

# CAPITOL NEWS UPDATE

WEEK OF MAY 15, 2017

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## **LAWMAKERS DEVASTATED BY REP. KIVELA'S DEATH, ENCOURAGE BIPARTISANSHIP IN HIS HONOR**

The Capitol community was stunned last week by the sudden death of Rep. John Kivela, a democrat from Marquette, who killed himself May 9 after being arrested under the suspicion of drunken driving.

In the aftermath of the well-respected legislator's death, the House passed his last bill, and colleagues from both the House and Senate remarked on Kivela's ability to tirelessly work on both sides of the aisle. Sen. David Knezek (D-Dearborn) and Sen. Tom Casperson (R-Escanaba) said that they hope that Kivela's death would give other lawmakers the opportunity to consider working together more respectfully.

Gov. Rick Snyder called for a special election this week for the 109<sup>th</sup> House District to fill the vacancy left by Kivela. The primary, if needed, is scheduled for Aug. 8 with the general election on Nov. 7, 2017.

Kivela's death marks the third passing of a House member in the last 12 months. Former Rep. Julie Plawecki died of a heart attack while hiking with her daughter and former Rep. Peter Pettallia died in a motorcycle accident.

## **REVENUE ESTIMATING CONFERENCE SHOWS MIXED GROWTH**

State legislative leaders and Gov. Snyder now know the approximate amount of money available to spend on the state's 2017-18 budget after numbers were released this week at the Consensus Revenue Estimating Conference.

General Fund Revenues are down by a total of \$392.7 million for three years, and School Aid Revenues are up by \$539.7 million for the same amount of time showing continued growth, albeit slower than previous reviews reported.

The consensus panel includes State Budget Director Al Pscholka, State Treasurer Nick Khouri, Senate Fiscal Agency Director Ellen Jefferies, and House Fiscal Agency Director Mary Ann Cleary.

According to the panel, the final revenues for the current fiscal year will total \$22.721 billion, down \$25.9 million from the January Revenue Estimating Conference.

Total revenue forecasted for the 2017-18 fiscal year is \$23.379 billion, up \$73.3 million from the January forecast, with the General Fund total at \$10.408 billion, down \$114.1 million from the January

estimate, and the School Aid Fund expected total at \$12.970 billion, \$187.4 million more than officials estimated in January.

### **BUDGET TARGET MEETINGS PUT ON HOLD OVER SCHOOL RETIREMENT**

Meetings to finalize high-level state budget decisions for fiscal year 2018 stalled on Thursday, after a disagreement between Gov. Rick Snyder and House and Senate leaders on closing the Michigan Public School Employees Retirement System's (MPERS) hybrid retirement plan for new hires.

The latest delay comes after Senate Majority Leader Arlan Meekhof (R-West Olive) and House Speaker Tom Leonard (R-Dewitt) put target meetings on hold with the governor because of the disagreement.

Early in the budget process, Meekhof and Leonard made it clear that closing MPERS to new hires was one of their top priorities. However, despite earlier comments that he might consider changing the retirement plan, Snyder has remained in support of the current system.

The House and Senate leadership, along with top members of the Appropriations Committee are planning to still meet to move the budget forwards. There is no decision about whether or not this means the Legislature might send a budget to the governor without engaging in target talks with him.

Leaders have yet to agree on what the costs of closing MPERS will entail, with estimates ranging between \$400 million to \$680 million in FY 2018, along with costs in upcoming years.

Meekhof and Leonard have been open about making the closure of the Michigan Public Schools Employee Retirement System or MPERS to new hires their top priority. Doing so, however, comes with a cost and leaders haven't agreed on even closing MPERS, let alone what the cost is.

Estimates have ranged to between \$680 million in the first year to as low as \$400 million in FY 2018. Then there are the costs in the many years to follow.

Under the current MPERS hybrid retirement plan, new hires receive a mix of pension and 401(k) benefits.

### **BILLS COULD REDUCE COSTLY LAWSUITS AND FRAUD FOR MAIPF**

Members of the House Insurance Committee took up a four-bill package this week in an effort to reduce the number of claims that turn into lawsuits and reduce fraudulent claims to the Michigan Automobile Insurance Placement Facility (MAIPF) program.

The MAIPF program still allows people injured in auto accidents but not covered by insurance, to make claims for benefits.

Sponsored by Reps. Hank Vaupel (R-Fowlerville), Mary Whiteford (R-Casco Twp.), Bronna Kahle (R-Clinton), and Curt Vanderwall (R-Ludington) – House Bills 4624, 4625, 4626 and 4627 set requirements for submitting claims to MAIPF, enact processing procedures, and set limitation periods.

Outgoing MAIPF Executive Director Terri Miller testified that of the 4,000 claims submitted to the MAIPF program each year, about 700 turn into lawsuits, which is almost 20 percent of all claims made to the system, and cost about \$2 million in attorney's fees annually.

## **MM&A Briefs**

### **Swartzle formally welcomed as judge**

Brock Swartzle, who was appointed by Gov. Snyder late last year to replace 4<sup>th</sup> District Appellate Judge Donald Owen, was formally welcomed recently at his investiture as appellate judge. Before being appointed, Swartzle held key staff positions in the legislature, including serving as the House general counsel, policy director, and chief of staff for the Speaker of the House.

### **Snyder appoints Wilder to Supreme Court**

Gov. Rick Snyder also appointed appellate court judge Kurtis Wilder to sit on the Michigan Supreme Court bench. Wilder, who replaces retired Justice Bob Young, Jr., had been previously mentioned as a potential favorite for the position.

### **Calendar of Important Events**

- May 22      Rep. Tim Sneller (D-Burton) Fundraiser  
Location: 5 p.m., Puzzlers Pub, Burton
- Sen. Jim Stamas (R-Midland) Fundraiser  
Location: 5:30 p.m., Midland Brewing Company, Saginaw
- House Speaker Tom Leonard (R-Dewitt) fundraiser  
Location: 6 p.m., 13481 Blaisdell Drive, DeWitt
- May 23      Rep. Yousef Rabhi (D-Ann Arbor) Fundraiser  
Location: 8 a.m., Michigan Health & Hospital Association, Lansing
- Rep. Donna Lasinski (D-Scio Twp.) Fundraiser  
Location: 6 p.m., Chelsea Depot, Chelsea
- May 25      Rep. Pete Lucido (R-Shelby Twp.) Fundraiser  
Location: 10:30 a.m., Michigan Municipal League, Lansing
- Rep. Roger Hauck (R-Mt. Pleasant) Fundraiser  
Location: 6 p.m., 13481 Blaisdell Drive, DeWitt
- May 30- June 2      Detroit Regional Chamber Mackinac Policy Conference  
Location: Grand Hotel, Mackinac Island