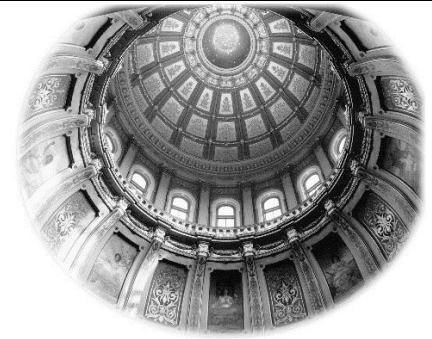


CAPITOL NEWS UPDATE

WEEK OF May 2, 2016

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REPUBLICANS PASS HOUSE VERSION OF DPS REFORM PLAN

It was a long and busy day under the Capitol dome on Wednesday. The House spent more time in session – 16 hours – than school kids spend in the classroom. However, after several caucuses, the Republicans, without support from the Democrats, passed their version of a Detroit Public School (DPS) reform plan that differs from the Senate-passed version.

The House version (HB 5384) provides the \$500 million to erase the school district's debt be paid for out of the Tobacco Settle Fund as opposed to income tax dollars. The Senate version provides for \$715 million which the Governor is supporting.

The House plan, unlike the Senate plan, does not include the creation of a Detroit Education Commission (DEC) that would be charged with approving the opening and closing of schools.

It allots DPS only \$467 million to pay down the debt and offers the opportunity for only a \$33 million loan to handle transition costs. It is anticipated the new district would require nearly \$200 million because it will not have cash on hand to launch.

Provisions in the House plan would limit collective bargaining and lower standards for teacher certification.

The plan is nearly identical to the package moved out of the House Appropriations Committee on Tuesday. The only exceptions are tougher teacher strike language that broadens who may initiate legal proceedings to include parents and the state superintendent and shortening the timeframe in which state hearings over an alleged strike occur from sixty days to two days.

SENATE DOESN'T THINK HOUSE DPS PLAN GETS A PASSING GRADE

Sen. Geoff Hansen (R-Hart) who spearheaded the efforts on the Senate bipartisan-passed plan, which was passed in March and is aligned with Gov. Rick Snyder's plan, expressed frustration over the House ramming through its plan with one hearing and a 16-hour session, while the Senate spent hours writing its plan.

Bottom line is the two chambers will attempt to work through their differences but best guess is that a final solution to the differing versions will end up in a joint House-Senate conference committee.

SENATE PASSES '17 OMNIBUS BUDGET

While the House wrestled with the DPS reform plan, the Senate, on a 22-11 vote, passed the FY 2017 omnibus state government spending plan. The chamber also passed the education-specific spending plan for FY 2017, known as the "School Bus," and an emergency Flint funding supplement.

Senate Appropriations Committee Chair Dave Hildenbrand (R-Lowell) called the budget a “solid” proposal that includes a significant increase in transportation funding, public safety, and a continued commitment to addressing the Flint water crisis.

Senate Majority Leader Arlan Meekhof (R-West Olive) said he now expects another round of deliberations with the House and another budget proposal being sent to the Governor around June 1.

Attempts by Democrats to pass a child care assistance increase and provide staff training to ensure compliance with federal environmental regulations failed. However, an amendment requiring the Attorney General's Office to provide a detailed account of all funds spent on the Flint water crisis investigation was adopted.

The Senate also approved a \$128 million supplemental bill (SB 0777) to address the Flint water crisis and passed a legislative transfer request expanding Medicaid coverage for children and pregnant women in Flint.

CRIMINAL JUSTICE REFORM PACKAGE UNVEILED IN THE SENATE

A wide-ranging package of bills – 20 to be exact – was rolled out in the Senate this week aimed at reforming Michigan's criminal justice system. However, a presumptive parole proposal similar to what passed the House is not included.

Much of the package is designed to reduce recidivism, including updating the Swift and Sure probation sanctioning program and setting up means for the state to track and evaluate recidivism data.

The measures also focus on revamping the way the state handles juvenile cases.

Other reforms include expediting medical commutation hearings, giving judges the option to shorten probation terms as a result of good behavior, providing tax credits for employing a probationer or parolee, and encouraging partnerships with outside volunteers.

HOUSE DEMS FORM “URBAN WORKGROUP”

Hoping to create a uniform policy on “urban issues” as well drawing Republican interest, Reps. Brian Banks (D-Detroit) and Sheldon Neeley (D-Flint) have been joined by 14 other House Democrats in forming the workgroup.

Banks said the work group is being formed because “the state's urban policies have been divisive, pitting us against each other instead of solving the very real problems these urban communities face.”

The goal, according to Banks, is to come up with a legislative agenda that will improve urban communities but also garner Republican support.

Meanwhile, Senate Dems moved to hold a floor vote on a bill (SB 0734) that would repeal the state's emergency manager law. It was quickly blocked by the supermajority Republican caucus.

A spokesperson for Speaker Kevin Cotter (R-Mt. Pleasant) said the group's opposition to emergency management is unlikely to be popular among House Republicans.

M M & A BRIEFS

Calley signs cyber revenge legislation. Under legislation (SBs 0508 and 0509) signed into law by Lt. Gov. Brian Calley, the measures prohibit the intentional posting, sharing, or publishing of sexually explicit material of an adult without their consent. However, the bills do not include material used in reporting crime, news reports, commentary, or art. The bills are now Public Acts 89 and 90.

DNR doubles up on chronic wasting monitoring. The Department of Natural Resources (DNR) wants to double the number of core areas being monitored for deadly chronic wasting disease in an effort to protect the state's deer herd. The expansion would include six new townships in Eaton County and two in

Clinton County. The full extent of the disease is not yet known, but so far positive samples have been found from Meridian Township in Ingham County to Watertown and DeWitt townships in Clinton County.

State is sued over union PAC donation. The Michigan AFL-CIO, along with three other union groups, has filed a federal lawsuit against the state over former Senate Bill 571 on the basis that its restrictions on corporations automatically deducting union political action committee (PAC) contributions from their employees' paychecks is a violation of the First Amendment.

CALENDAR OF IMPORTANT EVENTS

- May 11 Rep. Fred Durhal III (D-Detroit) Campaign Kickoff Event
Location: 11:30 a.m., Governors Room, Lansing
- May 18 Rep. Sam Singh (D-East Lansing) Breakfast Reception
Location: 8 a.m., Governors Room, Lansing
- May 20 Rep. Kurt Heise (R-Plymouth) "Coffee With Kurt"
Location: 8 a.m., Crawford's Kitchen, Plymouth
- May 23 Rep. Tom Cochran (D-Mason) Campaign Kick-off Reception
Location: 5:30 p.m. Bad Brewing Company, Mason
- May 24 Rep. Andy Schor (D-Lansing) Breakfast Reception
Location: 8:30 a.m., Governors Room, Lansing
- May 25 Rep. Gary Howell (R-Lapeer) Breakfast Reception
Location: 8 a.m., Governors Room, Lansing
- May 25 Rep. Wendell Byrd (D-Detroit) Breakfast Reception
Location: 8 a.m., Grand Traverse Pie Company, Lansing
- May 25 House Democrats Ingham Reception
Location: 5:30 p.m., El Azteco, East Lansing
- May 30 MEMORIAL DAY