

CAPITOL NEWS UPDATE

WEEK OF DECEMBER 20, 2013

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SNYDER BIG ON ENERGY RENEWABLES, ELECTRIC CHOICE NOT SURE

In a message delivered Thursday in Detroit, Gov. Rick Snyder laid out broad goals on how the state's energy policies should look after 2015 but said he "wouldn't jump to saying increasing choice is the answer."

He did not put forth specific policies, opting rather to focus on areas of adaptability, reliability, and affordability and protecting the environment – adding he would like to see some policies in place by the Legislature by the end of 2015 and reaching until 2025.

On reliability, Snyder wants Michigan in the top 25 percent of the country for the fewest amount and shortest duration of outages.

He championed renewable energy use in the state and favored increasing the renewable portfolio standard (RPS), while urging the state to move further from coal power.

On affordability, he wants to see residential customers' energy bills fall below the national average by 2025.

On energy efficiency, Snyder wants to look in terms of how to avoid energy waste, citing LED light bulbs and energy audits for homes.

Snyder said that when it comes to the question of deregulated vs. regulated energy markets, the industry itself is unique because of several factors, and because of that, he said "Choice creates a lot of challenges and problems."

He acknowledged the challenge of policy-making during the upcoming election year, but said he expects legislation to get done in 2015 or before and invited both the House and Senate to weigh in on what their priorities are.

Snyder's speech followed on the heels of four reports on renewable energy, electric choice, energy efficiency and other areas produced by the Michigan Public Service Commission (MPSC) and Michigan Energy Office (MEO) who gathered information from stakeholders during the past year.

HOME FOR THE HOLIDAYS

Lawmakers wrapped up the 2013 legislative session last week passing a few pieces of key legislation but pushing others past the holiday break and into 2014 when they convene on January 8. Both chambers formally adjourned sine die for the year on Friday.

Completed in the final week was adoption of a citizen-initiated petition requiring a health insurance rider for abortion coverage, changes in campaign finance laws and EpiPen requirements.

Left incomplete was revisions to the Education Achievement Authority, medical marijuana reforms, AT&T bills and tightening laws on scrap metal theft.

No action was taken on requiring third-graders to pass a state reading assessment before advancing to the fourth grade and setting up an A-F grading system for public schools.

Also left undone was resolving the ongoing road improvement funding issue and revamping the state's no-fault auto insurance system.

ABORTION INSURANCE INITIATIVE GETS LEGISLATURE APPROVAL

It didn't come without fierce and passionate debate, but ultimately the House and Senate both gave approval to an initiative that would require women to purchase optional riders in order to have insurance coverage for non-emergency abortions.

Not needing Gov. Rick Snyder's sign-off, the citizen-initiated law will go into effect 90 days after the Legislature adjourns for the year – likely in mid-to-late-March.

The House voted 62-47 for the initiative while the Senate rang up a 27-11 vote.

SNYDER AWAITS CAMPAIGN FINANCE BILLS

A receptive Gov. Rick Snyder is awaiting legislation (SBs 0661 and 0168) that doubles campaign contributions, mandates robo-calls disclaimers near Election Day and requires more campaign finance reporting. The measures also shield from public disclosure the contributors of issue advertising.

However, the bills will not include language that would allow caucus committees to contribute to candidates in primary races.

The Senate gave its final sign-off on the legislation Thursday without the support from any Democrats.

EpiPen BILLS GO TO THE GOVERNOR

Legislation, if signed into law, requiring every public school in Michigan to have special injectors to treat allergic reactions is on its way to Gov. Rick Snyder's desk.

The Senate passed last week the measures requiring schools to have two epinephrine devices starting next school year. The bills passed the House earlier.

AT&T BILL PLACED ON HOLD

Also waiting final action until next year is Senate Bill 0636 that limits state regulatory oversight over AT&T and other phone company's transition from copper wire landline technology to internet-based telephone service by 2017.

The Senate-passed version gives more authority to the Michigan Public Service Commission (MPSC), which now has the authority to declare an emergency and identify a filling provider if a customer's service is not up to par.

MEDICAL MARIJUANA REFORMS BLOW THROUGH THE HOUSE; AWAIT SENATE ACTION NEXT YEAR

The votes weren't close and debate was minimal as the House passed a three-bill package of legislation (HBs 5104 and 5271 and SB 0660).

Senate Bill 0660 would allow prescription-grade marijuana to be sold at a pharmacy if the federal government lowers it from a Schedule 1 to a Schedule 2 drug.

House Bill 5104 lays out how much non-smoked medical marijuana is acceptable for use.

House Bill 5271 gives local governments the power to regulate marijuana "provisioning centers" to service medical marijuana patients.

The measures now move to the Senate which will consider action when the Legislature returns next year.

SENATE PASSES REVISED EAA BILL, HOUSE FAILS TO ACT

Legislation (HB 4369) that would codify the Education Achievement Authority (EAA) passed the Senate, but with some changes to the original bill. However, the House failed to act on the Senate-passed version, so the issue will wait until the Legislature convenes in 2014

A cap on the number of public schools being operated by the EAA was lifted but the new version puts an 18-month moratorium on new schools entering the system.

The revised version puts the state Superintendent in control of which schools end up being run by the state-operated authority for troubled schools rather than setting a 50-school limit the House agreed to earlier this year.

State Superintendent Mike Flanagan said he wanted to move more than 10 schools into the EAA but the Senate-passed version would put a moratorium on new schools entering the State School Reform/Redesign District until July 2015.

The measure also allows persistently low achieving schools to be operated by another public school or "reform/redesign district," rather than exclusively going with a private educational management organization.

3rd-GRADE READING BILL SHELVED UNTIL NEXT YEAR

Legislation (HB 5111) that would generally require all third-graders to pass the state reading assessment before moving to the fourth grade has been held back until the Legislature convenes next year.

Lawmakers have raised concerns recently about the large number of student who could be retained in third grade if the bill were to go into law. If current rate continues, one-third of third-graders may not be able to pass the state reading assessment; some legislators are saying—noting that the measure could impact some 35,000 students.

Nor was there any action on legislation (HB 5112) which would set up an A-F grading system for public schools as opposed to the current color-coded ranking system set up by the Department of Education.

M M & A BRIEFS

New state employee contracts stalled. In what a Michigan Civil Service Commission (MCSC) attorney called an unprecedented situation, the MCSC voted 2-2 on a vote to adopt the modified impasse panel recommendations and then voted to delay a decision on the new contracts until its Jan. 15 meeting and extended existing union contracts until that date.

MDOT announces road projects. The Michigan Department of Transportation (MDOT) has announced the expenditure of an additional \$115 million for state and local transportation projects next year. The money is coming from the Roads and Risks Reserve (RRR) Fund created by the Legislature in the FY 2014 budget.

Snyder signs blight law. Property owners who fail to pay fines for keeping blighted property can be denied zoning changes or building permits and could be subjected to garnishments and foreclosure proceedings under legislation signed into law by Gov. Rick Snyder.

CALENDAR OF IMPORTANT EVENTS

Dec. 24/25 CHRISTMAS OBSERVANCE (State offices will be closed)

Dec. 31/
Jan. 1 NEW YEAR'S OBSERVANCE (State offices will be closed)

Jan. 4 Sen. Judy Emmons (R-Sheridan) Birthday Celebration
Location: 8 a.m., Governor's Room, Lansing

- Jan. 4 Rep. Pete Lund (R-Shelby Twp.) Leadership Dinner
 Location: 6 p.m., Country Club of Lansing, Lansing

- Jan. 5 Sen. John Moolenaar (R-Midland) Breakfast Reception
 Location: 7:30 a.m., Governor's Room, Lansing

- Jan. 8 Legislature convenes for start of 2014 session