

**THE MINUTES OF THE HOUSE STANDING COMMITTEE
ON
FINANCIAL LIABILITY REFORM**

Thursday, December 11, 2014

8:30 a.m.

Room 519 House Office Building

The House Standing Committee on Financial Liability Reform was called to order by **Representative Earl Poleski**, Chair.

MEMBERS PRESENT: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton, Jacobsen, Cavanagh, Irwin, Robinson and Barnett.

MEMBERS ABSENT/EXCUSED: None.

Representative Victory moved to adopt the minutes of the **November 13, 2014**, meeting. There being no objection, the motion prevailed by unanimous consent.

Chair Poleski laid **SB 951, SB 952, SB 953, SB 954, SB 955, SB 957** and **SB 978** before the committee:

- | | | |
|--------|---------------|--|
| SB 951 | (Walker) | School aid; payments; reference to deficit elimination plan compliance in school aid act; update, include enhanced deficit elimination plans, and revise other reporting requirements. |
| SB 952 | (Walker) | Education; school districts; deficit elimination plan; provide for enhancement. |
| SB 953 | (Walker) | Education; financing; school district placement into control of an emergency manager for failure to comply with enhanced deficit elimination plan; provide for. |
| SB 954 | (Walker) | School aid; other; deficit elimination plan requirement; revise. |
| SB 955 | (Pappageorge) | Local government; financing; emergency municipal loan act; increase cap on emergency loans to school districts. |
| SB 957 | (Kahn) | Education; school districts; preplanned financial reporting; require for school districts as part of early warning system. |
| SB 978 | (Kahn) | State financing and management; funds; surplus funds act; modify. |

TESTIMONY

Senator Walker, sponsor of SB 951, SB 952, SB 953 and SB 954, explained his bills to the committee.

Representative Rogers testified in support of the bills.

Questions and discussion followed.

Representative Victory moved to adopt the minutes of the **November 13, 2014**, meeting. There being no objection, the motion prevailed by unanimous consent.

Paul Conners and **Jon Barton** from the Michigan Department of Treasury testified and submitted handouts in support of the bills.

Brad Biladeau, representing the Michigan Association of School Administrators (MASA) and the Michigan Association of Intermediate School Administrators (MAISA), testified and submitted written testimony in opposition to SB 951-SB 954 and SB 957.

Jennifer Smith, representing the Michigan Association of School Boards (MASB), testified in opposition to the bills.

Rebecca Rocho, representing the Barry Branch & Calhoun Intermediate School District (ISDS), testified in opposition to the bills.

Nick Ciaramitaro, representing AFSCME MI Council 25, testified in opposition to the bills.

The following people submitted a card and/or written testimony but did not wish to speak:

Kathleen McAuliffe, representing Region 8 ISDS, opposes SB 951-954 and SB 957.

James Harrison opposes the bills.

Miya Williamson opposes SB 951-SB 954, and SB 957.

Julie Rowe, representing AFT-Michigan, opposes the bills.

Fran Brennan, representing MI AFL-CIO, opposes the bills.

Dr. L.J. Padula opposes SB 951-SB954 and SB 957.

Kathleen Merry, representing Wayne RESA, supports SB 955 & SB 978 and opposes SB 951-954 and SB 957.

Ken Brown opposes the bills.

Judy Allen, representing the Michigan Townships Association, supports SB 955.

Crystal Simmons opposes SB 951-955 and SB 957.

Mark Sanchez opposes the bills.

Richard Ransom opposes the bills.

Kimberly DeMott opposes SB 951-954.

David Randels, representing Oakland Schools, opposes SB 951-SB 954 and SB 957.

Jean Thompson opposes SB 951-954 and SB 957.

Chair Poleski placed the committee at recess @ 9:38 a.m.

The committee reconvened @ 4:19 p.m.

*The committee returned to the consideration of **SB 951, SB 952, SB 953, SB 954, SB 955, SB 957 and SB 978.***

Representative Victory moved to report **SB 951** with recommendation.

The motion prevailed by a vote of **7-4-0**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,
Pass: None.

Representative Denby moved to report **SB 953** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,
Pass: Representative Callton.

Representative Victory moved to report **SB 954** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,
Pass: Representative Callton.

Representative Irwin offered and moved the following amendments to **SB 957**:

1. Amend page 3, line 11, after “district” by inserting “and public school academy”.
2. Amend page 3, line 26 after “district” by inserting “and public school academy”.
3. Amend page 4, line 1, after “district” by inserting “and public school academy.”
4. Amend page 4, line 7 after “district” by inserting “and public school academy.”
5. Amend page 4, line 23 after “district” by inserting “and public school academy.”

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

Representative Irwin offered and moved the following amendments to **SB 957**:

1. Amend page 3, line 11, after “district” by inserting “and public school academy”.
2. Amend page 3, line 26 after “district” by inserting “and public school academy”.

3. Amend page 4, line 1, after “district” by inserting “and public school academy.”
4. Amend page 4, line 7 after “district” by inserting “and public school academy.”

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

Representative Irwin offered and moved the following amendments to **SB 957**:

1. Amend page 3 line 11 after “district” by inserting “and public school academy.”
2. Amend page 3 line 14 after “academy” by inserting “and school district”
3. Amend page 3, line 26 after “district” by inserting “and public school academy”
4. Amend page 4, line 1, after “district” by inserting “and public school academy.”
5. Amend page 4, line 7 after “district” by inserting “and public school academy.”
6. Amend page 4, line 11 after “academy” by inserting “and school district.”
7. Amend page 4, line 18 after “academy” by inserting “and school district”

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

Representative Barnett offered and moved the following amendment to **SB 957**:

1. Amend page 1, line 5, after “**141.440A.**” by inserting “**A PUBLIC SCHOOL ACADEMY ALSO SHALL TRANSMIT THOSE BUDGETARY ASSUMPTIONS TO THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED.**”.

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

Representative Victory moved to report **SB 957** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,

Pass: Representative Callton.

Representative Barnett offered and moved the following amendment to **SB 952**.

1. Amend page 7, line 19, after “**FOLLOWING**” by inserting “**AT NO COST TO THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY**”.

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

TESTIMONY

The following person submitted a card but did not speak due to time constraints:

Representative Barnett, representing the 37th District, opposed SB 952.

Representative Denby moved to report **SB 952** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,
Pass: Representative Callton.

Representative Cavanagh offered and moved the following amendment **SB 978**:

1. Amend page 3, following line 25, by striking out all of enacting section 1.

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,
Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,
Pass: None.

Representative Victory moved to report **SB 978** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,
Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,
Pass: Representative Callton.

Representative Cavanagh offered and moved the following amendment to **SB 955**:

1. Amend page 12, line 6, by striking out all of enacting section 1.

The motion did not prevail by a vote of **4-7-0**.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Cavanagh, Irwin, Robinson and Barnett,

Nays: Representatives Poleski, Victory, Denby, McMillin, Schmidt, Callton and Jacobsen,

Pass: None.

Representative Denby moved to report **SB 955** with recommendation.

The motion prevailed by a vote of **6-4-1**.

FAVORABLE ROLL CALL:

Yeas: Representatives Poleski, Victory, Denby, McMillin, Schmidt and Jacobsen,

Nays: Representatives Cavanagh, Irwin, Robinson and Barnett,

Pass: Representative Callton.

There being no further business to come before the committee, the Chair adjourned the meeting at 4:39 p.m.

Representative Earl Poleski, Chair
House Standing Committee on Financial Liability Reform
Malika Abdul-Basir
Committee Clerk
517-373-7256
1 Hour and 28 Minutes