



Four More Years For Governor Granholm

Governor Jennifer Granholm overcame a failing State economy, the second worst unemployment rate (7.1%) in the country, and millions of dollars of personal wealth spent on TV ads by her Republican challenger Dick DeVos to gain a second term in the Governor's office.

Exit polls gave Governor Granholm 56 percent of the vote; a vote she said at her victory party was "cast out of hope and not out of fear".

Although Mr. DeVos' public polling numbers remained close to Governor Granholm's until Election Day, her campaign claimed internal polling showed Governor Granholm with a double-digit lead for several weeks prior to the election.

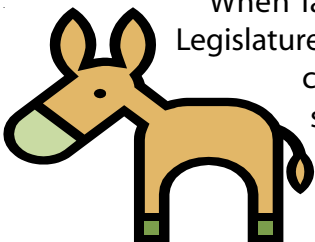
Mr. DeVos' campaign was unable to effectively refute the claim he outsourced jobs to China.

Although Mr. DeVos campaigned on the need for change, in the end he was unable to convince voters to cast a vote in his favor.

Democrats Take Control Of The House

Although House Democrats were certain they could narrow the 58-52-seat majority held by Republicans, they were not positive they would take control, let alone by a 58-52 margin.

When lawmakers convene for the 94th Legislature in January, it will be Democrats chairing the committees and setting the agenda for the first time since 1998.



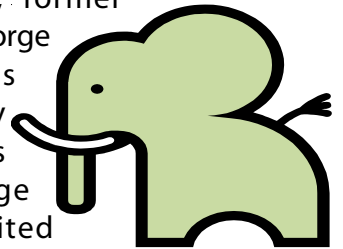
Republicans lost incumbent Representatives Rick Baxter (R-Hanover), Leslie Mortimer (R-Horton) and David Farhat (R-Muskegon). Their hopes of taking the 56th District seat left vacant by the death of Representative Herb Kehrl (D-Monroe) did not materialize and Republican Tim Doyle lost out in his effort to replace term-limited Representative Jerry Kooiman (R-Grand Rapids) in the 75th District.

The biggest surprises, however, were in the 20th District where little-known Democrat Marc Coriveau squeaked by Republican Mark Abbo in a race to replace term-limited Representative John Stewart (R-Plymouth), and a win by Democrat Terry Brown over Republican John Hunt in the 84th District.

Republicans Hang Onto The Senate

The Senate held onto a 21-17 seat majority to prevent a Democrat takeover in the November election. The Green Party may rightly claim some of the credit.

In the 13th District, former Representative John Pappageorge (R-Troy) nosed out his Democratic opponent Andy Levin by just over 776 votes (two-thirds of a percentage point) to replace term-limited Senator Shirley Johnson (R-Royal Oak). In that district, Green Party candidate Kyle McBee garnered 2.7 percent of the vote. Democrats believe they would have captured most of those votes if Mr. McBee had not been in the race.



In the 32nd District, Representative Roger Kahn (R-Saginaw) narrowly defeated Representative Carl Williams (D-Saginaw) by 520 votes (a half a percentage

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Republicans Hang Onto The Senate continued...

point) to replace term-limited Senator Mike Goschka (R-Brant). There, Green Party candidate Lloyd Clarke mustered 2.5 percent of the vote.

Senator Tom George (R-Texas Twp.), who was targeted by Democrats, hung onto his seat against a solid challenge by Representative Alexander Lipsey (D-Kalamazoo) and a heavy financial onslaught by Stryker medical heir, Jon Stryker. But incumbent Senator Laura Toy (R-Livonia) fell in a surprising loss of her 6th District seat to challenger Representative Glenn Anderson (D-Westland).

Former Representative Randy Richardville (R-Monroe) is coming back to Lansing by defeating Democrat Bob Schockman in the 17th District to replace term-limited Senate Majority Floor Leader Bev Hammerstrom (R-Temperance). In the 34th District, incumbent Senator Gerry Van Woerkom (R-Norton Shores) bested his opponent, former Democrat Representative Julie Dennis by a narrow 51-49 percent margin.

Leadership Changes In The Legislature

With term limits and Democrats taking control of the House, leadership changes have occurred in three of the four caucuses in the Legislature.

When the 94th Legislature convenes in January, Representative Andy Dillon (D-Redford Twp.) will be wielding the gavel as Speaker of the House. The 45-year old attorney with a business in private equities background is described as a pro-life conservative Democrat who did not have the backing of labor. He did, however, have the support of Governor Jennifer Granholm and was one of the primary architects of her 21st Century Jobs Plan.

Representative Steve Tobocman (D-Detroit) was elected House Majority Floor Leader. Representative Michael Sak (D-Grand Rapids) will be the new Speaker Pro Tem.

Despite the defeat Republicans suffered in the House, the GOP caucus again elected Representative Craig DeRoche (R-Nov) its leader and Representative Chris Ward (R-Brighton) returns as floor leader.

In what turned out to be a close election, Senator Mike Bishop (R-Rochester) was elected the new Senate Majority Leaders to replace term-limited Senator Ken Sikkema (R-Wyoming) as Republicans held onto control of the Senate by a 21-17 margin. Bishop turned back a late team effort by Senators Wayne Kuipers (R-Holland) and Jason Allen (R-Traverse City) to elect Kuipers as Majority Leader.

Senator Alan Cropsey (R-DeWitt) was elected Senate Majority Floor Leader. Senator-elect Randy Richardville (R-Monroe) was elected President Pro Tem.

Senator Mark Schauer (D-Battle Creek) staved off a challenge by Senator Mike Prusi (D-Ishpeming) to become the Senate Minority Leader succeeding term-limited Senator Bob Emerson (D-Flint).

Senator Buzz Thomas (D-Detroit) was elected Minority Floor Leader. Senator Hilda Jacobs (D-Huntington Woods) will be the new Democrat caucus leader.

Other Election Outcomes

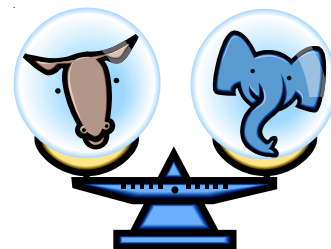
U.S. Senator Debbie Stabenow had little trouble turning back her Republican challenger Oakland County Sheriff Mike Bouchard to gain another six-year term in the Nation's Capital.

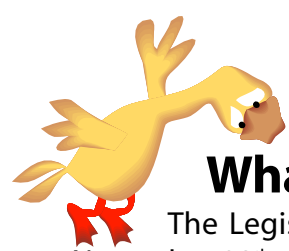
There was no change in the political makeup of the Michigan Congressional delegation, although the Democrat members will enjoy a little more clout, given the Democrats took solid control of the U.S. House of Representatives.

Democrats picked up one more seat on the State Board of Education where the Democrats now hold a 6-2 majority with the defeat of Republican incumbent Eileen Weiser.

Democrats all prevailed in their races on university boards.

In the non-partisan Michigan Supreme Court races, both incumbent Justices Maura Corrigan and Michael Cavanagh won re-election.





What's Up In Lame Duck?

The Legislature is on Thanksgiving Break until November 28th and then has only a few days of session scheduled before adjourning the 93rd Legislature. So what is on the legislative calendar in the lame duck session?

Speaker Craig DeRoche (R-Novi) wants to take up welfare reform and the Michigan Merit scholarship proposal put forth by Governor Granholm early this year.

The House recently passed the video-franchising bill allowing AT&T, Verizon and cable providers to offer video services to customers statewide without obtaining local franchising contracts.

That legislation is also on the front burner in the Senate, according to Senate Majority Leader Ken Sikkema (R-Wyoming). He would also like to act on a replacement for the Single Business Tax (SBT) that is scheduled to disappear at the end of 2007. A replacement, however, is not likely to be decided on until sometime next year.

Ballot Proposal Results

Of the five ballot proposals, the two most controversial were Proposal 2, the Michigan Civil Rights Initiative (MCRI), which would prohibit affirmative action programs at State universities and by governmental units, and Proposal 5 that would lock-in education funding at the rate of inflation.

Proposal 2 won by a wide 58-42 percent margin. Proposal 5 went down to a solid 63-37 percent defeat.

Of the other proposals, Proposal 1 protecting earmarked State conservation and recreational funds from being raided for other purposes, passed. Proposal 3, which would have allowed the hunting of mourning doves, was defeated. Proposal 4, the eminent domain issue, passed.

Michigan E85 Plans Not In Jeopardy

A decision by Underwriters Laboratories (UL) to remove its approval of ethanol-based gas pumps because of safety concerns has not placed Michigan's plans to promote and assist in the building of ethanol-based fuel pumps in jeopardy, according to the Department of Environment Quality (DEQ).

UL, a national third-party that tests products for public safety, recently decided to nationally remove its approval of all ethanol fuel pumps.

According to DEQ's Bob McCann, UL is concerned about E85's ability to break down metals used in the pumps, but there is no safety concern to those who use the pumps.

McCann said the DEQ has discussed the issue with the Department of Agriculture and the Office of the Fire Marshall; all three agree there is no reason to stop using the ethanol pumps.

A \$350 million investment to create a corn-to-ethanol plant in Caro and four additional plants in Michigan has been announced. Earlier this year, legislation was passed and signed into law by Governor Jennifer Granholm to give gas stations incentives for converting their pumps to E85 pumps.

Supreme Court Sends Message To Trial Courts

If a trial court decides to deviate from allowable sentencing guidelines, the convicted person should have a chance to withdraw their guilty plea. That is the message the Michigan Supreme Court, in a 7-0 opinion, recently sent to trial courts.

The ruling comes out of *People v. Price* (Case No. 128156); Tom Price, convicted of bank robbery in a previous suit, did not agree with the way his sentence was decided, based on a set of guidelines, and appealed.

The trial court denied his request for a resentencing; arguing it had handed down his sentence according to sentence guidelines. The lower court also weighed two previous felony convictions obtained when Mr. Price was in Canada.

As a result, Mr. Price received a sentence between 60-months and 15-years, rather than 5-21 months.

The Supreme Court ordered the lower court to revisit the sentencing without taking the two Canadian sentences into consideration.

