

CAPITOL NEWS UPDATE

WEEK OF JULY 12, 2013

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FLANAGAN PROPOSES COUNTYWIDE SCHOOL DISTRICTS

In a letter to the chairs of the House and Senate Appropriations Subcommittees on K-12 Education, State Superintendent Mike Flanagan proposed what he called a “hybrid system” that would create countywide school districts.

Since many forces supporting and defending the status quo system, Flanagan’s proposal would be a mandatory transition to centralize administrative and academic functions at the county or regional level by amending the state School Code and the state School Aid Act.

Contained with the letter were the sections of state law that would need to be amended to transition appropriate functions and responsibilities from local school districts to intermediate school districts (ISD).

Realizing that such transitions could take time, Flanagan proposed the legislation be written to allow up to five years for a full transition.

Flanagan’s proposal would still allow for local school districts, with school boards and administrators, but they would focus primarily on “getting their students to higher levels of achievement and on educator evaluations.

SNYDER SIGNS SCHOOL DISSOLUTION BILLS, FORMS WORKGROUP

Gov. Rick Snyder has signed into law legislation (HBs 4813 and 4815), now PAs 96 and 97 of 2013, that would define a process for the state to dissolve financially strapped Buena Vista and Inkster school districts and send their students to nearby districts.

Under the legislation, districts could be dissolved if they either did not submit a deficit elimination plan as required or submitted such a plan but lacked the capability to implement the plan. Dissolution also could occur if school districts were not financially viable and were unable to educate pupils in grades K-12 for a full school year.

Within a week of the bill signing, state Superintendent Mike Flanagan and State Treasurer Andy Dillon assigned administrative staff to do some fact finding on school district dissolution.

In signing the legislation, Snyder announced the formation of a workgroup to see if the state can identify financially failing districts earlier. The workgroup is being headed by Snyder’s newly-hired education adviser, Craig Ruff.

Ruff says there should be quicker intervention in the financial struggles of local school districts but the question is where that intervention should come from.

SUPREMES SAY ‘NO’ TO RTW ADVISORY OPINION

In a short two-paragraph order, the Michigan Supreme Court last week held that it is “not persuaded that granting the request [for an RTW advisory opinion] would be an appropriate exercise of the court’s discretion.”

In January, Gov. Rick Snyder asked for an advisory opinion on a series of constitutional questions about Michigan's new Right to Work (RTW) law – specifically whether the law applies to state workers governed by the constitutionally created Civil Service Commission, and if not, do RTW opponents have an equal protection argument under the state and federal constitutions in light of possible state worker, fire and police carve outs in the law.

In June, state Solicitor General John Bursch told the Supreme Court it should hold off issuing an opinion until the Court of Appeals makes its ruling in the case of whether RTW applies to state employees.

WORK GROUP WORKING ON MEDICAID EXPANSION

After not taking a vote on Medicaid expansion prior to breaking for the summer recess, the GOP-controlled Senate has formed a “bipartisan” workgroup to develop that chamber’s own version of Medicaid expansion legislation.

Senate Majority Leader Randy Richardville (R-Monroe) first formed a six-member workgroup, dubbed the Healthy Michigan Workgroup, without any Democratic lawmakers. This week, two Democrat members were added to the panel chaired by Senate Appropriations Committee Chair Roger Kahn (R-Saginaw). The workgroup is meeting at least twice a week on the matter.

Gov. Rick Snyder signed off on the work session process but is expressing concern over the timing. He contends the Legislature needs to get Medicaid expansion legislation passed by Oct. 1 in order for the federal government to grant approval in time to meet a Jan. 1, 2014 deadline for enrollment.

The Senate Government Operations Committee is also considering Medicaid expansion and will meet again in a week (July 17 or 18) to see where the progress stands and determine whether the workgroup has come up with something the committee “can take up formally.”

The GOP-controlled House has passed legislation (HB 4714) that would provide health coverage to more than 300,000 Michigan residents who make up to 133 percent of poverty through Medicaid and pave the way for Medicaid expansion under the federal Affordable Care Act as well as institute major reforms to the program by instituting healthy-living incentives and creating health savings accounts for enrollees.

DEMS TOUT FRACKING LEGISLATION

House Democrats stumped the state on Thursday touting an eight-bill package of legislation they say would put more regulations and transparency into the natural gas collection process called hydraulic fracturing or “fracking.”

Bills in the package would also include: Giving municipalities and individuals the opportunity to request a public hearing before a fracking permit could be issued, allowing local units of government to control fracking operations in their community, creating a public-private advisory committee to study the effects of fracking and make recommendations, and increasing the setback distance of fracking operations from residential areas, as well as schools, hospitals, daycare centers and public parks.

The Michigan Oil and Gas Association (MOGA) issued a news release stating it hopes to look at energy production, jobs and environment associated with fracking.

INDIGENT DEFENSE, HOME HEATING BILLS ARE NOW LAW

The indigent defense legislation (HB 4529 and SB 0301) designed to provide adequate legal representation for those who can't afford it by putting into motion a system to create statewide standards and accountability measures for public defense attorneys has been signed into law by Gov. Rick Snyder.

In signing the legislation, Snyder warned it would take time for all of it to come together but promised to be diligent about making it happen including a yearly state appropriation to get the job done.

The measure cleared the House last year during lame duck but stalled in the Senate.

Snyder also put his pen to a bill (SB 0284) that brings a long-term solution to providing home heating assistance to low-income residents by allowing utilities to charge up to \$1 per month extra on electric bills. That revenue will go to the Low Income Energy Assistance Fund (LIEAF).

The utilities would have an opt-out option but would then be banned from shutting off service to certain delinquent accounts between Nov. 1 and April 15.

On Thursday, the Michigan Public Service Commission (MPSC) proposed a funding factor of 91-cents of the up to \$1 per month extra charge on electric bills authorized under the new law.

POLITICS AND POLLS

Duggan launches write-in campaign. After being kicked off the ballot by a Wayne County judge and that ruling upheld by the Court of Appeals, former Detroit Medical Center CEO Mike Duggan say he will launch a write-in campaign in his bid to become mayor of Detroit. Duggan elected not to appeal the lower courts' rulings to the state Supreme Court.

Duggan was bounced from the ballot for not registering to vote a year out from turning in his signatures to be put on the ballot.

However, a successful write-in campaign could be extremely difficult if not impossible due to a new law (PA 272 of 2012) that was passed last year which bars the use of stickers on ballots. Now voters would have to fill in a bubble and write his name in during the August primary.

Land files papers, Peters piles up money. GOP National Committeewoman and former Secretary of State Terri Lynn Land has filed Federal Elections Committee papers launching her bid to replace U.S. Senator Carl Levin who has announced he will retire at the end of his term in 2014. Land is the only declared Republican in the race.

Meanwhile, U.S. Rep. Gary Peters (D-Bloomfield Twp.) has banked more than a \$1 million in the quarter for his 2014 U.S. Senate campaign giving him more than \$1.8 million cash on hand. The decks appear to have been cleared by the Democratic establishment for him in the Democratic primary.

Courser for Supreme Court? Todd Courser, former Michigan Republican Party (MRP) chairman candidate, has indicated he is "considering the possibility privately" of running for the Supreme Court in 2014 when three Supreme Court positions will be up for election. Republican-nominated Justice Brian Zahara, Gov. Rick Snyder-appointed Justice David Viviano and Democratic-nominated Justice Michael Cavanagh hold those three seats. Cavanagh cannot seek re-election because of age limitations in the state law.

M M & A BRIEFS

2013 wolf hunt scheduled. A wolf-hunting plan under a new authority was given the okay Thursday by the Natural Resources Commission (NRC) after the first law authorizing such a move was put on hold by a voter referendum. The pair of orders designates wolf as a game species and establishes a hunting season in limit areas in the Upper Peninsula.

Lottery winnings to recoup overpaid public assistance. Legislation (HB 4855) has been introduced that would allow the Department of Human Services (DHS) to recoup overpaid public assistance from Lottery winners – something DHS Director Maura Corrigan called for two months ago. According to a 2012 DHS report, about 14 percent of lottery winners are welfare recipients.

June revenues exceed expectations. State revenues collected for the General Fund (GF) and School Aid Fund (SAF) in June came in \$99.3 million higher than expected, even though the dollars were a slight 0.5 percent lower than the same revenue collected the previous June, according to figures reported by the Senate Fiscal Agency (SFA) this week. On a year-to-date basis, GF collections are \$85.9 million higher than expected, and SAF collections are \$82.9 million more than anticipated.

State to hold second cyber summit. The Department of Technology, Management and Budget will host the 2013 Michigan Cyber Summit on Friday, Oct. 25. Gov. Rick Snyder said bringing together public and private entities in a collaborative setting will help combat cyber threats and promote a strong cyber ecosystem.