

# CAPITOL NEWS UPDATE

WEEK OF JULY 26, 2013

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## **MICKEY AND MINNIE LIKE AT&T**

AT&T has announced it is now the official wireless provider for the Walt Disney World and Disneyland Resorts.

According to the agreement, AT&T will have various marketing and branding opportunities, including sponsoring Disney-created soccer and runDisney events at the ESPN Wide World of Sports Complex

In addition, Disney will join with AT&T in educating consumers about It Can Wait as well as work together to enhance the experience for the growing number of Disney guests using smartphones and tablets during their visit. Cast Members will use new mobile devices on AT&T's network to help deliver Disney's legendary guest service.

"Bringing AT&T's fastest and most reliable 4G LTE network and mobile connectivity to one of the most creative companies on earth is something we are excited about," said Andy Geisse, AT&T's Business Solutions leader.

## **MEDICAID EXPANSION VOTE POSSIBLE IN LATE AUGUST**

With the bipartisan Medicaid expansion workgroup having completed its assignment this week, Senate Majority Leader Randy Richardville (R-Monroe) said his Senate Government Operations Committee is expected to hold hearings on the Senate plan next week along with two other health care ideas being proposed by individual Republican senators – with a vote by the full Senate possible the last week in August.

The Senate version keeps the basic framework of the House-passed HB 4714, creating co-pays for recipients between 100 and 133 percent of the federal poverty level that increases after 48 months of eligibility.

But according to Sen. Roger Kahn (R-Saginaw) who chaired the workgroup, the revamped version does not require any additional waivers, but does require more state reports and additional incentives aimed at creating healthier lives for the vulnerable population and avoid expensive emergency room visits.

Other changes included in the bill:

--Require DCH to develop ways to improve the effectiveness and performance of the Medicaid program and lower overall health care costs in the state

--Require DCH to come up with financial incentives for enrollees to improve and maintain healthy behaviors

--Hospitals that accept Medicaid cannot charge uninsured individuals whose income is between 50 and 115 percent of the federal poverty level more than what Medicaid would pay

--DCH, not DHS, would be specifically designated as determining Medicaid eligibility

--The waiver application must be such that it does not jeopardize federal match dollars and allows the state to opt-in or opt-out without hurting the current Medicaid program

--An advisory committee to look at ways to demand doctors and hospitals to provide clearer information on the costs of services

--Caps the administrative expenditures of Medicaid at 1 percent

--Allows the state to recover co-pays from individuals who win the Lottery

--And make more available an advanced directive so care workers know how to respond in case of sudden trauma or a medical event.

Kahn said he is confident the Senate plan will pass the upper chamber based on conversations he has had with members about the reforms added to the bill.

### **SCHOOL DISSOLUTION MOVING FORWARD IN TWO SCHOOL DISTRICTS**

After both the Inkster and Buena Vista school districts failed to meet a deadline last Monday to submit documentation necessary to avoid disorganization and dissolution, the dissolution process under Public Act 96 is moving forward.

According to a Department of Treasury news release, State Superintendent Mike Flanagan and State Treasurer Andy Dillon jointly determined that the two districts are no longer financially viable and unable to educate students. That determination is being forwarded to each district's respective Intermediate School District (ISD).

By law, the ISD would then declare the District dissolved and immediately order attachment of the District territory, either in whole or in part, to one or more other school districts within the respective ISD and ensure that students from the dissolved districts have viable schools to attend beginning Sept. 3 of this year.

### **FEDERAL JUDGE TAKES CONTROL OF DETROIT BANKRUPTCY**

U.S. Bankruptcy Judge Steven Rhodes handed the City of Detroit a major victory on Wednesday when he stopped any lawsuits challenging the city's bankruptcy, claiming his courtroom is the exclusive venue for legal action.

The decision blocks Ingham County Circuit Judge Rosemarie Aquilina's ruling last week that Gov. Rick Snyder ignored the Michigan Constitution and acted illegally in approving the Chapter 9 filing.

In issuing his decision, Rhodes said there is nothing in federal law or the U.S. Constitution that gives a state court a role in bankruptcy.

However, Rhodes did not make a determination whether Detroit qualifies for Chapter 9 bankruptcy, but did say the issues involved are "very serious questions."

The next hearing in Rhodes' courtroom is scheduled for Aug. 2.

Retirees and unions filed lawsuits attempting to block the bankruptcy process focusing on a provision in the Michigan Constitution that says public pensions "shall not be diminished or impaired."

Michael Nicholson, general counsel for the United Auto Workers, said he plans to review the judge's order with his colleagues and decide whether to appeal, adding the rulings raise "serious issues about the relationship of state and federal government" saying the issue is about states' rights.

### **DEMS FORM AG CAUCUS**

Democrat lawmakers have announced formation of a bicameral Democratic Agriculture Caucus to make sure Democrats have "active part in being out front" on legislation involving a key part of the state's economy, according to Rep. Terry Brown (D-Pigeon), chairman of the new caucus.

Brown said the caucus is forming five subcommittees to focus on climate change, local food access, infrastructure, communication and promotion, economic development and people.

### **DEM LAWMAKER PROPOSES SALES TAX HIKE FOR COLLEGE TUITION**

Rep. Vicki Barnett (D-Farmington Hills) has introduced joint resolution HJR W that would give voters the chance to approve a 1 percent increase in the sales tax with the revenue to pay for Michigan high school graduates' tuition to attend Michigan-based colleges.

The measure would need two-thirds support in both the House and Senate to make the 2014 ballot – something Barnett concedes is unlikely but hopes the proposal would generate enough interest that voters themselves would pursue the measure through a public initiative.

According to the Senate Fiscal Agency (SFA), a 1 percent increase in the current 6 percent sales tax could generate more than \$1.3 billion a year.

### **GOP LAWMAKER FLOATS ELIMINATING STATE SALES TAX**

Rep. Bob Genetski (R-Saugatuck) has introduced legislation (HB 4898), which he calls the "Taxpayer Freedom Act," that would allow voters in 2014 to decide whether to keep the state's income tax but said he does not have a plan for replacing the income tax revenue that is expected to generate \$8.5 billion in FY 2015.

Republican Reps. Kevin Cotter (R-Mt. Pleasant) and Jeff Farrington (R-Utica), two members of the House Tax Policy Committee, said the income tax discussion could be tied to the discussion about what to do to create more funding for Michigan roadways.

So far, the legislation has four co-sponsors in the House – all Republicans.

### **FROM BOLGER TO BLUE CROSS**

Suzanne Miller Allen, chief of staff for House Speaker Jase Bolger (R-Marshall), is leaving her post at the end of August to work for Blue Cross Blue Shield of Michigan.

Allen has held her current position since Bolger was first elected by his colleagues to lead the House in 2010. She has been the lead staff person for Republican leadership for more than 20 years.

Allen is the latest departure from Bolger's staff. Bolger has lost his chief legal counsel, his lead campaign staffer and two fundraisers recently.

Grand Juror Rosemarie Aquilina will be releasing a report by Aug. 23 on whether Bolger should face criminal charges for his role in an election filing scheme in Grand Rapids last year.

### **M M & A BRIEFS**

**MDOT looking at public-private partnerships.** MDOT has put out a request for letters of interest in public private partnerships (P3s) in four specific areas: freeway lighting, bridge bundling, rest areas and timber management. The department has already been in P3 discussions for the New International Bridge Crossing (NITC). According to MDOT, P3s are different from privatization in that the state still owns the underlying asset and dictates the quality of service and service delivery.

**State passed the puck to taxpayers for new Red Wings arena.** The Michigan Strategic Fund (MSF) this week approved \$450 million in bonding to help the Detroit Red wings build a new hockey arena – a move that will cost the taxpayers a chunk of the total \$650 million project. Gov. Rick Snyder called the move a "part of investing in Detroit's future." Construction jobs are projected to reach 8,300 with a projected \$1 billion in economic impact within the state.

**MSHDA partners on foreclosures.** The Michigan State Housing Development Authority (MSHDA) is partnering with faith-based organizations to assist people in need of help to save their homes from foreclosure by getting the word out that help is available through the Unemployment Mortgage Subsidy Program, Loan Rescue Program and Modification Plan Program. A video created by the department features religious leaders talking about how it is OK to ask for help and refer members of their congregations to the state's Step Forward Michigan program.

**Civil Rights Commission pares list for new director.** The Civil Rights Commission will interview four candidates next week for its upcoming vacant director's position. Included in the four are a former state representative and former director of the same department, however, names of the four have not yet been released.

### CALENDAR OF IMPORTANT EVENTS

August 6      Municipal elections