

CAPITOL NEWS UPDATE

WEEK OF MAY 1, 2017

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HOUSE DISMANTLES “OBAMACARE”... WILL “TRUMPCARE” TAKE ITS PLACE?

House Republicans passed the controversial American Health Care Act on Thursday, claiming the bill addresses the needs of people with pre-existing conditions, while dismantling the Federal government’s financial responsibilities under Obamacare.

Michigan’s delegation was split amongst party lines, with all nine Republicans voting for the legislation. U.S. Rep. Fred Upton played a key role in the compromise by helping draft an amendment that would fund high-risk pools at the rate of \$8 billion over the next five years, and help people with pre-existing conditions get health insurance.

Upton and Gov. Rick Snyder, opposed the original version of the bill which did not protect funding for Healthy Michigan or traditional Medicaid.

Michigan Health & Hospital Association remains concerned about protecting traditional Medicaid and the Healthy Michigan Plan and said in a statement Thursday that the bill still “does not go far enough in ensuring access to affordable coverage for vulnerable populations.”

The bill now goes to the U.S. Senate, where its fate is unknown. With potential changes coming up in the Senate, many are siding with Gov. Rick Snyder on a wait and see approach to the bill.

MI THRIVE CLEARS TOUGHEST HURDLE WITH HOUSE APPROVAL

On Thursday, the House passed a package of bills that will enable more investment in large blighted sites throughout Michigan by addressing the financial gaps that occur when project costs and available financing don’t match up for large brownfield projects.

Originally introduced to assist developer Dan Gilbert redevelop the former Hudson’s site in Detroit, the Michigan Thrive Initiative, as the package is called, has evolved to include unlocking more than \$5 billion for small and large communities.

The bills will allow large redevelopment sites deemed “Transformational Brownfield Plans” to capture 50 percent of income taxes, sales taxes, use taxes and property taxes in a designated area for redevelopment purposes including demolition, infrastructure, construction, restoration or alteration.

More than 60 business and development groups across the state, along with Chambers of Commerce, support the legislation and say that the risk is on the developer because no tax dollars go to the developer until after the work is complete and the development begins to generate taxes. They also point out that the bills allow for smaller communities to use the tax credits on smaller projects.

Opponents say the tax credits are shifting tax revenue instead of generating new revenue while picking winners and losers.

BUDGET SEASON IN FULL SWING AS HOUSE PASSES OMNIBUS BUDGET OVER DEM OBJECTIONS

Over objections from Democrats that their concerns were not being heard, House Republicans passed the House omnibus and education budgets this week.

Despite vocal protests from the Dems over being denied roll call votes on all amendments, both budgets passed the chamber 60-47.

The Senate also passed select budgets individually the following day.

Two Democrats – Rep. Winnie Brinks (Grand Rapids) and Rep. Darrin Camilleri (Brownstown Twp.) voted yes on the education budget, while five Republicans voted no. The Republicans who voted no were Rep. Tom Barrett (Pottersville), Rep. Steve Johnson (Wayland), Rep. John Reilly (Oakland Twp.) and Rep. Curt VanderWall (Ludington).

On the omnibus budget, however, all Democrats and three Republicans—Rep. Johnson, Rep. Reilly and Rep. Howrylak—voted no.

The biggest concern voiced by House Democrats regarding the omnibus budget plan involves untagged funds. The money, originally cited by Republicans as a potential base for tax cuts, is now being considered for a change in the Michigan Public School Employees Retirement System, which might include closing the pension fund, despite significant up-front costs.

Final budgets will come after both chambers non-concur and send the bills to 16 individual House-Senate conference committees. Legislators and the Governor will have a better idea of how much money they can actually use after the Consensus Revenue Estimating Conference (CREC) on May 17, with final budget deal negotiations scheduled to begin May 18.

LEGAL TROUBLES MOUNT FOR SEN. BERT JOHNSON

Senate Minority Leader Jim Ananich has taken control of Sen. Bert Johnson's staff and budget, following the release of a secret recording showing Sen. Bert Johnson telling "ghost employee" Glynis Thornton to withhold information from federal law enforcement authorities.

Johnson was recently arraigned and released on a \$10,000 bond, after being indicted and charged with having a ghost employee on his Senate payroll and stealing from a federally funded program. The charges could send him to federal prison for up to 10 years.

According to the indictment, Johnson borrowed at least \$14,000 in cash from a ghost employee, later identified as Glynis Thornton, a former educator who has also pleaded guilty in a different corruption case involving the state-run Education Achievement Authority. Thornton was allegedly paid a total of \$23,134 in taxpayer money. Other details from a recent affidavit allege that Thornton arranged for Johnson to receive additional cash payments of \$3,000 and \$4,000 on top of a \$10,000 loan.

The recording was revealed from an unsealed search warrant relating to the case and was first reported by the *Detroit News*. Prior to the release of the recording, Johnson had insisted he was innocent, and Senate leaders had said that they were not going to take any actions to curb his role or expel him.

MM&A Briefs

Sen. Mike Green expected to serve in Trump administration

State Sen. Mike Green (R-Mayville) could soon be serving in the Trump administration as the next Michigan director of the U.S. Department of Agriculture Rural Development. Green, who is under consideration for the post, would replace former state director James Turner, an Obama appointee who retired at the end of last year. Green is prepared to resign his 31st Senate seat if appointed, which would likely result in a special election to fill the seat through the end of 2018.

Smith running for Detroit City Council

Former Sen. Virgil Smith, Jr. will appear on the primary ballot as a City Council Candidate for Detroit's District 2 after turning in the required number of signatures. Smith resigned his seat in the Senate after beginning a 10-month jail sentence last year for shooting his ex-wife's car.

Calendar of Important Events

- May 8 Attorney General Bill Schuette (R) Fundraiser
Location: 5:30 p.m., Robinette's Apple Haus and Winery, Grand Rapids
- May 9 Michigan Electric & Gas Association Legislative Reception
Location: 7:30 a.m., Karoub Associates, Governor's Room, Lansing
- Rep. Jeff Yaroch (R-Richmond) Fundraiser
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Michigan Community Action day at the Capitol
Location: 10 a.m., Capitol Building, Lansing
- May 10 Rep. Jason Sheppard (R-Lambertville) fundraiser
Location: 7:30 a.m., Michigan Municipal League, Lansing
- Rep. Vanessa Guerra (D-Saginaw) Fundraiser
Location: 8:30 a.m., Karoub Associates, Governors Room, Lansing
- Michigan Guardianship Association Capitol Day
Location: 9 a.m., Mackinac Room, Anderson HOB, Lansing
- May 11 Rep. Tommy Brann (R-Wyoming) Fundraiser
Location: 7:30 a.m., Michigan Municipal League, Lansing

Citizens for Prison Reform Legislative Education Day
Location 9:30 a.m., Speakers Library, Second Floor, Capitol, Lansing

U. S. Rep. Tim Walberg (R-Tipton) Fundraiser
Location: 11 a.m., Dykema Gossett, Lansing

May 12 Rep. Jon Hoadley (D-Kalamazoo) Fundraiser
Location: 5 p.m., Niko's Lansing Banquet Center, Kalamazoo

May 15 House Republican Golf Fundraiser
Location: 2 p.m., Eagle Eye Golf Course, Bath

May 16 House Minority Leader Sam Singh (D-East Lansing) Fundraiser
Location: 5 p.m., Beggar's Banquet, East Lansing

May 17 Rep. Robert VerHeulen (R-Walker) fundraiser
Location: 7:30 a.m., Grand Traverse Pie Company, Lansing

Rep. Pamela Hornberger (R-Chesterfield Twp.) fundraiser
Location: Glazed and Confused, Lansing, 11:30 a.m.

Rep. Tom Cochran (D-Mason) Fundraiser
Location: 11:30 a.m., Karoub Associates, Governors' Room, Lansing

Children's Trust Fund Pam Posthumus Signature Auction
Location: 5 p.m., Lansing Center, Lansing

Michigan Soft Drink Association Annual Legislative Reception
Location: 5 p.m., Capitol View Building, Lansing

University of Michigan Alumni Reception
UM President Mark Schlissel and Football Coach Jim Harbaugh speaking
Location: 5 p.m., Radisson Hotel, Lansing

May 19 Senate Majority Leader Arlan Meekhof (R-West Olive) Breakfast Club
Location: 7:30 a.m., The Pinnacle Center, Hudsonville