

# CAPITOL NEWS UPDATE

WEEK OF SEPTEMBER 6, 2013

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## COMMON CORE SPENDING MOVES TO SENATE

It wasn't pretty, but after nearly 20 hours of debate in two committees Common Core State Standards finally passed the House on a vote of 85-21 for HCR 11, a concurrent resolution that would allow the state to again spend money to implement the standards while instituting a laundry list of conditions for the implementation.

The measure moved to the Senate where Senate Majority Leader Randy Richardville (R-Monroe) transferred the concurrent resolution from the Senate Appropriations Committee to the Government Operations Committee which he chairs.

According to a Richardville spokesperson action is possible next week.

On Wednesday, Department of Education (DOE) officials told a joint Senate panel that Michigan is violating federal law by banning the department from spending money on Common Core State Standards and is at risk of losing \$1.5 billion in federal funds.

Deputy Superintendent Joseph Martineau said by ignoring the federal government and creating a standoff, Titles I, II, III and VI money that primarily goes to economically disadvantaged areas of the state is put at risk.

Federal rules require states to operate off a set of standards to gauge how its K-12 students are learning.

Meanwhile, Richard McLellan, chair of the Michigan Law Revision Commission, said the House used the wrong vehicle (HCR 11) to allow the DOE to set aside spending for Common Core standards saying that to get around the spending restrictions put in the FY 2014 budget the Legislature needs an amendment to a supplemental spending bill.

McLellan quoted an AG's opinion from 1933 that stated "a concurrent resolution is not a bill and is ineffective to amend an existing law."

Legislative action is needed because lawmakers eliminated Common Core funding in the FY 2014 budget which prevented the DOE from spending money on implementing the standards unless the Legislature cast an affirmative vote for the standards.

## STATE REJECTS PRIVATIZATION OF PRISON BEDS

Nearly 1,000 Level 4 male prisoners will not be placed in privately run correctional facilities as the Department of Technology Management and Budget (DTMB) on Thursday rejected bids that came in nearly \$6 million over the state's current cost.

The state's costs in providing the services were \$12.9 million in the first year. The lowest bidder's proposal using the state facility in Standish was \$20.9 million and the lowest bid using a private facility was \$18.6 million.

However, this doesn't end the issue. Sen. John Proos (R-St. Joseph), chair of the Senate Appropriations Corrections Subcommittee, said he would be giving the numbers a thorough review. And House Correc-

tions Subcommittee Chair Rep. Greg McMaster (R-Kewadin) said he too would be looking into it and getting input from the bidder.

### **STATE TO TAKE OVER BELLE ISLE**

The City of Detroit and the state have signed a 30-year lease agreement with two 15-year renewals that gives the state management of the park and is estimated to save the city \$4 million per year. The state will invest between \$10 million and \$20 million in the first 18-to-36 months of state management.

Under the agreement, the city will maintain ownership of Belle Isle while the Department of Natural Resources will assume responsibility for its management as it does the state's 101 other state parks. The Michigan Department of Transportation will take responsibility for roads and bridges in the park.

The DNR's Law Enforcement Division and Michigan State Police will work with the Detroit Police Department to ensure a security plan is implemented in an effective, community oriented fashion.

The Recreation Passport, which costs \$11 per vehicle, will be required for entry to Belle Isle beginning Jan. 1, 2014. However, there will be no charge to individuals or to pedestrians, bicyclists and those using public transportation to enter the park.

A seven-member advisory committee, comprised of at least three residents of the city of Detroit, will advise the state on improvements and master planning for the park.

### **AD BOARD OKAYS PRIVATIZATION OF PRISON FOOD SERVICES**

State workers will no longer provide food services to prisoners as a result of a unanimous decision by the State Administrative Board awarding a contract to Aramark to provide the services.

The private contract is slated to begin by Dec. 1 is expected to save the state 17 percent in its food services budget line.

The Department of Corrections initially rejected the contract as not having enough cost savings but later re-did some calculations and reversed its decision.

Some 370 workers represented by the ASFME are affected by the change. The union is expected to ask the Civil Service Commission to stop the contract from being implemented. A lawsuit is also under consideration.

Current workers can apply for jobs through Aramark.

### **BOTTLE LAW MAY BE UNCAPPED**

A state government recycling workgroup is likely to revisit Michigan's bottle law that could include allowing some beverage stores to opt out of collecting empty containers – instead allowing for their collection at regional redemption centers around the state.

Department of Environmental Quality (DEQ) Director Dan Wyant said the workgroup is looking at comprehensive recycling.

However, Wyant pointed out that everybody the DEQ has talked to has not advocated for any bottle bill changes until a comprehensive recycling program is in place and final recommendations for such a program will not be coming out until the beginning of next year --- probably just prior to Gov. Rick Snyder's Special Message on Energy and the Environment that he has promised to revisit in 2014.

Any potential changes to the bottle bill would need approval from either the voters or three-fourths vote of the House and Senate.

### **HOUSE PANEL DEBATES CO-PAY BILLS**

The House Health Policy Committee is considering legislation (HBs 4875 through 4877) that would require health insurance companies to cover at least 50 percent of a patient's medical procedure or none of it. The measures are designed to give patients assurances that their health insurance policy isn't requiring co-pays that may be as much as the service they are seeking.

The bills have the support of chiropractors and the Michigan Osteopathic Association but are facing strong opposition from Blue Cross Blue Shield of Michigan and other health plans as well as from business groups.

## POLITICS AND POLLS

**Snyder makes \$500,000+ ad buy.** Gov. Rick Snyder has made a two-week campaign ad buy worth more than \$500,000 that is airing in most major Michigan media markets. The 60-second ad refers viewers to a five-minute video on OneSuccessfulNerd.com that highlights Snyder's first-term accomplishments and his next priorities for the Reinvention of Michigan.

**MEA endorses early.** Following closely on the heels of Snyder's ad buy, the Michigan Education Association (MEA) wasted no time in making its endorsement of a candidate for governor in 2014. The state's largest teachers' union has thrown its support behind Democratic gubernatorial candidate Mark Schauer in its earliest-ever gubernatorial recommendation.

## M M & A BRIEFS

**AT&T local network ranked at the top.** AT&T wireless customers in Grand Rapids are enjoying the highest ranked local network according to Seattle-based RootMetrics, an independent mobile research and testing organization. AT&T was ranked highest for combined/overall voice, data and text network performance in the West Michigan city. AT&T invested more than \$155 billion in its Michigan wireless and wireline networks from 2010 through 2012.

**House approves unemployment drug testing.** Unemployment recipients who fail drug tests required through job applications would not receive benefits under legislation (HB 4952) that has passed the House. Democrats labeled the legislation unfair and bad policy, citing situations where persons could test positive for opiates without having taken such drugs.

**Allow proof of insurance on smart phones?** Legislation (SB 0391) has been introduced that would allow drivers to legally show a police officer their proof of car insurance on their smart phones – a move that has raised privacy and liability concerns from the Secretary of State and the Michigan State Police.

**Schuetz appeals 4% ruling.** Attorney General Bill Schuetz has appealed to the Michigan Supreme Court a Court of Appeals ruling that state employee pension and retirement benefit changes were unconstitutional because the Legislature went around the Civil Service Commission by requiring state employees to either contribute four percent of their salary to their pension or move to a defined contribution plan.

**Prison worker retirees can be rehired.** Gov. Rick Snyder has signed into law (HB 4664) that will allow retired corrections officers to be rehired by the Department of Corrections (DOC) without losing their retirement benefits for another two years. The bill is similar to one passed last year but contained a Sept. 30, 2013 sunset.

**Health care fund board is appointed.** The first nine people to oversee the \$1.56 billion Blue Cross Blue Shield of Michigan (BCBSM) will contribute over the next 18 years into a special health care fund have been appointed by Gov. Rick Snyder. Among them is Jim Murray, president of AT&T Michigan and Rob Fowler, president and CEO of the Small Business Association of Michigan.

**Detroit to receive \$300 million in federal grants.** The feds are calling it a "bailout" but they are ponying up \$300 million in the form of grants to help out the financially beleaguered City of Detroit. The commitment

is a mix of new grant money and previously withheld money but not received due to concerns over Detroit's ability to manage the grants.

**CALENDAR OF IMPORTANT EVENTS**

- October 9      Rep. Eileen Kowall (R-Whitelake Twp.) Breakfast Reception  
Location: 7:30 a.m., MI Beer & Wine Wholesalers, Lansing
- October 9      Sen. Howard Walker (R-Traverse City) Fall Breakfast Reception  
Location: 8 a.m., Governor's Room, Lansing
- October 31      HALLOWEEN