

CAPITOL NEWS UPDATE

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“BLUES” REFORM BITES THE DUST

Although Gov. Rick Snyder has proposed the Blue Cross Blue Shield of Michigan (BCBSM) reform legislation, he vetoed the measure because of the abortion bill tie-barred to the reform package.

Snyder said in his veto letter the added language would change the private insurance market for abortion coverage by requiring the holders of group health insurance policies to “opt-in” to abortion coverage.

He expressed hope the BCBSM legislation could go through the upcoming legislation session without the abortion language.

The “Blues”, however, are under a tight timeframe to get a replacement bill passed as Michigan’s new health care exchange web page where health plans interested in offering individual health insurance plans need to run their offerings by the Office of Financial Insurance Regulation (OFIR) by March.

In other bill signings of note, Snyder signed into law:

- SB 0865 that creates the new emergency management legislation
- HB 5711 which increases safety standards for abortion clinics.
- HB 5225/SB 0984 both aimed at dealing with firearms. The House bill would streamline the process of obtaining a handgun while the Senate bill eliminates restrictions of interstate rifle and shotgun transactions to states not contiguous to Michigan. Snyder, however, vetoed SB 0059 that would allow properly trained and licensed gun owners to carry concealed weapons into schools, churches, and other places where they currently are not allowed.
- Snyder also signed into law legislation that phases out the Personal Property Tax but provides voters the option in 2014 of determining whether the state can divert a portion of the use tax for the PPT reimbursement plan.

WHAT’S AHEAD?

The 2013 legislative agenda is already shaping up.

Of course, look for a redo of the BCBSM legislation that will meet with Gov. Rick Snyder’s approval.

Then that old transportation funding bugaboo that has been around for years will be on the docket again.

An issue that didn't make the cut in lame duck last year will be education reform to expand the Education Achievement Authority's power over poorly performing schools.

Energy policies are also likely to be on the agenda, particularly those that would improve Michigan's energy efficiencies.

Look for many of these to be forthcoming in more detail when Gov. Rick Snyder delivers his State of the State address before a joint session of the Legislature on January 16.

SCHOOL REPORT STILL BEING FINALIZED

Lansing attorney Richard McLellan, who was tapped by Gov. Rick Snyder to rewrite the state's School Aid funding formula, is still working on a 400-page document that lays out a school funding distribution system based on performance measurements.

McLellan called the effort very challenging adding you can't do performance funding until you have performance measurements. "That could take until 2015."

Meanwhile, Senate Democrats say they are ready to re-introduce their Michigan 2020 plan this session – calling it an alternative to the Snyder/McLellan plan.

Although the final details of the 2020 plan have not been released, a blueprint would have public education dollars following the student, which critics argue is another attempt at vouchers.

HOUSE IS ADDING NEW COMMITTEES

In the 2011-2012 session the House had 19 standing committees. Although it is not certain, there are reports circulating that the number could increase in this session.

House leadership may split the Natural Resources, Tourism & Outdoor Recreation Committee into two committees: one for natural resources and the other for tourism and outdoor recreation.

Also a new committee on "competitiveness" is also reportedly in the works viewed as a think-tank panel on how to improve Michigan's economic position.

The Judiciary Committee is tentatively slated to be split into two committees.

At this point committee members have not been announced with the exception of the House Chair of Appropriations which will be Rep. Joe Haveman (R-Holland) who served as vice-chair last session.

NEW SPENDING PLANS ARE IN THE WORKS

As a result of new legislation (SBs 0021 and 0802) signed into law, state department officials will need to create a new spending plan within 60 days after their budget is enacted.

Each state agency will be required to classify each line item in the enacted budget into one of three spending categories: core services, support services or work projects with a spending plan prepared for each of the categories.

DETROIT REVIEW TEAM IS IN PLACE

Gov. Rick Snyder has appointed a six-member financial review team to take a look at the City of Detroit's finances under PA 72 – a step that could lead to the appointment of an emergency manager.

The review team members are: State Treasurer Andy Dillon, Auditor General Thomas McTavish, Ken Whippel, chairman of the board of Korn/Ferry International and member of the Detroit Financial Advisory Board, Darrell Burks, senior partner at PricewaterhouseCoopers and member of the Detroit Financial Advisory Board, Ronald Goldsberry, consultant with Deloitte Consulting and member of the Detroit Financial Advisory Board, and Frederick Headen, legal advisor for the Michigan Department of Treasury.

The review team has 60 days (until mid-February) to report to the Governor unless a 30-day extension is requested and granted or the governor requests an expedited review.

However, Snyder, on announcing the appointments said he is expecting a report around Jan. 11.

M M & A BRIEFS

Young is re-elected chief justice. In a unanimous vote by his colleagues, Chief Justice Robert Young has been re-elected to a second two-year term as chief justice of the Michigan Supreme Court. The Republican-nominated justice will preside over an ideological 4-3 split in favor of Republican-nominated justices.

Greimel announces staff picks. House Minority Leader Tim Greimel has announced that Adrian Hemond will be his chief of staff and Amy Beard will serve as legislative director and deputy chief of staff. Also, Patti Tremblay-Pluta will join his staff as legal counsel. Katie Carey will continue as press secretary for the House Democratic Caucus.

Consumers Energy can collect. The Michigan Public Service Commission (MPSC) has authorized Consumers Energy to reconcile its gas pilot revenue decoupling mechanism for the period of June 1, 2010 through May 31, 2011 which means the utility can collect an under-recovery of \$15,650,182, effective for the February 2013 through the April 2013 billing months. The average residential customer will see an increase of \$1.20 per month on those monthly bills.

CALENDAR OF IMPORTANT EVENTS

- Jan. 16 Gov. Rick Snyder delivers his State of the State address before a joint session of the Legislature
- Jan. 21 Observance of Rev. Martin Luther King, Jr.'s Birthday
- Jan. 24 Rep. Mike Shirkey (R-Clark Lake) Breakfast Reception
Location: 7:30 a.m., Michigan Municipal League, Lansing