



Capitol Corner
An ECIC Legislative Update
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Michigan Update

Senate Back from Recess to Pass Service Tax Replacement

The Senate came back from its two week recess to pass a bill to replace the new service tax. The Senate passed its version of the replacement on a straight party-line vote, 20 - 16.

The Senate version of HB 5408, like the House version, places a surcharge on the new Michigan Business Tax. It differs in the rate of the surcharge 13.85 percent versus 32.9 percent, it raises the cap of the surcharge from \$2 million to \$7.5 million, and it has a sunset of January 1, 2011 which the House did not include. The Senate version would also use some \$219 million in one time funds from the MBT to make up for some of the lost revenue.

The House is expected to reject the Senate version when they come back on Monday. That will send the bill to conference committee where the final version will need to be worked out before the next of the week. The new service tax is supposed to go into effect on December 1, 2007, unless it is repealed.

Expect the final bill to be a compromise somewhere between the House and Senate passed versions on the surcharge percent, the cap and perhaps a sunset. There will be a push by the House and Governor to make the replacement revenue neutral.

Michigan Has the Highest Unemployment Rate in the Nation

Michigan's unemployment rate, according to the U.S. Bureau of Labor Statistics, is 7.7 percent, which are 1.6 percent points higher than the next two lowest states Alaska and Mississippi both at 6.1 percent unemployment. The national unemployment rate is 4.7 percent. Michigan also led the nation in lost jobs in October, a total of 22,000.

Long-time Education Lobbyist, Al Short, Dies

Al Short, long time lobbyist for the Michigan Education Association, died on Monday of cancer. Mr. Short was admired and well-known around the capitol. His voice in educational matters will be missed.

Visitation is scheduled for Friday at Watson's Funeral Home, 2950 Spring Arbor Road, Jackson, from 2 p.m. to 5 p.m. and from 7 p.m. to 9 p.m. The funeral service is set for Saturday at 11 a.m., at Spring Arbor Free Methodist Church. A memorial service will be held as well at the Kellogg Center (Big Ten Room) at Michigan State University at 11 a.m. on November 29th.

Federal Update:

This federal update focuses on recent Congressional action on the Head Start reauthorization as well as providing information on a new program included within a House bill to reauthorize the Higher Education Act.

HEADSTART REAUTHORIZATION

The conference report for the *Improving Head Start for School Readiness Act of 2007* was passed overwhelmingly by the House and Senate on Wednesday, November 14. The Senate vote was 95 to 0, while the House approved the bill by a margin of 381 to 36. The entire Michigan Congressional delegation, except for one U.S. Representative Tim Walberg (R-Tipton), voted in favor of the reauthorization. The conference report on the bill authorizes \$7.35 billion for the program in FY 2008, \$7.5 billion in FY 2009 and \$7.9 billion in FY 2010. The President is expected to sign the bill by the end of the year, although during debate and negotiations on the final compromise bill, the White House had protested that it did not include language allowing faith-based organizations enrolled in the program to hire staff on the basis of religion.

HIGHER EDUCATION ACT

The Higher Education Act (HEA) has been subject to the reauthorization process for over four years. In that time, bills have been introduced and seen sporadic progress, but no comprehensive reauthorization package has been signed into law, despite the enactment of a number of bills that affect federal student aid programs. Introduced on November 9 by House Education and Labor Committee Chairman George Miller (D-CA) and Representative Rubén Hinojosa (D-TX), Chairman of the Subcommittee on Higher Education, Lifelong Learning and Competitiveness, H.R. 4137 was successfully marked up in the House Education and Labor Committee during a marathon session that began Wednesday afternoon and did not conclude until the morning of Thursday, November 15.

While the 700+ page bill contains many interesting provisions, we wanted to draw particular attention to the ***Early Childhood Education Professional Development and Career Task Force program*** which is a new program included in Title II of the HEA. This program intends to improve the quality of the early childhood education workforce by creating a statewide early childhood education professional development and career task force for early childhood education program staff, directors and administrators. It will create “a coherent system of core competencies, pathways to qualifications, credentials, degrees, quality assurances, access, and outreach, for early childhood education program staff, directors, and administrators, that is linked to compensation commensurate with experience and qualifications; articulation agreements that enable early childhood education professionals to transition easily among degrees; and compensation initiatives for individuals working in an early childhood education program that reflects the individuals credentials, degrees, and experience.”

Three year competitive grants would be awarded to States to establish a “State Task Force.” Membership of the State Task Force includes:

- A representative of a State agency;
- An institution of higher education (including an associate or a baccalaureate degree granting institution of higher education);
- An early childhood education program;
- A nonprofit early childhood organization;
- A statewide early childhood workforce scholarship or supplemental initiative; and
- Any other entity or individual the Governor determines appropriate.

This State Task Force would make recommendations, assist in their implementation and review opportunities and barriers in the field. It would also collect and report certain data and develop a statewide plan for professional development and career systems for early childhood education programs and providers. These State Task Forces must also “coordinate and communicate regularly” with the State Advisory Councils that are found in Head Start reauthorization.

While the bill was commended by many, no definitive indication was given on when it might be considered on the floor of the House—the next step toward a conference committee between the House and Senate to negotiate their two proposals. Observers are hopeful the bill might be considered in December, with ultimate enactment of a reauthorization bill coming before March 31, 2008.

(Federal Update provided to ECIC by Washington Partners, LLC)