

Prison Closure Challenged

Unhappy over the state's decision to close the Michigan Youth Correctional Facility in Baldwin, the GEO Group, Village of Baldwin and Webber Township have filed suit against the Department of Corrections (DOC) and the Department of Management and Budget (DMB).

In addition to closing the prison, the state has cancelled GEO's lease. The facility was designed, financed, constructed and operated by GEO after the company won a competitive bid in 1997.

GEO has two agreements with the state; 1) a 20-year lease subject to two 5-year extensions; and 2) a 4-year operating agreement that was renewed for a second 4-year term in 2003. The DOC cancelled the operating agreement at the end of September. The DOC contends the contract with GEO included termination clauses for both managerial services and the building.

GEO is seeking a declaratory judgment and other relief for continued lease payments from the state. Baldwin and Webber Township said because state officials made promises to the local governments to locate the facility in their community, the local governments invested significantly in infrastructure improvements to support the facility operations. The Village and Township claim they will suffer irreparable injury if the lease is wrongfully terminated and are asking the court to require the state to continue lease payments until the lawsuit is settled.

"I am disappointed that we have been forced to file this action to enforce our rights under the lease agreement," said George Zoley, chairman and CEO of GEO. "We will work diligently with all concerned parties to find a way to reactivate the prison on a fair and equitable basis.



George Zoley

The case (*The GEO Group Incorporated v. Department of Corrections*, Ingham Circuit Court docket No. 05-194-MK) has been assigned to Judge James Giddings.

During the budget process, Republicans attempted to keep the prison open. Governor Jennifer Granholm and Democrats claim the privately run facility is less efficiently operated than state-operated prison facilities.

Legislature's Session Schedule

When the House and Senate return from Thanksgiving recess on Tuesday, November 29, there will be only six scheduled session days (November 29 – December 8) the remainder of this year. However, December 13, 14, 15 have been set as tentative session days. Since this is mid-way through the two-year legislative cycle, all legislation introduced in 2005 will carry over into the 2006 legislative session.

For those who want to plan ahead, the Senate has announced its session schedule for the first half of 2006. The Senate will convene for the constitutionally required session at noon, Tuesday January 11, but regular session days will not begin until Tuesday, January 24 and continue through Thursday, June 29. Spring Break is scheduled from Tuesday, April 4 through Thursday, April 13.

Dems: Rollback Insurance Rates

Election time must be approaching once again. The Democrats, along with Governor Jennifer Granholm, have trotted out their "rollback insurance premiums" legislation one more time.

They want auto and insurance rates in Michigan rolled back 20 percent along with 19 other specific initiatives Democrats say would address rates, consumer protection and industry accountability.

Those measures include giving the Insurance Commission stronger tools to determine where rates are excessive and ordering refunds where high rates are found; providing flexibility in setting base rates; prohibiting insurance companies from using an individual's credit history or credit score for determining insurance rates; and prohibiting insurers from being able to deny coverage to a driver with no evidence of prior insurance.

The multi-bill package would also establish an Office of Insurance Ratepayer Advocate, protect the legal rights of consumers to bring action against an insurance company that breaks the law; create new consumer awareness programs and education material to identify actions that can be taken to reduce rates; requiring insurers to provide annual reports summarizing certain claims data to the Office of Financial and Insurance Services (OFIS) and increase civil and criminal penalties for violations of the Insurance Code.



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Are State/Private Partnerships A New Trend?

Michigan hasn't ruled out the possibility of a state/private partnership to protect thousands of acres of timberland in the Upper Peninsula for public access.

With more than 1.1 million acres of publicly accessible Upper Peninsula forestland up for sale, the Michigan Nature Conservancy is trying to convince the state to join in a new land investment trend.

Because of recent tax law changes, there is a growing disincentive for lumber and paper companies to own the land they cut. Those lands are being sold to timber investment management organizations (TIMOS).

TIMOS are usually designed for short-term ownership and gain. The Nature Conservancy, however, is designing a TIMO that would purchase the lands with the intent of creating conservation areas on the lands not being harvested and wants the state to lend some of its conservation funds and some general fund money to help purchase the timberlands.

Under the Nature Conservancy plan, the TIMO would make its money by splitting off the development land from the larger parcels and selling that. The state investment funds would help provide backing for the private ownership portion of a bid as well as provide leverage to encourage the sale to the conservation group rather than to a private investment group.

The Natural Conservancy and the Granholm administration are reported to be in discussions over how to protect parts of the acreage up for sale.

A similar state/private partnership was entered into on a previous tract of land being sold in the Upper Peninsula that protects several acres of Michigan shoreline for public use.

With Michigan's ongoing economic problems, it's possible that state/private partnerships could become a new trend in leveraging funds for future state projects.

Kilpatrick, Bernero, Phillips Win Mayor Races

Kwame Kilpatrick scored a stunning come-from-behind win and Detroit media scrambled to rewrite his political obituary as Motor City voters re-elected the "hip-hop" mayor to lead the financially embattled City of Detroit to a second four-year term.

Kilpatrick scored a decisive win over favored challenger Freman Hendrix. Hendrix, the former deputy mayor under Dennis Archer and a close political ally of Governor Jennifer Granholm walloped Kilpatrick in the August primary coming in first 44 to 34 percent.

The race pitted Hendrix as "a responsible adult" against the young, but sometimes-reckless Kilpatrick and in the end the "young" won with an impressive comeback victory.

Of interest in the outcome of this race will be what has been an ongoing "cool" relationship (no connection with "cool cities") between Granholm and Kilpatrick over what Kilpatrick's



Virg Bernero
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Kilpatrick, Bernero, Phillips Win Mayor Races

less than enthusiastic support of Granholm in her 2002 gubernatorial race and Granholm's non-endorsement of Kilpatrick in re-election bid.

It was "second time's a charm" for Senator Virgil Bernero as he handily defeated incumbent Tony Benavidas to become mayor of Lansing. Bernero lost to Benavidas by just over 200 votes in a special election two years ago after then Mayor David Hollister resigned to take a position in the Granholm administration.

Bernero's win sets up a likely special election in the 23rd Senate District where Representative Gretchen Whitmer (D-East Lansing) has already announced her candidacy for the seat with a 56 percent Democratic base.

And in Pontiac, Representative Clarence Phillips (D-Pontiac) scored a resounding win over incumbent Mayor Willie Payne whose major downfall was his inability to resolve the city's growing financial dilemma.

Granholm will likely schedule a special election for the 29th District House seat as well to fill the vacancy being created by Phillips victory.



Clarence Phillips

Brown Enters The Senate Majority Leader Race

Calling himself the "tortoise," behind the "hares" in the running to be the next Senate Majority Leader should Republicans retain control of the Michigan Senate in 2006, Senator Cameron Brown (R-Sturgis) has entered the race.

The field of candidates already in the race includes Senator Jason Allen (R-Traverse City), Senator Mike Bishop (R-Rochester), Senator Allen Cropsey (R-DeWitt) and Senator Wayne Kuipers (R-Holland).

Brown says his experience on the Senate Appropriations Committee puts him in a good position to be majority leader because of the Legislature's continued focus on budget issues.

DCH Office Under Eye Of The F.B.I

The Federal Bureau of Investigation (FBI) is looking into the awarding of federal grants by the Department of Community Health's Office of Drug Control Policy (ODCP) during the administrations of Governors John Engler and Jennifer Granholm.

The focus of the investigation centers around the connection between Craig Yaldo, who headed the ODCP during the Engler administration, and Yvonne Blackmond, Granholm's ODCP administrator who as asked to leave in mid-September and grants being awarded to the Alliance for a Safer, Greater Detroit (ASGD) which is a 12-year old crime-stopping non-profit organization.

At various times, both Yaldo and Blackmond headed the ASGD, which was awarded sizeable grants from the ODCP during the time it was led by both Yaldo and Blackmond.

A majority of the \$26.8 million in federal grants the ODCP administered last year went toward Byrne grant awards given to criminal justice agencies. Around \$3 million is given to 501c organizations for prevention services and after-school programs – grants called the "Governor's Discretionary Grant Funds."

Court: Put MCRI On The Ballot

Unless a Michigan Court of Appeals decision is overruled, the Michigan Civil Rights Initiative will be on the 2006 ballot.

A Michigan Court of Appeals panel has ordered the State Board of Canvassers to place the proposal that would amend the state constitution to ban the use of racial preferences before the voters despite the Board of Canvassers refusal to certify the MCRI's petitions earlier this year.

In ordering the proposal on the ballot, the three-member court panel said the Board's duty is limited to determining whether the form of the petition substantially complies with the statutory requirements and whether there are sufficient signatures to warrant certification of the proposal.

The Board did certify the petitions due mainly to a debate of whether or not it had authority to investigate allegations of fraudulent petition signatures.

Emergency Rules Implemented

Natural gas and electric retail customers will have a little longer to pay their utility bills as a result of emergency rules proposed by the Michigan Public Service Commission (MPSC) and signed by Governor Jennifer Granholm.

The rules, that took effect Nov. 1 and will continue through March 31, 2006, are designed to soften the blow of the sharp spikes in heating and energy costs.

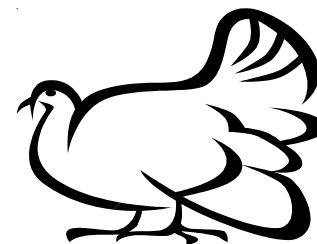
In addition to lengthening the time between the date the utility service bills are sent to customers and the due date for payment, the rules call for:

- Preventing utilities from shutting off service or charging late payment fees for failure to pay an estimated bill by the due date;
- Prohibiting utilities from blocking services to seniors or those on fixed incomes to make sure vulnerable citizens are put at further risk; and,
- A deposit cannot be required of a customer unless that customer has been shutoff for nonpayment during the previous 12-month period. A customer's deposit cannot exceed the average monthly bill.

Granholm has also warned the state's natural gas suppliers that the MPSC will be keeping a close eye on their operations to ensure that rates are kept as low as possible this winter. The MPSC has estimated natural gas bills could increase as much as 46 percent during the winter months.

Fraser Consulting Office To Be Closed

The Fraser Consulting office will be closed on Thursday, Nov. 24 and Friday, Nov. 25 in observance of the Thanksgiving Holiday. Happy Thanksgiving!



Bouchard Re-Enters U.S. Senate Race

After withdrawing earlier this year from the race to seek the Republican nomination to challenge U.S. Senator Debbie Stabenow in the 2006 election due to health problems, Oakland County Sheriff Mike Bouchard now says he has "a clean bill of health" from his doctor and has re-entered the race.

His re-entry sets up a likely three-way primary race. Reverends Keith Butler and Jerry Zandstra have announced their candidacies and have been raising money and seeking support for GOP leadership.

Butler has raised about \$1.4 million, Zandstra much less in their efforts to challenge Stabenow who has a reported \$4.7 million in her campaign war chest.

Butler says Bouchard's entry into the race is due to lobbyists and powerbrokers in Washington who have promised financial support.

Fieger For Attorney General?

Controversial Southfield attorney Geoffrey Fieger says he wants the Democrats to select him as their attorney general candidate to challenge Republican incumbent Mike Cox in 2006. The oft-times bombastic Fieger gained his party's nomination for governor in 1998 and was soundly beaten by then Gov. John Engler.

A former West Michigan judge Scott Bowen and term-limited Rep. Alexander Lipsey (D-Kalamazoo) are also seeking the Democratic nomination for AG. Bowen is Governor Jennifer Granholm's choice for the spot that will be determined at the Democratic state convention next September.

Does Fieger really want the nomination, or is he running 1) to discourage Cox from taking action over a late campaign filing by Fieger in funding some \$450,000 in attack TV ads against Supreme Court Justice Stephen Markman in his re-election bid in 2004; 2) to publicly beat up on Cox hoping to weaken him in his 2006 re-election bid; or 3) because he is on another ego trip?

