

CAPITOL NEWS UPDATE

WEEK OF MARCH 14, 2014

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LEGISLATURE DIALS UP TELECOMMUNICATIONS BILL

It took three months, but the call finally went through as the House and Senate passed legislation (SB 0636) that would make it easier for phone companies to transition from traditional landlines to newer technologies.

Under the bill, beginning Jan. 1 2017, providers could discontinue the traditional service by providing notices to the MPSC and to a newspaper in the impacted area. However, the provider would still need the approval of the Federal Communications Commission (FCC).

The measure would also set up a system for customer in an area where a discontinuation had been proposed to request the Michigan Public Service Commission (MPSC) to investigate the availability of comparable voice service with reliable access to 911.

Under current state law, a provider cannot discontinue traditional landline service unless alternative providers are furnishing a comparable voice service to the customers. In addition, the current law requires a determination on whether the change is authorized by the Michigan Public Service Commission (MPSC).

“Senate Bill 636 aims to enhance and expand these services for consumers by updating Michigan law to give the Federal Communications Commission, with input from the Michigan Public Service Commission, the authority to decide if providers like AT&T can transition our network to one built on IP [internet protocol] and wireless technology, a transition millions of residents have already made,” AT&T Michigan President Jim Murray said in a statement.

The bill is now on its way to the Governor to be signed.

LAWMAKERS SETTLE ON FY’14 SUPPLEMENTAL

The House and Senate members settled their differences and passed a \$330 million budget supplemental that includes up to \$215 million for pothole patching and priority road maintenance.

Gov. Rick Snyder called the action a “positive step toward improving the state’s roads” and said he is looking forward to a “comprehensive solution to our transportation needs.”

The supplemental also includes funding to for residents who are in need to keep receiving mental health services, providing home heating assistance, and giving legislative support to the new Office for New Americans in an effort to attract more immigrants with advanced academic degrees or entrepreneurial skills to come to or stay in Michigan.

The supplemental does not provide any immediate fix for a Health Insurance Claims Assessment (HICA) that is bringing millions less revenue than expected. However, by the end of the budget year, if the HICA-hole isn’t filled, the \$115 million in the Roads Risks and Reserves (RRR) Fund to be used for road projects will go toward it automatically, under an amendment that won unanimous approval. The remaining \$100 million of the \$215 million for roads will go toward the winter maintenance and filling potholes.

GET IT RIGHT OR GET OUT OF THE KITCHEN?

In the first three months of providing food service at the Department of Corrections (DOC) prisons, charges against Aramark, the new private food provider, allege its employees have had sex with prisoners, wrote

love letters to inmates and attempted to smuggle cell phones into prison. As a result, nearly 10 percent of the employees have been banned from state prisons.

In addition, DOC officials say there have been food shortages, large staff turnover, inadequately trained personnel and a failure to control kitchen knives.

The conditions have prompted DOC Contract Manager Kevin Weissenborn to fine Aramark \$98,000. In addition, DOC spokesperson Russ Marlan said the department will be “continuously monitoring the situation at all state prisons” to determine whether the problem amounts to growing pains or more systematic issues.

Rep. Greg McMaster (R-Kewadin), chair of the House DOC Appropriations Subcommittee, indicated the subcommittee will be taking a look at the Aramark contract and if the vendor can't work within the confines of their contractual agreement with the state, then they need to be removed.

Aramark was hired by the state starting Dec. 1 to replace former state employees as a way to save 17 percent in its food services budget.

SUPREMES CONSIDER JUVENILE LIFER PAROLE

The Michigan Supreme Court has taken oral arguments in three separate cases that ultimately will determine whether the mandatory life sentences without parole of more than 300 juvenile lifers in Michigan prisons can be altered.

The discussions centered on the language and intent of the U.S. Supreme Court decision in *Miller v. Alabama*, which ruled that imposing a mandatory life sentence for juveniles, violates the Eighth Amendment against cruel and unusual punishment.

However, *Miller* did not answer whether juveniles already behind bars for life have the same opportunity for parole that future juveniles sentenced to life will have.

The three cases before the state Supreme Court deal with the question of whether the *Miller* decision applies retroactively.

Meanwhile, Gov. Rick Snyder has signed into law (SB 0319) legislation that prohibits the courts from sentencing youths 17 and under to life in prison without the chance of parole. The law addresses current and future cases, but does not apply to juvenile offenders who are currently behind bars.

EXECUTIVE ORDER CHANGES MADE FOR CUSTOMER SERVICE IMPROVEMENT

Gov. Rick Snyder issued Executive Order 2014-6 this week that he said is a move at enhancing customer service.

The order transfers the authority and responsibility of Emergency Medical Technicians from the Department of Licensing and Regulatory Affairs (LARA) to the Department of Community Health (DCH) which regulates other emergency medical services.

The order also:

--Allows the Michigan Compensation Appellate Commission to have “up to nine” members instead of requiring nine members on the Commission thus allowing the LARA to have more flexibility

--Gives the state's Fire Marshal to designate a person to serve as his or her representative on the Michigan Citizen-Community Emergency Response Coordinating Council

--Recreates the Grape and Wine Industry Council to update terms and allow member terms to be staggered, and

--Transfers the authority for appointing a number of members to the P-20 Longitudinal Data System Advisory Council from the governor to the state budget director.

HOUSE PASSES LEGISLATION TO BROADEN GUN OWNERS' RIGHTS

A Republican-sponsored package of bills that would reaffirm the confidential status of gun records, clarify the definition of "brandishing" a gun and lift the ban on short-barreled rifles cleared the House Thursday by a wide margin – the closest vote being 81-28.

The bills, which now go to the Senate, would codify a 1999 Michigan Supreme Court decision which found the disclosure of gun registry records to be an unwarranted invasion of an individual's privacy.

The legislation would amend the Michigan Handgun Act to exempt all firearms records to include previously protected concealed-carry permit records from Freedom of Information Act requests.

M M & A BRIEFS

Medical loan repayment changes clear the Senate. Doctors and dentists who agree to practice in "underserved areas" will be allowed to get more of their school loans paid through a state program, under legislation (SBs 0648 and 0649) passed this week in the Senate. The measures remove the four-year limit on loan repayments, establish a lifetime loan repayment maximum of \$200,000, include dental students in the low-income minority student grant program and require an assessment of the lifetime cap on loan repayments.

SIEU hit with a fine. The Secretary of State's (SOS) office has leveled fines and fees totaling \$205,000 against the SEIU as part of a campaign finance settlement from the union's involvement in the unsuccessful Prop 4 home health care ballot proposal of 2012. The SOS started looking into the issue last August after the Michigan Freedom Fund charged that the SIEU used a non-profit called House Care First, Inc., to funnel money to Proposal 4, that if passed would have allowed for a statewide clearinghouse for home health help care workers and would have allowed SIEU to organize home health care workers.

Abortion rider law takes effect. Michigan residents who buy health coverage in the private marketplace will not have access to abortion coverage as a result of a new state law that took effect this week prohibiting insurance companies from covering abortions services unless customers purchase separate riders to their insurance plans ahead of time. However, no insurance companies are offering those riders to new customers in the private marketplace. Seven insurance companies will, but only as part of employer-based plans.

Logoed barware compromise clears the House. The House has voted in favor of a bill (SB 0505) that doesn't completely lift the long-standing limit on "secondary use" bar items that feature advertisements for alcohol brands, but it does allow for certain "brand-logoed barware" including trays, coasters, napkins, shirts, hats, pitchers, reusable glasses, bar mats, buckets, etc. The Senate passed its version last November – one that would allow only certain glassware to carry logos.

Senate passes microbrewer legislation. The Senate tipped one for microbrewers this week, passing legislation (HBs 4709, 4710 and 4711) that changes the definition of microbrewers to include more barrels, allows brewpubs to have an interest in up to five other brewpubs and allows a brewer to sell on-premise at two locations even if he isn't a registered microbrewer.

State jobless rate takes a tumble. Not since May 2008 has the state's unemployment rate been as low as the 7.8 percent recorded in January of this year. The rate is down from 8.3 percent recorded in December 2013 and down from the 8.9 percent a year in in January 2013, according to the Michigan Department of Technology, Management and Budget (DTMB). Total employment rose by 32,000 over the month and the state's labor force increased by 11,000 in January. The 2013 annual jobless rate in Michigan also fell for the fourth year in a row – decreasing 4.7 percentage points during that period.

CALENDAR OF IMPORTANT EVENTS

- March 17 St. Patrick's Day
- March 18 Sen. Goeff Hansen (R-Hart) Reception
Location: 7:30 a.m., Karoub Associates, Lansing
- March 18 Sen. Loren Anderson (D-Westland) Luncheon
Location: 11:30 a.m., 1933 Room, Lansing
- March 19 Secretary of State Ruth Johnson Lunch Reception
Location: 11:30 a.m., Dykema, Lansing
- March 25 Sen. Tom Casperson (R-Escanaba) Breakfast
Location: 7:30 a.m., Michigan Restaurant Assoc.
- March 25 Rep. Jeff Irwin (D-Ann Arbor) Breakfast
Location: 8:30 a.m. (?)
- March 26 Rep. Eileen Kowall (R-White Lake) Breakfast
Location: 7:30 a.m., MI Beer & Wine Wholesalers Assoc.,
- April 1 April Fool's Day