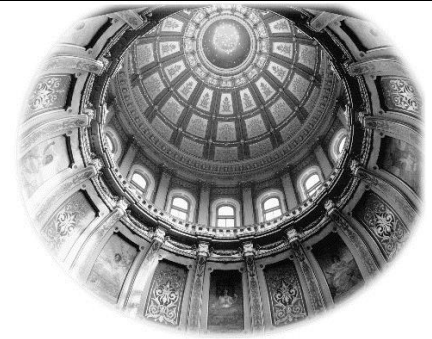


CAPITOL NEWS UPDATE

WEEK OF April 25, 2014

Individual Attention. Precision Strategy. Proven Results



BOLGER UPS THE ANTE; SNYDER/RICHARDVILLE NOT IN THE GAME

House Speaker Jase Bolger (R-Marshall) says the House is not willing to contribute to the Detroit bankruptcy settlement unless all parties agree and the city's unions contribute financially but Bolger appears to be out there by himself.

Gov. Rick Snyder and Senate Majority Leader Randy Richardville (R-Monroe) aren't buying into the Speaker's demand for unions to pony up cash to the so-called "grand bargain" for Motown before the Legislature will act on the state's proposed \$350 million contribution.

Unions say they want the state contribution locked down before they will put their signatures to the deal.

Snyder says he wants the deal to be done by the end of June. Bolger says he is not as firm on a deadline because he wants solid proof that the state will be released from any litigation involving the bankruptcy settlement.

Betting money is that the deal will be done. The question is: Who blinks first?

SNYDER ROLLS OUT NEW RECYCLING PLAN

Gov. Rick Snyder is calling for all 83 counties in Michigan to have convenient access to residential recycling by 2017 and double the state's recycling rate to 30 percent in the next two years. Currently, just 25 counties offer across-the-board convenient access.

To reach that goal, the administration has proposed spending \$1.5 million in FY 2015 to help local governments actually provide the programs. The funding includes lobbying for \$1 million in new money and \$500,000 in redirected funds that would go toward local government grants.

Not affected by Snyder's recycling plan is the state's 10-cent deposit on certain plastic and glass bottles i.e. the bottle bill law. Nor does the plan devolve into raising the state's statutory solid waste surcharge which is part of landfills' tipping fee they charge for dumping.

The 15-point plan focuses on four key areas: benchmark and measure progress; public education and technical assistance for communities; providing for convenient access; and developing markets.

The Department of Environmental Quality (DEQ) drafted the plan in cooperation with 45 key stakeholders including recyclers, landfill operators, manufacturers, waste haulers, bottlers, and grocery store operators.

U.S. SUPREME COURT: MCRI DOES NOT VIOLATE 14TH AMENDMENT

The U.S. Supreme Court has let Proposal 2 of 2006 stand ruling that the Michigan Civil Rights Initiative (MCRI), which banned the use of "racial preferences" or affirmative action programs in government hiring or public university admissions, does not violate the Fourteenth Amendment.

The 6-2 decision by the high court in *Schuetz v. BAMN* reverse the U.S. Court of Appeals ruling in 2012, which found MCRI violated the U.S. Constitution's equal protection clause by removing the power of university officials to even consider using race as a factor in admissions decisions.

"There is no authority" in the U.S. Constitution or in the courts' precedents that should stand in the state's way, wrote Justice Anthony Kennedy.

Voters approved MCRI proposal 58 to 42 percent.

GOP LAWMAKER PREPARING MINIMUM WAGE INCREASE BILL

A bill that would raise the state's \$7.40 minimum wage to \$8.15 an hour starting Dec. 1 but keep a lower wage for restaurant workers in being prepared by Sen. Rick Jones (R-Grand Ledge).

According to Jones, the measure is intended to be a counter to a ballot proposal being circulated by the Restaurant Opportunities Center (ROC) which would eventually raise the minimum wage to \$10.10 an hour for all workers.

Jones' bill would put the tipped worker wage at \$2.75, 10 cents above the current level.

The Legislature last raised the minimum wage in 2006 before a labor-backed petition drive to hike the minimum wage got off the ground.

Meanwhile, House Speaker Jase Bolger (R-Marshall) pulled business lobbyists into his office for a closed-door strategy session on how to deal with the proposed minimum wage ballot issue. No decisions were made but another meeting will be held in a couple of weeks or so.

ACLU GOES TO COURT OVER SAME SEX MARRIAGE RECOGNITION

The American Civil Liberties Union (ACLU) has filed a lawsuit in an effort to force the state to legally recognize and provide marital benefits to the 300 same-sex couples married last month.

The couples were married during a short period of time between a federal judge's ruling that the state's constitutional ban on gay marriage is unconstitutional and when a federal appeals court issued a stay in the judge's ruling.

However, Gov. Rick Snyder determined that while the marriages took place legally, the stay of the judge's ruling required the state to suspend any benefits of the marriages because it put existing Michigan law and the state Constitution back in place.

Meanwhile, Attorney General Bill Schuette has asked the entire 15-member 6th Circuit Court of Appeals to immediately decide the state's case (*DeBoer v Snyder*) in the federal court's ruling that the state's ban on gay marriage is unconstitutional. Normally, the case would be heard by a three-judge panel.

POLITICS AND POLLS

Challenge to Calley collapses. Tea Party activist Wes Nakagiri and Lapeer County attorney Todd Courser have failed in their announced challenges to Lt. Gov. Brian Calley at the Michigan Republican Party (MCR) state convention this summer. Both failed to gain the support of four of the state's 14 congressional district chairs. There are two other avenues: collecting the signatures of 21 state committee members from seven different congressional districts by July 25 or attempting to suspend the party rules during the convention. Both are extremely long shots. Courser has filed for the 82nd House district seat.

Detroit attorney enters AG race. Godfrey Dillard, a prominent civil rights attorney from Detroit, announced this week he is seeking the Democratic Party's attorney general nomination and wasted no time in going after Mark Totten, a Michigan State University law professor who has been campaigning for

the spot for nearly a year. Dillard said Totten doesn't have the type of experience he has gained in his 40 years of practice.

Former speaker to seek MSU board position. Former House Speaker Rick Johnson has announced he will seek the Michigan Republican Party's nomination for one of two available spots on the Michigan State University Board of Trustees. Johnson, who has run a nursery and tree farm since 1971, said he would bring a different perspective to the Land Grant institution, which hasn't had a farmer on the board in years. There are three others in the GOP running: Melanie Foster, Jeff Sakwa and Scott Schultz.

M M & A BRIEFS

Unemployment rate takes a tumble. Michigan's seasonally adjusted unemployment rate dropped to 7.5 percent in March, down from the 7.7 rate the previous month and 1.3 percent lower than the same month last year, according to the Bureau of Labor Statistics. The new figure ranks the state as the nation's seventh highest...its best position since last summer when it was eighth. The national jobless rate changed unchanged from February at 6.7 percent.

Senate passes charitable gaming legislation. A bill (SB 0878) expanding gaming at horserace tracks and codifying some changes to charitable gaming has passed the Senate on a 37-0 vote. The measure comes after the administration's proposed rule changes failed in the Joint Committee on Administrative Rules (JCAR) last month.

A portion of adoption legislation is signed into law.

Three bills (HBs 4646, 4647 and 4648) of a seven-bill House package of legislation designed to help children find adoptive homes have been signed into law by Gov. Rick Snyder. The measures allow a parent or guardian to relinquish parental rights without going to court in cases of direct placement after birth of a child; shorten the time period between formal adoption placement and the issuance of a court ordered adoption for children younger than one year of age; and support the parental rights of unmarried biological fathers in cases where the mother files for relinquishment.

CALENDAR OF IMPORTANT EVENTS

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| April 29 | Senate Republican Annual Dinner
Location: 6 p.m., The University Club, Lansing |
| April 29 | Sen. Vince Gregory (D-Southfield) Spring Luncheon
Location: 11:30 a.m., Governor's Room, Lansing |
| May 1 | MDP Purpose 2014 Reception
Location: 5 p.m., Raspberries Bar & Grill, Flint |
| May 7 | Sen. Mike Nofs (R-Battle Creek) Lunch Reception
Location: Governor's Room, Lansing |