. Enroll on-line or by mail. Just log onto: [www.SETwithMET.com](http://www.SETwithMET.com).

Since its debut in 1988 as the nation's first guaranteed tuition program, MET has sold more than 81,000 contracts with assets of nearly \$1 billion. Not only are MET contracts portable to Michigan private and out-of-state colleges and universities, they may be transferred to other eligible family members. For more information visit [www.SETwithMET.com](http://www.SETwithMET.com) or call 1-800-MET-4-KID (800-638-4543). Get SET With MET!

## **WIT, WISDOM, ETC . . .**

### **Quotables**

"Forgive your enemies, but never forget their names."  
-John F. Kennedy

"The first step to getting the things you want out of life is this: decide what you want."  
-Ben Stein

Quote of the Week: Theodore Dreiser

"I'm order to have wisdom we must have ignorance."

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State Senator Gilda Jacobs represents the 14<sup>th</sup> 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 Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) 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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