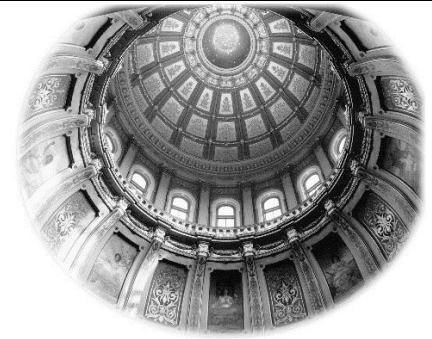


CAPITOL NEWS UPDATE

WEEK OF June 26, 2014

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SNYDER SIGNS EDUCATION BUDGET BILL

With the stroke of his pen, Gov. Rick Snyder signed a \$15.8 billion education budget for FY 2015 that gives a substantial boost to higher education and a per-student increase of at least \$50 in K-12. Overall, state spending on education will increase \$663 million or 4 percent for the next fiscal year.

Specifically, the budget includes \$11.8 billion in state funding for K-12 with \$177 million for a per-student funding increase which equates to a range of \$50 to \$175 per student, closing the foundation allowance gap and setting the new minimum per student allowance at \$7,251.

In higher education, the budget calls for a 3 percent increase in operations funding for community colleges and a 5.9 percent increase for state universities. Universities will be required to limit tuition increases to 3.2 percent or less in order to receive their funding increase.

And an additional \$65 million is going into early childhood education programs.

MICHIGAN MERIT CURRICULUM IS REVISED

School districts will have the flexibility to enhance career technical education programs as a result of legislation (HB 4465) signed into law by Gov. Rick Snyder.

The measure amends the Michigan Merit Curriculum to allow students to fulfill the algebra II requirement by completing a career and technical education program that has the material embedded into the lessons.

Additional opportunities are also provided for student to pursue courses that will prepare them for careers in skilled trades, while maintaining high standard in terms of required curriculum.

The bill is now Public Act 208 of 2014.

ARAMARK IS PUT ON NOTICE

Aramark Correctional Services which took over food operations at the state's prisons in early December is in danger of losing it \$145 million contract if doesn't resolve ongoing food shortages and make unauthorized substitutions for approved menu items, according to the Michigan Department of Corrections (DOC).

The department issued its warning in a letter to Aramark on June 6.

Starting July 1, the department will begin strict enforcement of the three-year contract's terms – a move that could result in financial penalties or possible termination of the contract.

In March, the company was fined \$98,000 because of food shortages, food substitutions and Aramark workers becoming overly friendly with prisoners.

WORKGROUP TO WORK ON ROAD FUNDING

After the House and Senate adjourned for summer break without reaching a solution on how to generate new road funding revenues, Senate Majority Leader Randy Richardville (R-Monroe) has announced he will form a “work group” charged with coming up with road funding recommendations by September.

Richardville’s move followed the Senate’s scrapping of his original plan to raise \$1.4 billion over five years and then failing to muster the necessary votes for legislation that would index the state’s 19-cent gas tax to the rate of inflation – a major piece of a scaled-down plan to raise a new combined \$217 million.

The Senate also failed to adopt a resolution that would have let voters decide in November whether to raise the 6 percent general sales tax by 1 percent with the extra money going to roads.

BREASTFEEDING GOES PUBLIC

Mothers will now have the right to breastfeed in public as a result of legislation (SB 674) signed into law by Gov. Rick Snyder that establishes the Breastfeeding Antidiscrimination Act.

Snyder also signed legislation (HBs 5591 and 5592) specifying that mothers breastfeeding in a public place are not guilty of indecent exposure or obscene conduct.

The bills are now Public Acts 197-199 of 2014.

SNYDER SIGNS DETROIT GRAND BARGAIN

Gov. Rick Snyder has put his pen to that 10-bill package of legislation that frees up \$195 million in state money representing Michigan’s contribution to a “grand bargain” settlement that will help lessen the hits to retirees’ pensions and save the Detroit Institute of Arts (DIA) as Detroit works to bring itself out of bankruptcy.

The state’s contribution will be paid up front from the rainy day fund that will shift toward the Grand Bargain to be repaid over time by annual payments from the state’s tobacco settlement fund.

However, without the retirees’ consent, the more than \$800 million that has been pledged by the state, various foundations, the DIA via fundraising and other parties will go away. Retirees’ ballots are due back to the court July 11.

CHANGES AFOOT IN BEER/WINE LICENSING AND INVENTORY?

Two separate bills, but tie-bard together, have been introduced that would put a population-based limit on stores licensed to sell just beer and wine, open up more opportunities for gas stations to acquire liquor licenses and reduce the minimum inventory limit for licensees operating gas pumps.

Senate Bill 0976, recently introduced, would lower the minimum inventory limit to; \$100,000 – down from \$250,000 – for licensees operating gas pumps.

Senate Bill 0643, introduced last October, would put similar population caps that exist for liquor stores on stores licensed to sell beer and wine.

REPUBLICANS FILE AMICUS BRIEF IN GAY MARRIAGE CASE

A group of 20 Republicans has filed with the U.S. Circuit Court of Appeals an amicus brief supporting gay marriage.

The group includes four former House members, including former House Speaker Rick Johnson, who voted for legislation that would have banned same-sex marriage.

The brief argues that laws “cannot serve as the basis for denying a certain class of people the benefits of marriage in the absence of a legitimate fact-based governmental goal.

The amicus brief calls for the appeals court to uphold the March ruling by U.S. District Judge Bernard Friedman that the 2004 marriage amendment voters adopted violated the equal protection clause in the U.S. Constitution.

POLITICS AND POLLS

Agema considering a run for Lt. Gov – if.

If there was “overwhelming support” among delegates, Republican National Committeeman Dave Agema said he would consider making a late entrance into the race against current Lt. Gov. Brian Calley. Currently, Wes Nakagiri is on the ballot to run against Calley at the Aug. 23 Michigan Republican Party (MRP) convention, having collected 21 signatures from state committee members.

M M & A BRIEFS

Gun owners get more privacy. A package of bills exempting firearms records from the state’s Freedom of Information Act (FOIA) has been signed into law by Gov. Rick Snyder. The measures make firearms records confidential, defines the term “firearms records,” specifies the use of information in the pistol records database, and updates the Michigan Handgun Act. All are covered under Public Acts 202 through 207.

Energy workgroup is launched. Sen. Mike Nofs (R-Battle Creek) has launched a workgroup charged with retooling the state’s energy reform law of 2008, P.A.295 that was signed into law by then- Gov. Jennifer Granholm – a law sets the state’s first renewable portfolio standard at 10 percent by 2015. The 35-member work group includes the utilities, environmentalists, business groups and others interested in the debate. Nofs hopes the group will meet over the summer and come back in September with a consensus on some energy efficiency and optimization reforms, in any are needed.

Snyder signs coal ash legislation. Gov. Rick Snyder has signed into law a 12-bill package of legislation that includes three bills allowing farmers to spread an industrial waste product called “coal ash” over their crops and exempts them from any liability should the environment be scarred. Also included in the package is a bill giving a timeline for the Michigan Public Service Commission (MPSC), Consumers Energy and DTE Energy to look at how they set energy rates, to see if they “appropriately” reward “smooth” energy use.

Unemployment rate inches up. Michigan’s unemployment rate in May moved up to 7.5 percent, a one-tenth of a percentage point increase and the first unemployment rate jump in 10 months, according to the Department of Technology, Management and Budget (DTMB). The increase ties Michigan with Illinois for the nation’s sixth-highest seasonally adjusted rate in May, according to the Bureau of Labor Statistics (BLS). However, Michigan’s May rate is lower than the 8.9 percent rate recorded in May 2013.

Interim EAA chancellor is named. Veronica Conforme, a former New York City public schools leader who ran the operations of America’s largest school district, has been selected as the Interim Chancellor of the Education Achievement Authority (EAA) of Michigan by the reform district’s board of directors.

Part time legislature effort dropped for now. The Committee to Restore Michigan’s Part-Time Legislature (CRMPTL) has suspended its effort to put the issue on the ballot this year but plans to try again in 2016. The lack of getting the necessary signatures is being blamed on the exceptionally lengthy cold winter and the shortened time frame the group needs to collect the 322,609 signatures by July 7 in order to put the constitutional amendment before the voters in November.

CALENDAR OF IMPORTANT EVENTS

July 4 Independence Day
 (State offices will be closed)