



THE EARLY CHILDHOOD INVESTMENT CORPORATION

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## STATE UPDATE

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Compromise continues to be a lost art in Lansing as Senate Majority Leader Bishop and Governor Granholm dig in their heels on opposite sides of the philosophical divide over how to finally resolve the fiscal year 2010 budget debacle. With the one month continuation budget about to expire and the cuts passed by the Legislature about to take full effect, pressure is slowly starting to build to reduce some of the cuts, particularly in the School Aid budget. Highlights of legislative activity this week include:

- The Senate voted down the QAAP physician tax, which was a significant piece of the Governor's and House's revenue package meant to restore some of the most devastating General Fund cuts included in the 2010 budgets.
- The Senate Appropriations Committee passed a resolution urging the House to override the Governor's veto of section 20j funding in the 2010 School Aid budget.
- The House discharged from committee a supplemental appropriations bill that would spend some of the remaining available stimulus dollars to reduce the \$127 per pupil pro-ration cut to school districts that was ordered by Governor Granholm last week.

The actions of the Senate this week clearly signal a troubling prospect for any new revenues to be enacted as part of the 2010 budget. The Governor and House Democrats have consistently called for new revenues to be considered in an effort to reduce the impact of some of the more egregious cuts that were passed in the fiscal year 2010 budgets. The Governor is expected to sign the six remaining General Fund budgets with some limited line-item vetoes today, and without new revenues passed by the Legislature these budgets and the cuts they contain will likely stand. Next week the full House is expected to pass the supplemental appropriations bill that was discharged this week. It is more imperative than ever for us to continue our advocacy efforts and let our elected officials know that we will not tolerate this budget being balanced on the backs of young children and their families.