



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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CRIMINAL JUSTICE PACKAGE PASSED BY HOUSE – Of the original 22-bill package addressing multiple corrections and criminal justice issues, 21 of those bills saw passage this week Wednesday by *House* members, with many of the bills receiving unanimous support.

Senate Bill 14, as sponsored by *Senator Jack Brandenburg* (R-Harrison Twp), was amended to require a job posting to be listed for six months prior to hiring an ex-felon and make that business eligible to receive grant dollars, but did not pass through with members agreeing more work needed to be done on the bill.

The remaining bills in the package that were passed also saw changes, however, with those alterations headed to the *Senate* for concurrence before *Governor Rick Snyder* will receive them to sign. *Senator John Proos* (R-St. Joseph), chair of both the *Michigan Department of Corrections (MDOC)* and *Judiciary* budgets, noted he was supportive of the package and the alterations made, stating, “These reforms will help more prisoners become productive members of society while also addressing how we keep young people from engaging in a life of crime and turn around those who have started down that road.”

The package saw mostly bi-partisan support in the way of attempting to rehabilitate inmates while also keeping the *MDOC* costs down, as the *Department* usually spends \$2 billion a year. According to *Mr. Proos*, of the 100,000 Michigan residents under supervision, 42,000 of those are in prison, and half of those prisoners were committed due to parole or probation violations, something the package focuses on a well. The changes made to the bills on Wednesday are as follows:

- The requirement of graduated sanctions to supervise eligible parolees with financial incentives for field operations (*Senate Bills 16 and 17*)
- The allowance of the sentencing court to reduce a probationary period under certain circumstances (*Senate Bill 15*)
- Limiting the temporary incarceration time for those that may be sentenced for technical violations to no more than 30 days (*Senate Bill 13*)
- The creation of a new act that requires the use of evidence-based supervision practices for probation and parole as well as the restriction of state funds to go only to programs in accordance with evidence-based practices (*Senate Bill 8*)
- The creation of a probation supervision fund and a corresponding specialized court to provide more intensive supervision in the hopes of deterring re-offense by the probationer (*Senate Bills 23 and 24*)

Attorney General Bill Schuette expressed his support of the changes made and the other bills as written, and commented on what they mean for the state, saying “This legislation offers an opportunity to break the cycle of recidivism, promote public safety and protect our communities. Senator Proos did an exceptional job

with this legislation, by working with victim advocates, the law enforcement community and mental health professionals to ensure this is good public policy for Michigan.” Following the movement in the *House*, *Senate* members concurred in their counterparts’ changes and sent the package to *Governor Rick Snyder* for signature on Thursday of this week.

NEW FEDERAL HEALTHCARE PLAN: EFFECTS ON HEALTHY MICHIGAN? – As announced on Wednesday of this week, *President Trump* and members of the *U.S. House of Representatives* have begun the process of repealing the *Affordable Care Act (ACA or “Obamacare”)*, something that has Michigan officials questioning the undoubtable effects the new plan will have on the state’s current *Medicaid* expansion program, *Healthy Michigan*.

Introduced as the *American Health Care Plan (AHCA)*, the replacement would freeze any new enrollment in a state’s *Medicaid* expansion program beginning January 1, 2020, with those currently enrolled allowed to remain, meaning those making between 100 and 133 percent of the federal poverty level (and were not already enrolled) would not be able to enroll. Currently, Michigan’s program has over 650,000 participants, with 95 percent of the costs for the program being covered by federal monies, with those funds set to change as well under the new plan based on how much the state spent on the program in 2016.

Chris Priest, deputy director for *Medical Services* with the *Michigan Department of Health and Human Services (DHHS)*, told members of the *House Appropriations DHHS Subcommittee* this week that come 2020, the federal government is (as proposed) set to reimburse *Healthy Michigan* enrollees at 90 percent. Those that move off of the state *Medicaid* expansion plan will also receive tax credits as outlined in the plan in order to purchase insurance that provides “better coverage and improved care”. However, though the reimbursement rate remains at a high level, the state would go from paying 10 percent of the cost for the program to paying 37 percent, with those funds most likely to come out of the *General Fund*.

The *AHCA* also calls for the conversion of each state’s *Medicaid* plan to a per capita system, meaning each person would be set to receive a set amount for *Medicaid* service coverage, something that could cause an issue for extremely expensive medications for certain illnesses and diseases. *Mr. Priest* noted that though the details and calculations are still being ironed out, they are important as they will create challenges for the state, specifically when it comes to managing the authorized medication/drug program currently in place in *Healthy Michigan*.

Chair of the House DHHS subcommittee *Representative Edward Canfield* (R-Sebewaing) agreed, noting that his concerns lie with the idea that the new plan would cost the state money but would not eliminate any of the costly requirements the state must follow. *Mr. Canfield* also raised questions about the issue of medical transportation, ranging from ambulance emergency services to dial-a-ride services. Both state and federal officials continue to work through the proposal at their respective levels, with no set date announced for finalization and implementation as of yet.

SENATE COMMITTEE APPROVES INTERNET GAMING LEGISLATION – Michigan casinos would be allowed to maintain internet gaming websites under a three-bill package that moved out of the *Senate Regulatory Reform Committee* on Wednesday of this week. *Senate Bills 203* and *204*, as sponsored by *Senate Majority Floor Leader Mike Kowall* (R-White Lake) and *Senate Bill 205*, as sponsored by *Senator Joe Hune* (R-Whitmore Lake), create the “*Lawful Gaming Act*” and prescribe certain licensing fees to go along with the required gaming license.

The bills also create the *Division of Internet Gaming* in the *Michigan Gaming Control Board* and only allow licenses to be administered to an existing casino license holder or to a Michigan Indian tribe that operates a Michigan casino (under certain circumstances). The legislation also calls for location and identity

verification processes and services to be used to ensure minors and out of state gamblers are kept off the online gaming sites. As outlined in **SB 203**, the **Division** could enter into agreements with other jurisdictions to facilitate, regulate and oversee multi-jurisdictional internet gaming license holders as compliant with state and federal laws.

Some of the state's tribes voiced opposition to the bills, including the Gun Lake Match-e-be-nash-she-wish Band of Potawatomi Indians, the Pokagon Band of Potawatomi Indians, the Sault Ste. Marie Band of Chippewa Indians and the Saginaw Band of Chippewa Indians. As for **Detroit's** three casinos, a "neutral" opinion was issued to the committee from each, though they did not formally speak. The bills were reported on a 7-1 vote out, with **Senator Peter MacGregor** (R-Rockford) the only opposing "no" vote for each bill.

COMMISSION RELEASES REPORT FOR STATE EDUCATION IMPROVEMENT – In its report to be issued today, the **21st Century Education Commission** urges the state to increase funding for all levels of education if improved student academic performance is to occur. The report also notes that teachers need more support and training throughout their careers, the **Michigan Department of Education (MDE)** needs restructuring, Michigan voters should eliminate the **State Board of Education**, and intermediate school districts should see restructuring as well.

The **Commission** also recommended that the state continue to use the highly disliked (among legislators) **Common Core State Standards**, including the mandated **Michigan Student Test of Educational Progress (MSTEP)** and the **SAT**, in order to measure the improvement and progress of the standards. Noting the standards should be kept to ensure student growth data continues to be monitored, the report states, "Michigan's assessment system should be enhanced to better align and measure 21st century learning skills known to prepare our students in becoming both career and college ready and should also disseminate useful data that informs instructional practice in the classroom and measures the performance of our schools for the general public and policymakers."

As for the aforementioned increase in funding for all levels of education, the report does not note a specific figure, but does state that Michigan has fallen to 24th in the nation for per-pupil spending in **K-12** and to 42nd for spending on colleges and universities. The **Commission** recommends that the state determine how much it costs to meet the standards and then how to provide those funds as needed, stating, "Declining resources relative to other states is likely a cause of Michigan's recent poor performance relative to other states. Michigan simply will not be a leading state in postsecondary attainment if it is a bottom state in postsecondary funding."

Another recommendation in keeping up with the standards is to readjust how that data is collected and to update current or create new accountability systems, along with altering how student and teacher performance is measured. The scope of the state's responsibility for services would also expand as recommended in the report, including sufficient funds to be provided to the **Great Start Readiness Program (GSRP)** so that it can be universal for four-year-old children. The report also notes that the state should provide the first two years of postsecondary education as well as to provide facilities funding for **K-12** schools, including charter schools, and that improvements need to be made in preparation and ongoing development for both teachers and administrators to attract and maintain educational professionals in positions throughout the state.

As for the governance of education in Michigan, as mentioned, the report calls for the elimination of the currently elected **State Board of Education (SBE)**, and instead have the members appointed directly by the **Governor** or place all oversight with the **State Superintendent** (currently, education oversight is split, for the most part, between the **Governor**, **Legislature** and the **SBE**). Following changes in oversight and accountability, the report states, local districts throughout the state should be allowed to consolidate to better match facilities to number of students. The full report can be seen [here](#).

HOUSE CAMPAIGN COMMITTEES ANNOUNCED – Both *House Republicans* and *House Democrats* have released lists of their *Campaign Committee* assignments for the current legislative session this week, with *Representative Lee Chatfield* (R-Levering) announced as *Chair* of the *House Republican Campaign Committee (HRCC)* and *Representatives Kristy Pagan* (D-Canton Twp) and *Kevin Hertel* (D-Saint Clair Shores) announced as *Co-Chairs* of the *House Democratic Campaign Committee (HDCC)*. Below is a list of the remaining members for each committee:

HRCC

- *Finance Co-Chairs: Representatives Thomas Albert* (R-Belding); *Gary Glenn* (R-Midland); *Mary Whiteford* (R-Casco Twp)
- Members: *Representatives Shane Hernandez* (R-Port Huron); *Kim LaSata* (R-Bainbridge Twp); *Jim Lower* (R-Cedar Lake); *Jason Wentworth* (R-Calre); *Ben Frederick* (R-Owosso); *Julie Alexander* (R-Hanover); *Triston Cole* (R-Mancelona); *Beth Griffin* (R-Mattawan); *Michele Hoitenga* (R-Manton); *Pamela Hornberger* (R-Chesterfield); *Eric Leutheuser* (R-Hillsdale); *Steve Marino* (R-Harrison Twp); *Michael Webber* (R-Rochester Hills)

HDCC

- *Finance Co-Chairs: Representatives Jon Hoadley* (D-Kalamazoo); *David LaGrand* (D-Grand Rapids)
- Members: *Representatives Darrin Camilleri* (D-Brownstown Twp); *Vanessa Guerra* (D-Saginaw); *LaTanya Garrett* (D-Detroit); *Patrick Green* (D-Warren); *Yousef Rahbi* (D-Ann Arbor); *Brian Elder* (D-Bay City); *Adam Zemke* (D-Ann Arbor); *Jewell Jones* (D-Inkster); *Jeremy Moss* (D-Soutfield); *Erika Geiss* (D-Taylor); *Abdullah Hammoud* (D-Dearborn); *John Kivela* (D-Marquette); *Frank Liberati* (D-Allen Park); *Sheldon Neeley* (D-Flint)

ODDS & ENDS

- This week *Superintendent of Public Instruction Brian Whiston* sent a letter to all districts with schools on the closure list stating that they have until April to decide whether to reach a partnership with the *Michigan Department of Education (MDE)* or face closure, noting the letter was backed by *Governor Rick Snyder*
- *Michigan Department of Transportation (MDOT) Director Kirk Steudle* told members of the *Senate Appropriations Transportation Subcommittee* last week that by the time the full \$1.2 billion transportation funding package is fully implemented (2021), a large percentage of the state's roads will already be in poor condition, according to *MDOT* analyses and trend charts
- *Flint Mayor Karen Weaver* told the media earlier this week that the city is still in need of another \$100 million to replace water pipes followed by another \$100 million for a new water treatment plant, though the city is set to receive \$48.8 million in *Fiscal Year 18* for infrastructure replacement and \$247 million for other various programs dealing with the *Water Crisis* fallout
- The *Michigan Department of Insurance and Financial Services* announced this week its collaboration with the *Driving Michigan Coalition* and the launching of www.drivingmichigan.org, a website seeking to assist residents in understanding their insurance policies and no-fault insurance regulations as specific to Michigan
- *Attorney General Bill Schuette* announced his list of 10 leading categories of consumer complaints for 2016, noting that concerns about credit and financial issues were at the top
- The *Michigan Public Service Commission* released its annual report on Monday of this week, noting, among other things, there were 493 orders made in 2016 and through its cooperation with the *Michigan Agency for Energy*, assisted 11,000 complaints and inquiries related to telecommunications and energy issues

- *Flint's* water is again below action levels of the federal **Lead and Copper Rule** threshold, as reported by the **Michigan Department of Environmental Quality (DEQ)** this week Monday
- **Superintendent of Public Instruction Brian Whiston** told members of the **House Appropriations School Aid and Department of Education Subcommittee** and of the **Senate Appropriations K-12 School Aid and Education Subcommittee** that for the first time years, no new school districts should be facing deficits come the end of the 2016-2017 school year in June
- **House Bill 4220**, a bill that calls for the allowance of residents to keep their analog meters and outlining the process to do so, heard more testimony this week in the **House Energy Policy Committee** but did not see movement as utilities continue to voice strong opposition and consumers question costs associated with the change
- **Linda Burghardt** has been named as the executive director of the Area Agencies on Aging Association
- According to the **Michigan Department of Treasury**, the state earned 5.9 percent return on the investment of assets in the **Michigan Public School Employees' Retirement System (MPERS)** despite the recession
- According to figures recently released, spending for **Attorney General Bill Schuette's Flint Water Crisis** investigation is currently at \$3.6 million, and spending for **Governor Rick Snyder's** legal fees regarding the Crisis is currently at \$3.35 million
- Legislators who resign or are expelled from office would not be able to run in the special election to fill that vacancy under **House Bill 4208**, which passed the **House 72-36** on Thursday of this week
- According to the **Michigan Department of Technology, Management and Budget**, Michigan's seasonally adjusted unemployment rate in January rose to 5.2 percent, .1 percentage point above December 2016
- Bills expanding the **Freedom of Information Act (FOIA)** to the executive office and creating the **Legislative Open Records Act (LORA)** are headed to the **House** floor for a vote after being unanimously reported from the **House Michigan Competitiveness Committee** this week Thursday (**House Bills 4148, 4149, 4150, 4151, 4152, 4153, 4154, 4155, 4156 and 4157**)
- **California Closets**, a luxury storage company, was approved for a \$335,000 grant from the **Michigan Strategic Fund** to build a new facility in **Cascade Charter Twp**, with the new site expected to generate more than \$5.7 million in private investment and to create 61 new jobs
- Under **Executive Order 2017-1**, **Governor Rick Snyder** will create the position of **Homeland Security Advisor** in the **Michigan Department of State Police**, as well as a **Homeland Protection Board** to assist the advisor and develop and homeland security strategy
- **Representatives Jeremy Moss** (D-Southfield) and **Jim Tedder** (R-Clarkston), along with **Senator Rick Jones** (R-Grand Ledge) received the **Michigan Press Association's** annual award for transparency in government, with the award having been renamed for the late **Representative Peter Pettalia** who passed away last year
- Over the past 12 years, **K-12** enrollment in Michigan has decreased, going from 1.7 million to 1.5 million in recent years (a decrease of about 11 percent)

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