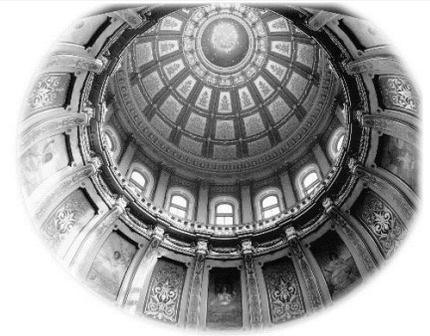


CAPITOL NEWS UPDATE

WEEK OF July 25, 2016

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JUDGE BLOCKS STRAIGHT-TICKET VOTING BAN

U.S. District Court Judge Gershwin Drain has issued a temporary injunction against the straight-ticket voting ban (P.A. 268) declaring that the new law eliminating the option for voters to cast a straight-ticket

Both Attorney General Bill Schuette and Secretary of State Ruth Johnson have announced their intentions to file an appeal.

If left standing, the judge's decision would allow voters to vote a straight ticket in the November 8 General Election.

Senate Majority Leader Arlan Meekhof (R-West Olive), who is urging an appeal, argues under the current law a voter can still vote a straight ticket. "You just have to check every box," he said.

MORE CHARGES FILED AGAINST STATE EMPLOYEES IN THE FLINT WATER CRISIS

Attorney General Bill Schuette filed charges of misconduct against six state employees. Three employees from the Department of Health and Human Services (DHHS) and three employees from the Department of Environmental Quality (DEQ).

The DHHS employees face charges of misconduct in office, conspiring to commit misconduct in office and willful neglect of duty. The three DEQ employees were charged with various crimes related to their alleged misinterpretations of federal regulations for lead in water. One of the DEQ employees faces additional charges for allegedly tampering with reports about the levels of lead in Flint's water.

PREVAILING WAGE WILL STILL PREVAIL...FOR NOW

House Speaker Kevin Cotter has announced the Republicans' effort to repeal the state's prevailing wage law will not be taken up in the House during the balance of this legislative session.

"It remains something that I would very much like to see done, but the Governor has been clear on his position on that issue," Cotter said.

In 2015, Gov. Rick Snyder vocally opposed repealing the state's prevailing wage law.

The House and Senate made prevailing wage repeal the first three bills introduced for the 2015-16 session and the Senate passed all three that May. However, support for the repeal in the House has always been a question.

CONCERN RAISED OVER FUTURE OF MICHIGAN'S ELECTRIC RESERVES

The Michigan Public Service Commission (MPSC) is expressing concern about the potential for "reliability challenges" during peak demand times as soon as next summer. The Commission's concern follows a staff review of the adequacy of Michigan's electric generation capacity through 2020.

MPSC Chair Sally Talberg said the state is working with the Legislature on the issue. The energy reform legislation which is mired in the Legislature is, according to utilities and supporters, expected to get at this issue.

Talberg said she is creating a section within the MPSC to work specifically on the resource adequacy issue.

Michigan has been relying on buying power from out-of-state to shore up its reserves, according to Talberg. But the issue now is that there is uncertainty on whether the power supply from around the region can help fill that gap.

It can take three years or longer for new generation facilities to come on line.

M M & A BRIEFS

Snyder appeals 3% MPSERS ruling to the Supremes.

A Court of Appeals' ruling that would have the state return three percent that teachers have been required to pay into the state's pension system has been appealed to the Michigan Supreme Court by Gov. Rick Snyder. If the COA ruling would stand, teachers who were required to pay 3 percent of their income into MPSERS for health benefits from 2010 to 2013 may receive that money back with interest.

Borrowing plan for new DPS gets state approval. The state Emergency Loan Board has given approval to three actions that set in motion the new Detroit Public Schools (DPS), The proposals were to allow for borrowing up to \$235 million in school financing stability bonds, another state loan providing up to \$150 million in transitional costs for the new Detroit Community Schools District (DCSD), and approval of the transfer of assets from DPS to the DCSD.

PreK-12 literacy commission is created. Gov. Rick Snyder has signed an executive order creating the PreK-12 Literacy Commission. The commission is established within the Department of Education and tasked with providing policy recommendations and reports on the state's progress in becoming a national leader in literacy. The 13-member commission will be comprised of seven members appointed by the governor, and six members recommended by education, legislative leaders and the governor.

Public alert system becomes law. A legislative package (HBs 5442 and 5567 along with SB 976) creating a public alert system in response to the Feb. 2016 Kalamazoo shooting tragedy has been signed into law by Gov. Rick Snyder. Michigan's Amber and Severe Weather alert systems will be the backbone of the new public alert system.

LARA, TIA to swap leaders. Stephanie Comai, director of the Talent Investment Agency (TIA) is heading back to the Michigan Department of Licensing and Regulatory Affairs (LARA) where she worked before Gov. Rick Snyder created TIA in 2014. Wanda Stokes, currently a LARA deputy director, will take Comai's spot at TIA director.

Unemployment rate drops again. Michigan's unemployment rate in June dropped to 4.6 percent – the lowest rate since February 2001 according to the Bureau of Labor Market Information and Strategic Initiatives (BLMISI). The state's unemployment rate has remained below 5 percent all of 2016. Meanwhile, the U.S. employment rate moved up .2 percentage points from May to June at 4.9 percent.

CALENDAR OF IMPORTANT EVENTS

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| July 30 | Car Capital Auto Show
Location: 9 a.m., Capitol Building, Lansing |
| August 2 | PRIMARY ELECTION |
| August 3 | Tentative House and Senate sessions |
| August 12 | Sen. Tonya Schuitmaker (R-Lawton) Annual Golf Outing
Location: 9 a.m., Heritage Glen Golf Club, Paw Paw |
| August 29 | Rep. Henry Yanez (D-Sterling Heights) Birthday Celebration |

Location: 5:30 p.m., Century Banquet Club, Sterling Heights