

# CAPITOL NEWS UPDATE

WEEK OF FEBRUARY 6, 2017

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## GOVERNOR'S BUDGET PLAN INCLUDES SAVING AND SPENDING

Gov. Rick Snyder's proposed budget for Fiscal Year 2018, presented on Feb. 8, has no tax cuts, no major spending cuts and no fee increases, but does plan to reduce debt and save for a rainy day.

The budget is focused on "making smart, responsible investments in critical areas like education, infrastructure and the professional trades," Snyder said in his statement.

As for saving for a rainy day, the \$56.3 billion budget plan sinks \$260 million into the rainy day fund so Michigan could have \$1 billion in savings for the first time since 2000 and lowers assumptions on investment returns, requiring more money into retirement funds.

Pundits are saying the budget is similar to his previous six offerings with minimal increases in K-12, universities, state police and some human services programs.

The overall budget includes \$10.1 billion in general fund dollars, which is an increase of 1.75 percent compared to last year.

Snyder, and his new budget director – former state representative Al Pscholka, hope to finish the budget process early. The budget now goes to the legislature to be hashed out, and will go into effect on Oct. 1, 2017.

Additional highlights of the plan include:

\$325 million into the K-12 budget, as part of a \$12.3 billion School Aid Fund (SAF).

\$115 million for the construction of a new psychiatric hospital to replace the Caro State Hospital, and a redo of the Secretary of State building at the secondary complex.

\$84.4 million (\$37.6 million General Fund) for eight high priority information technology projects, including cyber security protections, mobile applications and upgrades to the [www.michigan.gov](http://www.michigan.gov).

\$48.8 million to deal with the Flint water crisis.

\$36.6 million increase for universities.

\$20 million for various infrastructure repairs.

\$9.2 million for 100 more Michigan State Police troopers.

\$3.7 million to allow the state's homeless emergency shelters to better transition homeless citizens to permanent, stable housing.

\$3.6 million for Meals on Wheels-like programs and \$6.8 million to draw down the federal money needed to keep the Heat and Eat program going.

### **BANKS PLEADS GUILTY TO MISDEMEANOR, RESIGNS FROM HOUSE SEAT**

Rep. Brian Banks (D-Harper Woods) resigned from his seat in the House of Representatives this week after pleading guilty to one misdemeanor, in exchange for the dismissal of three other felony charges against him.

The charges against Banks are the result of a forged pay stub included in a \$7,500 loan application six years ago. The misdemeanor he pleaded guilty to was making false statements on a financial loan application. Banks had been charged originally with four counts, including uttering and publishing, false pretenses and larceny.

Sentencing is scheduled to take place Feb. 17.

Banks and his attorney Ben Gonek claim the charge had political motivations based on the fact that the charges were filed on the last day of the statute of limitations, and that Banks had already settled the matter in court with the credit union.

Without a deal, Banks was facing the potential of a lifelong prison sentence because of his previous convictions. It is now unlikely Banks will spend time behind bars. He will not have to complete any probation or pay restitution as part of the plea bargain.

Banks was chair of the House's Detroit caucus. Following his resignation, Banks is continuing to raise funds for his "Bank On Banks" leadership PAC. There is also speculation that he will run for the Senate seat vacated by former Sen. Bert Johnson (D-Highland Park) due to term limits, and that his brother will run for his seat in a special election. His previous primary opponents, including Washington Youson, have also announced plans to run.

### **GOV. SNYDER PICKS DICK POSTHUMUS AS NEW CHIEF OF STAFF**

Gov. Rick Snyder announced he has chosen former Lt. Gov. and Senate Majority Leader Dick Posthumus as his next chief of staff.

Posthumus, Snyder's chief legislative lobbyist since 2011, will replace Jarrod Agen, who took a job with administration of President Donald Trump. He will be Snyder's third chief of staff, as Dennis Muchmore served during Snyder's first five years in office.

"Dick is an unwavering public servant whose positive attitude and commitment to teamwork and the reinvention of Michigan have already helped steer Michigan's comeback over the past six years," said Snyder. "There are few people in this state who can compare to Dick Posthumus when it comes to

having a depth of knowledge about state government and how it should be serving the people of Michigan."

## **MM&A BRIEFS**

### **Amash supports bill to eliminate the Department of Education**

U.S. Rep. Justin Amash (R-Cascade Township) joined seven other Republicans this week in support of House Resolution 899 – a bill to eliminate the U.S. Department of Education.

Sponsored by U.S. Rep. Thomas Massie, R-Kentucky, the bill is an attempt to give states and local school districts more control over education.

### **Senate passes bill to allow non-Michigan residents to count toward state assistance**

The Senate passed a bill this week by Sen. Dale Zorn (R-Ida) to help give businesses in Michigan but located on Michigan's borders an equal opportunity to compete for jobs with the rest of the state. The bill allows a job taken by a non-Michigan resident to be counted towards the conditions of an economic development grant or award, as long as the resident lives in a county that borders Michigan. Michigan's border businesses are often dissuaded from hiring qualified out-of-state residents for fear of losing state assistance.

### **Jackson City Council approves Non-discrimination Ordinance**

The City of Jackson approved a long-debated non-discrimination ordinance Feb. 8, prohibiting discrimination based on sexual orientation and gender identity in employment, housing and public accommodations. If no conciliation agreement is made between parties, a civil infraction is issued with a fine of up to \$500 per each day of the violation.

AT&T and Consumers Energy, both employers in the Jackson area, supported the ordinance.

"Policies like the one Jackson is considering are crucial elements in creating a welcoming community environment that ensures all citizens are protected from discrimination," said AT&T Michigan President Jim Murray and Consumer's Energy CEO Patti Pope in a letter to the Jackson-Citizen Patriot.

## **Calendar of Important Events**

Feb. 11 Michigan Democratic Party Spring State Convention  
Location: 9 a.m., Cobo Center, Detroit

Feb. 14 Rep. Kim LaSata (R-Bainbridge Township) Valentine's Day Breakfast  
Location: 7:30 a.m., Grand Traverse Pie Company, Lansing

Rep. Laura Cox (R-Livonia) Valentine's Day Reception  
Location: 11 a.m., Glazed and Confused, Lansing

Rep. Leslie Love (D-Detroit) Mac n Cheese Valentine's Day Buffet  
Location: 11:30 a.m., Michigan Municipal League, Lansing, MI

- Sen. Dave Hildenbrand (R-Lowell) Reception  
Location: 11:30 a.m., Governors Room, Lansing
- Feb. 15 Rep. Dan Lauwers (R-Brockway Township) Breakfast  
Location: 7:30 a.m., Governors Room, Lansing
- Rep. Hank Vaupel (R-Handy Twp.) Breakfast Reception  
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Sen. Jim Stamas (R-Midland) Evening Reception (Sponsored by Beer & Wine Wholesalers Association)  
Location: 4:30 p.m., Lansing
- Feb. 16 Rep. Gary Howell (R-North Branch) Breakfast (Sponsored by Sen. Mike Green)  
Location: 7:30 a.m., Governors Room, Lansing
- Rep. Tom Barrett (R-Potterville) Breakfast Reception  
Location: 7:30 a.m., Michigan Municipal League, Lansing
- SRCC Fundraiser  
Location: 5 p.m., Cascade Hills Country Club
- Feb. 21 Rep. Jeff Noble (R-Plymouth) Breakfast Reception  
Location: 7:30 a.m., Michigan Hospital Association, Lansing
- Rep. Brandt Iden (R-Oshtemo Township) Lunch Reception  
Location: 11:30 a.m., Michigan Beer and Wine Wholesalers Association, Lansing
- Sen. Arlan B. Meekhof (R-West Olive) Reception  
Location: 5 p.m., The Exchange, Lansing
- Feb. 22 Rep. Jon Hoadley (D-Kalamazoo) Breakfast Reception  
Location: 7:45 a.m., Grand Traverse Pie Company, Lansing
- Michigan Chemistry Council Policy Day & Luncheon at the Capitol  
Guest Speakers: U.S. Rep. John Moolenaar  
Location: 8 a.m., Capitol Building, Lansing
- Sen. Mike Shirkey (R-Jackson) Breakfast Reception  
Location: 8 a.m., Governors Room, Lansing
- 2017 Mahout Reception (Sponsored by Michigan House Republican Campaign Committee)  
Location: 11:30 a.m., Governors Room, Lansing
- Feb. 23 Rep. Julie Alexander (R-Hanover) Breakfast Reception  
Location: 7:30 a.m., Governors Room, Lansing

Rep. Bronna Kahle (R-Adrian) Breakfast Reception

Location: 8 a.m., Lansing

Michigan Primary Care Association Lobby Day & Legislative Lunch

Location: 11:30 a.m., Mackinac Room - House Office Building, Lansing