



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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AUTONOMOUS VEHICLE LEGISLATION APPROVED – A four-bill package seeking to modernize the guidelines for driverless vehicle research and eventual operation within state law was approved Wednesday of this week by the *Senate Economic Development and International Investment Committee*. *Senate Bills 995, 996, 997* and *998* make up the package and specifically allow companies to operate autonomous or “driverless” vehicles (*AVs*) on public roads so long as an operator is able to control and supervise the vehicle. The testing and creation of the vehicles was determined to take place at the former *Willow Run Bomber Plant* and airport in *Ypsilanti*, as the state recently acquired a contract with the location. The location, to be named the *American Center for Mobility*, will be repurposed and developed for testing the *AVs* and to conduct research. The legislative package also sets forth rules and regulations for the *AVs* including data collection and crash feedback in order for technological and safety issues to be enhanced and up to standard. The meeting took place in *Saginaw* at *Nexteer Automotive*, an automotive research facility and most attendees expressed a need for the legislation in order for Michigan to remain a leader in the automotive industry.

Senate Majority Floor Leader Mike Kowall (R-White Lake) commented on the success of the legislation and the meeting overall, stating, “This legislation will help ensure Michigan remains the worldwide leader in automotive research and development. We have sent a strong signal today that we are ready to partner with the companies that are producing this remarkable technology.” *House Majority Floor Leader Aric Nesbitt* (R-Lawton) echoed that sentiment but did not mention if the legislation would make it onto the calendar for the last part of this session, saying, “I look forward to Senate action and continuing to work with my colleagues to keep Michigan at the forefront of automotive technology.”

MEDICAID DISCUSSION “SUCCESSFUL” DESPITE WALK-OUTS – Though several mental health advocates walked out on a meeting with *Michigan Department of Health and Human Services (DHHS)* officials last week Friday, director of policy and legislative relations for the *Department, Elizabeth Hertel*, believes it was still a productive meeting. Advocates met with officials to discuss the development of a proposal to coordinate physical and mental health *Medicaid* payments, with the proposal due to the state *Legislature* by mid-January of 2017.

Ms. Hertel noted that meetings will continue, possibly as often as weekly, including one slated for this Friday, September 2. The advocates and officials debated the use and implementation of proposals

created earlier this year by the **298 Workgroup** for the upcoming proposal for the **Legislature**. Noting that their expertise is needed as they “have worked on this for a long time and have more history,” **Ms. Hertel** expressed that the **Department** would like a proposal by the end of October in order to be distributed to other advocacy groups for review and comment.

With over \$2 billion involved in **Medicaid** payments for mental health services, the advocates said they walked out because they felt they could not trust the state to form a plan to coordinate **Medicaid** payments for mental and physical health services with that amount while also following core value principles. **Governor Rick Snyder** called for said process of payment coordination in his 2016-17 budget proposal via **Medicaid HMO’s**, which oversee payments for physical health, in **Section 298** of the **DHHS** proposal. In response to the controversial portion of the budget process, **Lieutenant Governor Brian Calley** formed a workgroup that met throughout the earlier part of the year to develop ideas on how best to create the coordination.

The current controversy, as noted above, is fueled by distrust from advocates as the state has called in opinions from other groups outside of the workgroup, causing some to question if the state is simply looking for an answer more suited to its liking than what the workgroup is providing. **Ms. Hertel**, however, notes that is not the case, but instead the state is attempting to follow core value principles and work with other experts in the behavior health field, as the workgroup consisted of only about 120 people. With the meeting for Friday set, **Ms. Hertel** acknowledged that the workgroup and state officials may not find a solution by the January deadline but that they will at least be making forward progress.

ENERGY ASSISTANCE GRANTS APPROVED – A total of \$89.5 million in **Michigan Energy Assistance Program** grants was approved this week Tuesday for 14 organizations by the **Michigan Agency for Energy** and the **Michigan Department of Health and Human Services (DHHS)**. The grants, awaiting approval from the **State Administrative Board**, are set to begin October 1, the start of the new fiscal year. **DTE Energy** is set to receive the largest grant, totaling \$17 million in order to provide low-income households with energy assistance program services within its Michigan territory. The remaining grants are set to be awarded as follows: **TrueNorth Community** \$15.075 million; the **Salvation Army** \$13.7 million; **Consumers Energy** \$13.22 million; **Barry County** \$201,000; **Flat River Outreach Ministries, Inc.** \$78,700; **Lighthouse Emergency Services** \$200,00; **Michigan Community Action Agency Association** \$9 million; **North Kent Community Services** \$50,300; **SEMCO Energy Gas Company** \$2.6 million; **Society of St. Vincent de Paul of the Archdiocese of Detroit** \$5 million; **Superior Watershed Partnership** \$2.55 million; **The Heat and Warmth Fund** \$8.825 million; and **United Way of Southeastern MI** \$2 million.

STATE RECIEVES BRIEFS QUESTIONING ED BUDGET VALIDITY – Briefs filed with the **Michigan State Supreme Court** Friday of last week contend that a provision of \$2.5 million in the 2016-17 state education budget is a direct violation of the constitutional ban on public money going to private schools as the money is slated to go to non-public schools and deals with instructional purposes.

Briefs were filed from supporters and opponents, with supporters arguing that the provision will not go towards instructional purposes and therefore does not violate the **Constitution**. With the beginning of the new fiscal year set to begin on October 1, **Governor Rick Snyder** asked the **Supreme Court** to issue an advisory opinion on the controversial matter, in order to prevent a lawsuit that could delay or block the payment.

Attorney General Bill Schuette’s office filed a brief in support of and in opposition to the provision, and was listed as the lead lawyer on the brief in support. Support for the expenditure also came from both **House** and **Senate Republicans** as well as the **Michigan Catholic Conference**. In his brief

issued, *Mr. Schuette* argues that the state has imposed safety and health mandates covering all students in all Michigan schools and therefore the expenditure covers those costs evenly for public and private entities.

On the opposing side, *Eric Restuccia*, Michigan's deputy solicitor general, is listed as the lead lawyer for the brief in opposition. Other groups issuing opposing briefs include the *Michigan Association of School Administrators*, the *Michigan Association of School Boards* and the *Michigan School Business Officials*. Other groups expected to file similar briefs include the *ACLU*, *AFT Michigan* and the *Michigan Education Association (MEA)*. *House Democrats* also filed a brief as a caucus in opposition, as did five *Democratic Senators*.

STATE BOARD APPROVES ADDITIONAL FUNDING FOR FLINT LEGAL BATTLE –

An additional \$4.5 million to be used for the *Flint Water Crisis* through the 2017-18 fiscal year was approved this week Tuesday by the *State Administrative Board*. The *Board*, approving the increases of 15 contracts, noted that approximately \$2.31 million of those funds could be used for just the legal costs and lawsuits and will come from prior settlements collected by the state. Commenting on the approval, *Michigan Department of Environmental Quality (DEQ)* spokesperson *Mike Shore* applauded the decision saying, "These expenditures cover civil and criminal contracts for those represented, including those charged as well as others who have been called upon as part of the investigation, as well as MDEQ". The department, using funds so far for itself as well as current and former employees, has spent \$1.38 million through the beginning of August. As the *Board* approved funds for state departments and employees, *Governor Rick Snyder* announced his approval of up to \$3.4 million for his own legal fees, as he does not need the *Board's* approval to authorize funding for those expenses.

MSTEP RESULTS IMPROVE BUT STUDENTS STILL STRUGGLING – According to results released by the *Michigan Department of Education (MDE)* earlier this week, only one grade and one subject were marked proficient after students around the state completed the *Michigan Student Test for Education Achievement (M-STEP)*, with fewer than half of students tested reaching the proficient mark. The results, though slightly improved from those of 2014, show that 50.6 percent of students testing in 5th grade English were proficient, with other grades and subjects coming in at roughly 45 percent.

Administered to grades three through eight, the test scores are broken into four categories: Advanced, Proficient, Partially Proficient and Not Proficient. The subject of mathematics saw slight improvement as well, but showed the disparity between language arts and math among younger students, mirroring the same issue for high school juniors taking the *Michigan Merit Exam* and the *SAT*. Among grades tested for the *M-STEP*, math scores ranged from 32 to 45 percent proficient, while only 36.9 percent of students who took the *SAT* were deemed "career and college ready."

Students given the science portion of the test showed the younger students as scoring 14.7 percent proficient and the oldest as 33 percent proficient, however social studies saw percentages drop from last year's scores with the youngest showing 18.9 percent proficient and the oldest 43.1 percent. As for the *SAT* portion taken by high school students, the average score was 1,001.2 out of 1600, including a 507.5 average on reading and writing and 493.7 on math.

Michigan's scores will be available for comparison in coming weeks as the *College Board*, the administrators of the test, will be releasing national scores. *The M-STEP* will be administered again in 2017, according to officials.

ODDS & ENDS – As announced Thursday of this week, the full *U.S. Court of Appeals* denied the state's

request for immediate action on a three-judge panel's decision to uphold the straight ticket voting option for this November's ballot, meaning the option will remain open for voters to vote for a party as a whole...the **Michigan Court of Claims** returned seven lawsuits to the **Genesee Circuit Court** as they do not name **Governor Rick Snyder**, state departments or departmental employees...the **Michigan Lottery Bureau** has issued a request for proposals (**RFP**) for the development and maintenance of web and mobile applications with the deadline set for September 26...higher percentages in crossover ballots were reported by Michigan counties in the August 2 election, with an estimated 5 percent more voters participating in parts of the **Republican** and **Democratic** primaries...47 new **Michigan State Troopers** took the oath of office last week at the graduation ceremony of the 129th **Trooper Recruit School**...department officials from the **Michigan Department of Health and Human Services (DHHS)** issued a request for proposals (**RFP**) for one-time funds of \$10,000 for a project on breastfeeding promotions for Michigan birthing hospitals...weekly reports from the **Michigan Department of Health and Human Services (DHHS)** regarding patients with elevated levels of lead in their blood will resume and continue to be sent to the **Genesee County Health Department** in response to the amended court order issued last week...Michigan's seasonally adjusted unemployment rate has decreased over the past four months from 4.8 percent to 4.5 percent, making it the lowest level it has been since 2001...**Representatives Kurt Heise** (R-Plymouth Twp) and **Charles Smiley** (D-Grand Blanc) may resign before November 20 if they win their races for township supervisor, putting the state **House** below its 110 member count...**Senate** members and their staffs are set to move into the newly renovated **Capitol View Building** in January 2017, according to **Senate Republican** spokesperson **Amber McCann**...the **Michigan Department of Environmental Quality (DEQ)** announced Tuesday of this week that the amount of lead in the water at a testing location has dropped below the federal action level...a survey commissioned by the **Mackinac Center** shows 80 percent of Michigan residents supported students being able to choose charter schools and 88 percent supported students being able to choose private or parochial schools...15 Michigan schools ranked in the top 500 schools in the nation according to a **Newsweek** annual rating, but none made the top ten...**U.S.** and Michigan flags were ordered to be flown at half-staff this Wednesday by **Governor Rick Snyder** in honor of firefighters **James Shelifoe, Jr.** and **Alan Swartz** who both passed away Saturday, August 27...the **Michigan Court of Appeals** held last week that though the **Michigan Catastrophic Claims Association (MCCA)** is a public body, it is not subject to the **Freedom of Information Act (FOIA)** as the **Legislature** granted the exemption through an amendment to the **Insurance Code**...according to a report released by **DHHS** officials this week Wednesday, 43 individual cases of the **Zika** virus have been confirmed in Michigan thus far...according to the **Michigan Department of Licensing and Regulatory Affairs (LARA)** spokesperson **Jason Moon**, the state used only \$4.5 million last year in regulating securities after making \$25.5 million from the same program, with the excess profits ordered by the **Legislature** to be spent elsewhere within **LARA** or returned to the **General Fund**.

PLEASE NOTE – The offices of **MHSA** will be closed for the holiday on Friday, September 2nd and Monday, September 5th. If you have any questions or concerns, please contact a member of the **MHSA** team via cell phone or email. Thank you and we wish you all a safe and happy **Labor Day** weekend!

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