

# CAPITOL NEWS UPDATE

WEEK OF FEBRUARY 26, 2018

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## **HOUSE AND SENATE MOVE QUICKLY TO SPEND \$175 MILLION ON ROADS**

With hard-hitting potholes fresh on every driver's mind, the Michigan House and Senate unanimously approved a plan to speed-up the spending of \$175 million in additional road and transportation funding, amidst calls for even more spending from Democrats.

Originally proposed for next year's budget by Gov. Snyder, the plan spreads \$175 million from the General Fund between municipalities, counties, and the state with \$68.4 million going to the State Trunkline Fund, \$68.4 million to county road commissions, and \$38.15 million to cities and villages. The money will be distributed based on an existing funding formula to all 83 counties and 533 cities in Michigan.

Senate Democrats offered amendments including a call for \$275 million to be shifted from the state's rainy day fund to road repairs and the creation of a \$5-million fund for repairs to cars damaged by potholes. Neither amendment passed. They also criticized the 2015 road plan, passed mostly by Republicans.

The 2015 plan is not fully phased in until 2021, with \$1.2 billion going into roads, including \$600 million from the state's General Fund.

Republican lawmakers said there will be \$750 million for roads and bridges in fiscal year 2018-19, which would not have been there without the 2015 road bill.

Additional debate in the Senate on Thursday involved Sen. Tory Rocca (R-Sterling Heights) who accused other members of the chamber of moving money into their districts instead of his own. He called the current state funding system "institutionalized theft."

The Senate also added several non-road related items to the bill, including \$1 million for the Office of the Attorney General to pay for the investigation into sexual misconduct at Michigan State University, \$2.4 million to the State Police and \$4 million in interest from a Federal funding grant for new voting equipment.

## **SNYDER SIGNS BILL ELIMINATING DRIVER RESPONSIBILITY FEES**

Gov. Rick Snyder signed legislation Thursday that eliminates costly driver responsibility fees beginning Oct. 1. The bill also forgives \$637 million in unpaid fees owed by some 350,000 drivers.

Snyder has opposed the fees in the past, but has been concerned with the impact of the repeal on the state budget – which will cost between \$35 to 40 million a year.

Many have called the fees unfair to low-income drivers, and barriers to work. Under the bills, the collection of any of the fees, including outstanding fees previously assessed, ends Sept. 30 with no new fees assessed. Also effective Thursday, anyone with a suspended license due to unpaid driver responsibility fees will no longer have to pay a \$125 reinstatement fee.

### **FEDERAL TAX CHANGES COULD MEAN RATE RELIEF FOR MICHIGAN RATE PAYERS**

Federal tax changes could lead to billions in savings for customers of state-regulated utilities by the third quarter this year, including electricity customers of Consumers Energy and DTE Energy.

According to the Michigan Public Service Commission (MPSC), most of the regulated utilities said they would save \$3.7 billion from federal tax changes, with ratepayers seeing the effects this year in the form of lower rates or a credit on bills.

The MPSC is looking at overseeing the distribution of the tax savings by: reducing rates related to the federal income tax change on a forward-looking basis, returning savings to customers that the utilities have collected since the tax changes took effect Jan. 1, and a more complicated process dealing with deferred taxes.

### **BERT JOHNSON REACHES PLEA DEAL**

State Sen. Bert Johnson, (D-Highland Park) is expected to reach a plea deal and plead guilty in a corruption case involving his having a “ghost employee” on his Senate payroll and stealing from a federally funded program.

The terms of the pending deal were unavailable, but Johnson is expected to plead guilty to some type of criminal charge when he appears at his scheduled plea hearing today at the U.S. District Court in Detroit.

Johnson rejected a previous plea deal offered by the U.S. Attorney involving him pleading guilty to conspiracy to commit theft from a federally funded program—punishable for up to five years in federal prison.

If he pleads guilty, Senate officials expect Johnson to resign from his seat.

### **SNYDER PROPOSES \$100 MILLION “MARSHALL PLAN FOR TALENT” TO TRANSFORM WORKFORCE PREP**

Gov. Rick Snyder presented the details of his \$100 million “Marshall Plan for Talent” last week. It is designed to transform how employers prepare for jobs which might not necessarily require a four-year university degree.

The plan calls for a variety of student scholarships, stipends for transportation and child care, teacher incentives, and incentives for collaborations between schools and businesses.

According to the Snyder administration, projections show as many as 811,000 job openings through 2024 in fields that require less than a four-year degree and pay, on average, \$60,000 a year. These are also fields where employers struggle to find qualified applicants.

Funding for the proposed five-year pilot project depends on legislative approval and includes a one-time transfer from a scholarship reserve fund.

House Speaker Tom Leonard (R-DeWitt) and Senate Majority Leader Arlan Meekhof (R-West Olive) have already voiced their support for the overall project.

### **MM&A Briefs**

#### **Bill Wild enters 13th congressional fray**

The mayor of Westland, Bill Wild, is entering the race to succeed John Conyers in Michigan's 13th U.S. Congressional district.

As a non-Detroiter in a district largely filled by the city, Wild may have a chance because of his popularity in one of the larger cities in the district—if the Detroit candidates split the vote.

Wild joins a large group of candidates including Conyers' son, John Conyers III; Conyer's grand-nephew, state Sen. Ian Conyers; Sen. Coleman Young II; Rep. Sherry Gay-Dagnogo; former state Rep. Rashida Tlaib; and Detroit City Council President Brenda Jones.

#### **Clover Adams heads to federal post**

Michigan Department of Agriculture Director Jamie Clover Adams, has resigned to take a position with the U.S. Department of Agriculture as an advisor to the USDA Secretary Sonny Perdue. Adams served as the director of the MDARD since July 2012 and previously served as the head of Kansas' agriculture department from 1999 to 2003.

The department's Chief Deputy Director Gordon Wenk will replace Adams.

### **Calendar of Important Events**

- March 6      Rep. Steve Johnson (R-Wayland) Fundraiser  
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Rep. Jewell Jones (D-Inkster) Fundraiser  
Location: 8 a.m., Karoub Associates, Lansing
- Rep. Jim Ellison (D-Royal Oak) Fundraiser  
Location: 11:30 a.m., Karoub Associates, Lansing
- Rep. Michael McCready (R-Bloomfield Hills) Fundraiser  
Location: 12 p.m., Glazed & Confused Bakery, Lansing
- House Minority Leader Sam Singh (D-East Lansing) Fundraiser  
Location: 5:30 p.m., Harrison Roadhouse, East Lansing
- March 7      Rep. Michael Webber (R-Rochester Hills) Fundraiser  
Location: 7:30 a.m., Karoub Associates, Lansing
- Rep. Darrin Camilleri (D-Brownstown Twp.) Fundraiser

Location: 9 a.m., Michigan Municipal League, Lansing

Rep. Pam Hornberger (R-Chesterfield) Fundraisers

Location: 11:30 a.m., Michigan Beer & Wine Wholesalers, Lansing

Rep. Jim Lilly (R-Park Twp.) Fundraiser

Location: 4:30 p.m., Michigan Beer and Wine Wholesalers, Lansing

Sen. David Knezek (D-Dearborn Heights) Fundraiser

Location: 4:30 p.m., Tavern & Tap, Lansing

39th House District Candidate Ryan Berman (R) Fundraiser

Location: 6 p.m., Target Sports II, West Bloomfield

March 8

Rep. Scott VanSingel (R-Grant) Fundraiser

Location: 8 a.m., Michigan Beer and Wine Wholesalers Association, Lansing

Rep. Sheldon Neeley (D-Flint) fundraiser

Location: 10:30 a.m., Michigan Beer and Wine Wholesalers, Lansing

Rep. Tim Sneller (D-Burton) Fundraiser

Location: 10:30 a.m., Karoub Associates, Lansing

March 13

Rep. Beau LaFave (R-Iron Mountain) Fundraiser

Location: 7:30 a.m., Karoub Associates, Lansing

Rep. Frank Liberati (D-Allen Park) Fundraiser

Location: 11:30 a.m., Michigan Beer and Wine Wholesalers Association, Lansing

Rep. Scott Dianda (D-Calumet) Fundraiser

Location: 11:30 a.m., Michigan Restaurant Association, Lansing

Sen. Wayne Schmidt (R- Traverse City) Fundraiser

Location: 11:30 a.m., Karoub Associates, Lansing

Wolverine Caucus Forum on Early Childhood Education in Flint

Location: 11:30 a.m., Binsfeld Senate Office Building, Lansing

Rep. Dan Lauwers (R-Brockway) Fundraiser

Location: 4 p.m., Karoub Associates, Lansing

Rep. Brandt Iden (R-Oshtemo Twp.) Fundraiser

Location: 5:30 p.m., Michigan Beer and Wine Wholesalers, Lansing

March 14

Rep. Jason Sheppard (R-Temperance) PAC Fundraiser

Location: 7:30 a.m., Karoub Associates, Lansing

- March 14      Rep. Larry Inman (R-Williamsburg) Fundraiser  
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Patrick Green (D-Warren) Fundraiser  
Location: 8:30 a.m., Michigan Municipal League, Lansing
- Michigan Guardianship Association Capitol Day  
Location: 9 a.m., Anderson House Office Building, Lansing
- Rep. Laura Cox (R-Livonia) Fundraiser  
Location: 11 a.m., Glazed and Confused Bakery, Lansing
- Rep. Bill Sowerby (D-Clinton Twp.) Fundraiser  
Location: 11:30 a.m., Karoub Associates, Lansing
- Rep. Brian Elder (D-Bay City) Fundraiser  
Location: 12 p.m., Michigan Beer and Wine Wholesalers, Lansing
- Sen. Margaret O'Brien (R-Portage) Fundraiser  
Location: 4 p.m., Michigan Beer and Wine Wholesalers Association, Lansing
- Rep. Winnie Brinks (D-Grand Rapids) Senate Campaign Fundraiser  
Location: 4:30 p.m., Kelly's Downtown, Lansing
- March 15      Rep. Joe Bellino (R-Monroe) Fundraiser  
Location: 7:30 a.m., Karoub Associates, Lansing
- Rep. Peter Lucido (R-Shelby Twp.) Fundraiser  
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Rep. Gary Howell (R-North Branch) Fundraiser  
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Kristy Pagan (D-Canton Twp.) Fundraiser  
Location: 10 a.m., Michigan Municipal League, Lansing
- Rep. Cara Clemente (D-Lincoln Park) Fundraiser  
Location: 10:30 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Robert Kosowski (D-Westland) Fundraiser  
Location: 10:30 a.m., Michigan Association of Counties, Lansing
- Sen. Curtis Hertel Jr. (D-East Lansing) Fundraiser  
Location: 5:30 p.m., 525 Westmoreland Avenue, Lansing
- March 16      Rep. Christine Greig (D-Farmington Hills) Fundraiser  
Location: 7:30 p.m., 21031 Eastfarm Lane Ct., Farmington Hills

- March 17      31st Senate District Candidate Kevin Daley (R) Fundraiser  
Location: 6 p.m., American Legion Hall, Lapeer
- March 18      Rep. Leslie Love (D-Detroit) Fundraiser  
Location: 11 a.m., Detroit Vintage Coffee, Detroit