

# CAPITOL NEWS UPDATE

WEEK OF APRIL 1, 2013

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## LAWMAKERS TO RETURN NEXT WEEK

It will be back to business under the Capitol dome beginning next week as lawmakers return from their two week spring break.

At the top of their “to do” list is hammering out a budget for FY 2014 by June 1. There is also that pesky transportation funding issue, no fault insurance reform, and possibly Medicaid expansion.

## RTW IS THE LAW; LAWSUIT MOVES FORWARD

Michigan is officially a Right to Work (RTW) state. The law went into effect on March 28 but the fight is not over.

On Wednesday, Ingham County Circuit Judge William Collette ruled a lawsuit—alleging the legislature violated the Open Meetings Act (OMA) by passing the RTW legislation after a Capitol shutdown—can go forward.

Collette threw out a motion for summary disposition from the state, turned thumbs down on the state’s argument that he lacked jurisdiction and chided the Legislature for inserting in the law that all legal action go to the Court of Appeals, saying he was “amazed” they would create laws “to avoid me.”

Although ruling that the case should go forward, he indicated it would be kind of an uphill battle but it was worth proceeding with the trial to find out whether or not there may have been a violation of the OMA.

In an earlier ruling on Dec. 7, Collette declared that the state police acted within its authority to lock down the Capitol because of public safety concerns.

Meanwhile, Travis Calderwood, a lawyer, is already on the job as the state’s “freedom to work” specialist. He started the job on Feb. 19 and is charged with implementing the law fairly and equitably – working with employers, employees and unions.

What does the public think? A recent survey of 1,013 Michigan voters, conducted by the Michigan State University’s Institute for Public Policy and Social Research showed 42.7 percent thought that RTW would help the state’s economy while 41 percent said it would hurt. The remainder was undecided.

## PAID SICK TIME IS UPSETTING TO SOME

Legislation that would prevent local governments from requiring employers to provide paid or unpaid sick leave not required under federal or state law has cleared committees in both the House and Senate.

Some Republicans who are pushing the measures say sick leave mandates hurt businesses by raising administrative costs.

Opponents argue lack of paid sick leave unfairly forces workers to choose between their physical and financial health.

## **NO-FAULT INSURANCE REFORM IS ON DECK**

A proposal to make changes to Michigan's no-fault auto insurance system is just weeks away according to chairs of the Senate and House Insurance committees.

House Insurance Committee Chair Pete Lund (R-Shelby Twp.) said a new proposal is still being finalized and that the plan is weeks rather than months away.

Senate Insurance Chair Joe Hune (R-Hamburg) said he and Lund are on the same page and are only weeks away from the next bill introduction. However, Hune said the new proposal would be considered alongside legislation proposed by Sen. Virgil Smith (D-Detroit).

Smith's proposal puts new restraints on excessive insurance rates, dissolves the Michigan Catastrophic Claims Association (MCCA) and caps benefit payments to injured individuals at \$50,000.

## **TRANSPORTATION FUNDING IS STILL A BUMPY RIDE**

The weather is warming and more of those orange construction barrels are beginning to pop up along Michigan roadways. And those roads and bridges are likely to get repaired before an agreement is reached on how to solve the state's declining transportation funds.

House Democrats have a plan to bolster transportation funding that would require semitrailers licensed to carry a lot of weight to pay higher state fees than other vehicles on the road, arguing that these trucks put a heavier burden on the roads and their fees are lower in Michigan than in surrounding states.

However, hitting these trucks with higher fees alone does not get the state the \$1.2 billion needed in additional funding.

Meanwhile, union leaders have told Gov. Rick Snyder they would urge Democrat lawmakers to vote against his transportation package unless he pledges to veto any legislation repealing the state's prevailing wage law if it gets to his desk. Snyder says he has not taken a position on the issue.

House Appropriations Chair Joe Haveman (R-Holland) acknowledges the House has not yet included extra transportation funds in its budget plans but predicted this week that something major will be done to improve Michigan's roads – maybe.

## **AG TAKES ON MENINGITIS OUTBREAK PROBLEM**

The fungal meningitis outbreak in Michigan that has killed 14 and sickened 259 Michiganders has prompted Attorney General Bill Schuette to ask the Court of Appeals (COA) to empanel a multi-county grand jury to investigate.

In making the request, Schuette described it as a rare but necessary move. A grand jury would be able to compel testimony, something that is not possible in a standard Attorney General investigation.

The outbreak which started last fall in Michigan and other states has been traced to tainted steroid injections distributed by the Massachusetts-based New England Compounding Center which has since filed for bankruptcy.

## CIVIL SERVICE COMMISSION SIDES WITH PRIVATIZATION

The Michigan Civil Service Commission (CSC) has upheld the privatization of about 150 nursing aide jobs at the Grand Rapids Home for Veterans.

On votes of 3-1 and 2-2, the Commission rejected two appeals from Michigan AFSCME Council 25 which alleged that more than 600 veterans are endangered by low staffing levels and inadequate care under the private group providing the service.

The commission rules on privatization are based on whether at least a 5 percent savings can be achieved. State officials have presented data showing savings will exceed 40 percent or about \$4 million a year.

## MM & A BRIEFS

**Fed cuts could force layoffs.** The federal sequestration cuts could result in as many as 50 state employee layoffs and \$150 million in budget reductions. State officials may decide by early next week whether workers will be idled and which state programs will come under the knife as a result of mandatory federal funding cuts. The reductions would be spread over the state's fiscal year that ends Sept. 30.

**Lawsuit filed to block NITC.** A lawsuit has been filed against Gov. Rick Snyder, the Michigan Strategic Fund, the Michigan Department of Transportation and the directors of those departments seeking to halt the New International Trade Crossing (NITC). Rep Fred Durhal (D-Detroit), who filed the suit, is alleging that in entering into an agreement with Canada the Snyder administration sidestepped four laws Snyder had signed, as well as violating the state constitution. Durhal's attorney, Godfrey Dillard, at one time worked for the Detroit International Bridge Company under Matty Moroun who has spent millions of dollars opposing the NITC project.

**Dredging bill is signed into law.** Legislation that allows for the spending of \$21 million to dredge more than half of the state's public harbors has been signed into law by Gov. Rick Snyder. The measure is designed to address what Snyder calls an emergency boating access issue exacerbated by low lake levels. However, the federal government's decision to gradually reduce its dredging commitment on Michigan waterways remains – creating a \$10 million annual expense not currently factored into the state budget.

**Money provided for sentencing guidelines study.** Tucked into the emergency dredging legislation is \$250,000 for further study of Michigan's sentencing guidelines and whether the amount time prisoners are locked up is too long, too short or just right.

**Auto insurance rates are likely to go up.** Michigan vehicle owners may be looking at an increase in their insurance rates come July 1. The Michigan Catastrophic Claims Association (MCCA) is increasing its assessment for auto insurance providers from the current \$175 per vehicle to \$186 per vehicle for the one year period beginning July 1 of this year – a move that could result in higher vehicle insurance premiums.

**U.S. Supreme Court says it will hear MCRI case.** The nation's highest court, at the request of Attorney General Bill Schuette, will take up the state's Michigan Civil Rights Initiative (MCRI) a constitutional amendment approved by voters more than six years ago that bars affirmative action-like programs in taxpayer-funded institutions. An appellate court has ruled that Proposal 2 is both "unfair and unconstitutional." The U.S. Supreme Court has previously upheld race-conscious university admissions.