

CAPITOL NEWS UPDATE

WEEK OF FEBRUARY 11-15, 2013

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GUV'S ROAD FUNDING PROPOSAL IS IN TROUBLE

Gov. Rick Snyder's road funding proposal contained in his FY 2014 budget recommendations appears to have hit a major pothole.

Senate Majority Leader Randy Richardville (R-Monroe) has declared the Governor's 14-cent gas tax increase and a near 60 percent driver registration fee increase as being off the table.

Richardville said he doesn't like raising registration fees every year and wants to keep the price at the pump close to where it is now.

Secretary of State Ruth Johnson is also opposed to raising vehicle registration fees.

What all this appears to mean is that the Legislature is going to have to look at other solutions.

SENATE PASSES BCBSM BILLS

The Senate has moved quickly in passing new legislation (SBs 0061 and 0062) that would reform Blue Cross Blue Shield of Michigan (BCBSM) into a nonprofit mutual company on votes of 36-0 and 37-0 respectively.

The measures are identical to legislation Snyder vetoed last session, absent the controversial abortion language.

On the House side, where passage could be more difficult, no decision has yet been made on when the House Insurance Committee will take up the Senate-passed bills. The committee has eight new members this session that weren't on the committee when the House passed the legislation last session on a 61-49 vote.

In that chamber, lawmakers on both sides of the aisle have raised concerns about how the bills would impact competition, oversight and Medigap coverage.

SNYDER LAYS OUT BUDGET

Gov. Rick Snyder's 2014 budget recommendations total \$50.9 billion – a 5.2 percent increase over FY '13 primarily due to a \$1.2 billion road-funding package and a Medicaid expansion proposal to cover an additional 470,000 residents.

The budget also calls for:

- A 2 percent increase for K-12, Higher Education and community colleges
- A \$300 million increase in the General Fund/School Aid Fund
- An \$11.8 million Department of Natural Resources fee increase
- A \$2.5 million fee increase in the hazardous waste management program with a two-year sunset
- A \$75 million addition to the state's Rainy Day Fund
- An additional \$65 million for early childhood education
- A new \$5 million investment in mental health innovations for youth
- Creating a new agency within the Department of Military & Veterans Affairs to focus on improving services to 700,000 veterans in the state.

PREVAILING WAGE REPEAL INTRODUCED IN THE HOUSE

With Right to Work now law, House Republicans have introduced legislation to repeal the state's prevailing wage law which sets a process to establish wage and benefit rates for workers on state projects based on other collectively bargained agreements.

The 1965 law would be repealed under legislation (HBs 4174 thru 4173) now pending in the House Commerce Committee chaired by Rep. Frank Foster (R-Pellston). The three bills would exempt schools from prevailing wage, bring a statewide repeal and tackle other technical aspects of the repeal respectively.

Asked for his take, Gov. Rick Snyder responded, "It's a very divisive issue so I would say it's not something we're working on."

SNYDER ISSUES EXECUTIVE ORDERS

Executive orders have been issued by Gov. Rick Snyder that re-tools the Task Force on Child Abuse and Neglect and establishes the Michigan State Council for Interstate Juvenile Suspension.

Executive Order 2013-5 creates the five-member council to be housed in the Department of Human Services and brings Michigan into compliance with the Interstate Compact on Juveniles.

Executive Order 2013-4 reduces the Task Force on Child Abuse and Neglect from 34 to 18 members and rescinds Executive Order 2010-18.

'DREAMERS' TO BE GRANTED DRIVER LICENSES

In a change of policy, Secretary of State Ruth Johnson has announced immigrants brought into the United States illegally as children will once again be allowed to receive driver licenses and state-issued ID cards.

The decision is a reversal of Johnson's four-month policy and comes after the federal government's clarification that these individuals, classified under President Barack Obama's Deferred Childhood Arrivals (DACA) program, are legally present.

There are some 7,000 adults and teens in Michigan who have "legal presence" through the U.S. Department of Homeland Security.

POLITICS & POLLS

Whitmer says no, Schauer maybe. Senate Minority Leader Gretchen Whitmer (D-East Lansing) has taken herself out of the running for the Democratic gubernatorial nomination for Governor in 2014. However, former U.S. Rep. Mark Schauer is still a maybe. Schauer says he is not there yet...but is expected to make a decision sometime in March.

Is Hertel readying for a Senate bid? Several sources say Ingham County Register of Deeds Curtis Hertel, Jr. is positioning himself to replace term-limited Sen. Gretchen Whitmer (D-East Lansing) in the Michigan State Senate in the 2014 election. Hertel is the son of former House Speaker Curtis Hertel.

Can Brewer hold on? Michigan Democratic Party (MDP) Mark Brewer is facing a challenge to retain his post from former House candidate Lon Johnson. Johnson has the support of U.S. Senators Carl Levin and Debbie Stabenow as well as the five Democratic members of the Michigan Congressional delegation as well as the UAW and Steelworkers union. However, the Michigan Education Association (MEA) is going with Brewer because "...he's been there and done that."

M M & A BRIEFS

RTW lawsuit is dismissed. In a recent Right to Work lawsuit filed by Robert Davis, affiliated with AF-SCME, in Ingham County Circuit Court, Judge Rosemarie Aquilina dismissed the filing saying the case is not ripe and the Court lacks jurisdiction. Another lawsuit has been filed by a host of unions and trade organizations, led by the ACLU, contending that because the Capitol was closed and the bills were discharged from committee, citizens were denied their right to be heard on the issue.

Dems want \$10 minimum wage. Senate Dems have introduced legislation (SB 0203) that would raise Michigan's minimum wage to \$10 an hour by 2015 – a buck more than President Barack Obama proposed in his State of Union address. The bill also links the increase to the rate of inflation. But Senate Majority Leader Randy Richardville (R-Monroe) says he isn't interested. The current minimum wage is \$7.40 an hour.

Will term limits be revisited? If Senate Majority Leader Randy Richardville has his way, this issue of term limits will be revisited in the Legislature. He cited that continuity in government helps build relationships and that goes back to the term limits thing. Richardville said term limits is something he would like to take a look at this term but not right away.

Hathaway pleads guilty. Former Supreme Court Justice Diane Hathaway has entered a plea of guilty to bank fraud and could face up to 18 months in jail. Her plea deal stipulated nobody else in her family would be charged and she will have to pay restitution of up to \$90,000 and a fine up to \$30,000. Her sentencing is scheduled for May 28.

CALENDAR OF IMPORTANT EVENTS

- Feb. 22/23 Republican State Convention
Location: Lansing Center, Lansing
- Feb. 23 Democratic State Convention
Location: Cobo Hall, Detroit
- Feb. 26 Sen. Mike Nofs (R-Battle Creek) Lunch Fundraiser
Location: 11:30 a.m., Governor's Room, Lansing
- Feb. 27 Sen. Mike Kowall (R-White Lake) Winter Fundraiser
Location: 7:30 a.m., Governor's Room, Lansing
- March 5 Sen. Joe Hune (R-Hamburg) Lunch Reception
Location: 11:30 a.m., Governor's Room, Lansing
- March 7 Rep. Pete Lund (R-Shelby Twp.) Breakfast Reception
Location: 8 a.m., Beer & Wine Wholesalers, Lansing
- March 13 Sen. Vincent Gregory (D-Southfield) Spring Reception
Location: Governor's Room, Lansing