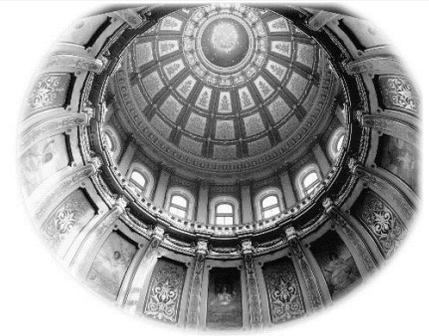


CAPITOL NEWS UPDATE

WEEK OF January 18, 2016

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CAPITOL NEWS UPDATE NEWSLETTER COPY (Part 2)
For the Week of January 18, 2016

FLINT WATER SPENDING BILL CLEARS THE HOUSE

The \$28 million supplemental appropriation requested by Gov. Rick Snyder in his State of the State address as the “first step” in addressing the water contamination in Flint was quickly passed in the House Wednesday.

The bill (HB 5220), sponsored by Rep. Phil Phelps (D-Flushing), passed 106-0. It now goes to the Senate where Senate Appropriations Committee Chair Dave Hildenbrand (R-Lowell) said his intent is to bring it up in committee next week.

Phelps addressed what he termed a narrative circulating in the media that Snyder and his colleagues aren't willing to help those residents impacted by the lead contaminated water.

Phelps said, based on what he has seen, they are “doing everything they can to prove that narrative wrong” and thanked his colleagues for the quick pace in moving the bill.

Gov. Snyder, in a statement, said, “I am committed to fixing this for the residents of Flint, and it's great to see lawmakers from across the state join me in working to resolve the crisis.”

The \$28 million supplemental (\$22 million General Fund) brings the total state spending on Flint's water issue to \$37 million with another \$9 million approved last year to switch the city's water source. Additional funding is expected to be requested when the Snyder administration presents its FY 2016-17 budget recommendations on Feb. 10.

Senate Majority Leader Arlan Meekhof (R-West Olive) wants the Auditor General oversight over this and all other money sent to the City of Flint.

In other developments:

--As promised, Gov. Snyder has released all e-mails he sent and received regarding the Flint issue.

--President Obama has declared a federal emergency in Flint based on Gov. Snyder's request, providing financial assistance for up to 90 days totaling \$5 million. Congress has the option to approve additional funding. The President, however, denied a request for Flint to be declared a major disaster, based on a legal requirement that such relief is available only for natural events, fires, floods or explosions. Gov. Snyder has submitted an appeal to the President's denial of a major disaster declaration.

--President Obama approves \$80 million in federal money for the state mostly to help repair Flint's water infrastructure.

--EPA Chief Gina McCarthy, in an emergency order Thursday, said the federal agency will be taking over lead sampling in Flint after sharply criticizing state and local officials in the handling of the city's water crisis.

--Susan Hedland, EPA administrator of Region 5, which includes Michigan, is resigning effective at the end of the month. McCarthy says she accepted the resignation to ensure the regional office remains solely focused on the restoration of Flint's drinking water.

STATE LOOKING TO REMAKE WILLOW RUN SITE

With Michigan looking to maintain its dominance as the center of the global auto industry, Gov. Rick Snyder said in his State of the State address that he is working with the state's congressional representatives to develop the old General Motors Willow Run plant site as a test center for connected and autonomous vehicles.

Negotiations are underway to purchase the 332-acre site but Steve Arwood, CEO of the Michigan Economic Development Corporation (MEDC), said there is no timeline for when a sale may be completed.

According to Snyder administration officials, a number of other states and countries are talking about building similar facilities, putting the pressure on Michigan to move quickly to establish a world-class testing facility.

LEGISLATION TARGETS DPS "SICKOUT" PARTICIPANTS

A three-bill package of legislation (SBs 0713, 0714 and 0715) was introduced Thursday that could strip teachers participating in the Detroit schools "sickouts" of their teaching certificates, fined a day's pay and see their bargaining unit fined \$5,000. The measures were introduced by Senate Education Committee Chairman Phil Pavlov (R-St. Clair) along with Sens. Joe Hune (R-Hamburg) and David Robertson (R-Grand Blanc).

Current law treats protesting teachers who have organized sickouts as if they were engaged in a full-fledged illegal strike. The new legislation requires the first step of state action after a complaint is filed to take place within two days instead of the current 60 days.

The measures also would simplify the process for declaring an illegal strike and provide for shorter deadlines for the Michigan Employment Relations Commission (MERC) and other involved parties to act.

The bills are headed to the Senate Education Committee.

Meanwhile, a proposed temporary restraining order requested by the Detroit Public Schools (DPS) against organizers of the teacher sickouts was denied by the Court of Claims on Thursday. However, a hearing on the DPS request for a preliminary injunction has been scheduled for Jan 25th in the Court of Appeals courtroom in Detroit.

M M & A BRIEFS

Energy reform takes a back seat to Flint problem. With the Flint water problem now taking center stage, energy reform's future is now looking dim this year. The House is taking a "cooling off period" on addressing electric choice, the role of renewable energy and other reforms contained in the state's 2008 energy law. Senate Energy and Technology Chair Mike Nofs (R-Battle Creek) said there is "a need to regroup" and get the parties back together after the full House did not take a vote at the end of last year on the bills that moved out of committee.

No movement in state unemployment rate. Michigan's jobless rate recorded no change in December, holding steady at 5.1 percent from November, but it is still lower than the state's jobless rate of 6.4 percent in December 2014. Total employment in Michigan rose by 20,000 in December while the number of unemployed was little changed, edging up by 2,000.