



This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

Highlights of the Latest Major Legislative, Administrative and Regulatory Activity in the State Capitol

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MORE CHARGES IN FLINT WATER CASE – *Attorney General Bill Schuette* announced more criminal charges following the investigation of the *Flint Water Crisis* on Wednesday, with named defendants including one department director and the state’s chief medical executive. *Michigan Department of Health and Human Services Director Nick Lyon* and *Chief Medical Executive Dr. Eden Wells* join the list of state employees officially charged in the *Flint Water Crisis*. *Mr. Lyon* is facing involuntary manslaughter and misconduct in office charges (both felonies), while *Dr. Wells* is facing a charge of obstruction of justice (felony) and another charge of lying to a police officer (misdemeanor). The charges are brought in relation to the outbreak of *Legionnaire’s* disease that was linked to 12 deaths and 78 *Flint* residents’ illnesses. *Governor Rick Snyder*, upon hearing the news, expressed his full support for both officials. Hearing dates for both officials have not been announced.

MPSERS DEAL REACHED: LEGISLATION MOVES QUICKLY – *Senate Bill 401* and *House Bill 4647* both passed out of their respective committees on Wednesday, one day after an agreement was reached between legislative leaders and *Governor Rick Snyder*, implementing reforms to the *Michigan Public School Employees Retirement System (MPERS)*. The bills passed both chambers on Thursday by a 21-17 vote and 55-52 vote respectively, and both were given immediate effect.

Under the legislation as passed, the current hybrid plan would be closed, however a new one would be created and opened, this time with employees sharing more of the costs associated with the hybrid choice. The bills also call for the increase of state and employer contributions to the 401(k)-style plan. According to the *House Fiscal Agency*, the cost of the new plan would be roughly \$23.1 million in the first year, while *Senate Fiscal Agency* analyses note the first year’s cost will total \$24.1 million. The reforms would also only apply to new hires.

According to legislative officials, the new regulations will assist in lowering the current \$29 billion in unfunded liabilities for *MPERS*, and in steering employees into a more traditional 401(k)/defined contribution plan. Addressing the issue of the unfunded liabilities, approval was given by both the *House* and *Senate* to include \$200 million in the *Fiscal Year 2018* budget specifically to be paid into that debt, with another \$55 million to be used as a “pre-pay” start up for the reformatations.

As written in the legislation, contributions would be altered for employers, employees and the state; a new automatic 4 percent contribution from the employer to be made to the 401(k) plans, and reimbursement of any employer/employee matches (up to 3 percent) from the state to the employer for the same plans. Members of the *House Education Reform Committee* and the *Senate Education Committee* discussed the plan, with those in opposition claiming the reforms will put “undue burden” on new/future teachers. *House Democrats* and teacher unions expressed their opposition, with the *Democrats* stating they

“were not invited to the party”, in regard to the negotiation process. *Michigan Education Association (MEA) President Steve Cook* released a statement, saying, “The legislation fails to provide stability in the hybrid system and fails to pay down the unfunded liability so often decried by politicians.”

HOUSE PASSES OPIOID PACKAGE – *House* members passed multi-bill, bipartisan legislation addressing the ongoing opioid epidemic in the state on Tuesday, with overwhelming support. *House Bills 4403, 4405, 4406, 4407, and 4408* were voted upon and passed, with *House Bill 4404* being the only bill in the package that was determined “not ready” and set to be brought back in the fall. The bills passed as follows:

- *HB 4403*: passed 105-2; calls for the addition of medically necessary detox from opioid abuse disorder, inpatient care, or care in a licensed substance abuse disorder treatment facility to the list of services covered by *Medicaid*
- *HB 4405*: passed 91-16; calls for the allowance of pharmacists to refuse to fill a controlled substance prescription if, in good faith, they believe the prescription is not for medicinal purposes or was not written in good faith
- *HB 4406*: passed 102-5; calls for the requirement of the *Prescription Drug and Opioid Abuse Commission* to create recommendations for the instruction of students on prescription drug abuse
- *HB 4407*: passed 102-5; calls for the requirement of the *Michigan Department of Education (MDE)* to create and make available a model program or instruction on prescription drug abuse for public school districts and public school academies
- *HB 4408*: passed 81-26; calls for the requirement of parental consent before the issuing of a first-time controlled substance prescription to a minor

Representative Edward Canfield (R-Sebewaing), a physician himself, suggested adding a reporting requirement to *HB 4405*, whereas a pharmacist would report to the noted physician that the prescription is thought to be a forgery so the physician is aware of the patient and the concern. However, that suggestion was not adopted. *Mr. Canfield* also suggested additional language in regard to *HB 4408*, allowing a family member that brings a minor to the doctor to be informed and make the decision as well as a parental figure. That measure was denied as well. The bills will now head to the *Senate Health Policy Committee* for consideration.

ELECTION BUZZ

- *House Speaker Pro Tempore* and current head of the *House Republican Campaign Committee Representative Lee Chatfield* (R-Levering) is being touted as a candidate for *House Speaker* for the 2019 session year by *House* insiders and other *GOP House* members
- *Steven Gerhardt, Republican Saginaw Township Treasurer*, announced he will run for the *94th District House* seat, with the seat currently held by *Representative Tim Kelly* (R-Saginaw Twp) who may leave his seat to join the *U.S. Department of Education*
- *Representatives Robert Kosowski* (D-Westland) and *Erika Geiss* (D-Taylor) have both announced they will be running for the *6th District Senate* seat in 2018, currently held by term-limited *Senator Hoon-Yung Hopgood* (D-Taylor)
- The *Michigan Democratic Party* has been issued a \$500,000 fine by the *Federal Elections Commission (FEC)* for inaccuracies in how the party managed bingo games over multiple years

ODDS & ENDS

- *Senate Bills 242-244*, also known as the “*Good Jobs for Michigan*” package, remain in the *House Tax Policy Committee* following a testimonial hearing on Wednesday where more than 75 cars of

support were entered into the record

- According to a report released by *Michigan Future*, the state needs to redefine the term “early childhood education”; provide more access to “early childhood education”; and better integrate students across the entire economic spectrum
- Of the seven states reviewed, Michigan has the second largest decline in recidivism (cut by roughly 43 percent over the last nine years), according to a report released by the *Council of State Governments Justice Center*
- *Enbridge Energy* announced the western portion of its controversial *Line 5* pipeline (running under the *Straits of Mackinac*) passed its pressure test recently, with the eastern portion set for testing this week
- *David Behen*, who will be leaving his position as director of the *Michigan Department of Technology, Management & Budget* at the end of the week, is set to become the chief information officer of *La-Z-Boy*
- The *Michigan Department of Health and Human Services (DHHS)* announced public comments are welcome on the state’s *Title V* block grant application for maternal and child health services; comments are due by 5:00 p.m. on Thursday, June 22 (can be submitted to daviss11@michiga.gov)
- *Senator Mike Nofs* (R-Battle Creek) announced his support for legislation calling for an increase in 911 fees from 19 to 25 cents per month; with the increase intended to gather funds for upgrades to 911 dispatch centers (*Senate Bill 400*)
- *Senate Majority Leader Arlan Meekhof* (R-West Olive) referred *House Bills 4416-4419* (calling for the allowance of a concealed pistol without a license) to the *Senate Government Operations Committee*
- The *House Fiscal Agency* has reported *General Fund* revenues for the month of May were \$70 million above forecasts
- 18 *Republican* members of the *Michigan House of Representatives* signed and sent a letter to *President Donald Trump* supporting his decision to withdraw from the *Paris Climate Agreement*
- A minority report from the *Task Force on Responsible Retirement Reform for Local Government* has been filed, with the full report expected in coming weeks
- *Governor Rick Snyder* signed *Senate Bills 111-115* into law late last week (also known as the *MIThrive* bills), allowing for developers to capture a portion of the income tax of employees and to receive exemptions on sales and use taxes generated from certain brownfield redevelopment projects
- During the last round of water testing in *Flint*, 90 percent of *Tier 1* samples recorded were at or below 6 parts per billion (ppb), which is below the federal action level of 15 ppb
- The *Flint City Council* has postponed its decision to stay with *Detroit* water until June 26
- *Michigan Agency for Energy Executive Director Valerie Brader* testified before the *U.S. House Energy Subcommittee* on Wednesday, discussing Michigan’s “leading role in emergency preparedness planning”
- The *Michigan State Board of Education* approved the official accountability system for public schools, with the dashboard set to launch this fall
- Members of the *Senate Judiciary Committee* reported *House Bills 4302-4304* to the full *Senate*, with those bills calling for the increase of penalties for assaults on certain courtroom personnel
- The state’s current legal blood alcohol limit set at 0.08 will remain as such through 2023, via *House Bills 4547* and *4548* as passed out of the *House Law and Justice Committee*
- *Representative David Maturen* (R-Vicksburg) was involved in a car accident on Friday of last week and is recovering after surgery
- Former *Michigan House of Representatives* staffer *Matt Mika* was one of the victims injured in the shooting that took place during the *Congressional* baseball practice; *U.S. Representative* and *House Majority Whip Steve Scalise* was also wounded in the shooting

- According to a report from the *Michigan Commission on Law Enforcement Standards (MCOLES)*, police officers throughout the state need to increase visibility and personal contact with residents, including more one-on-one encounters
- The *Michigan Department of Technology, Management and Budget (DTMB)* reported the state's unemployment rate dropped to 4.2 percent in May, half a percentage point lower than April of this year
- The *Michigan Public Service Commission* issued a ruling on Thursday that will allow *Consumers Energy* to increase construction efforts on its wind turbine project by three years, with the project set for *Tuscola County*

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