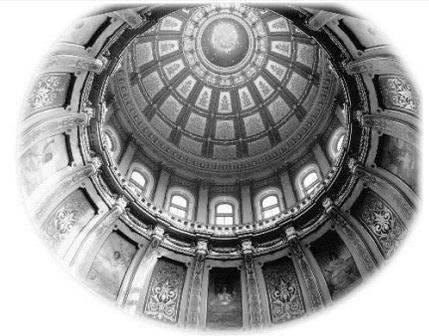


CAPITOL NEWS UPDATE

WEEK OF SEPTEMBER 7, 2015

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COURSER RESIGNS, GAMRAT IS EXPELLED

After a nearly 16-hour House session that ended shortly four o'clock Friday morning, Rep. Todd Courser (R-Lapeer) chose to resign and an hour later Rep. Cindy Gamrat (R-Plainwell) was expelled.

Gamrat's expulsion came only after Republicans worked out a deal with Democrats that agreed to language to request an investigation by the Michigan State Police and Attorney General that was embedded in HR 145, which the House also approved early Friday morning.

The resignation and expulsion came just over a month after an audio recording was released of Courser discussing plans to try to cover up rumors of his affair with Gamrat and followed a House Business Office investigation that found misconduct and misuse of taxpayer dollars by both Courser and Gamrat.

The long standoff occurred when a handful of Democrat refused to vote thus blocking the necessary two-thirds vote needed for expulsion.

Courser resigned rather than face expulsion when he became convinced the House was going to "get their answer" no matter how many votes it took.

IS AN AGREEMENT COMING TOGETHER ON ROADS?

As Gov. Rick Snyder left on a weeklong trade mission trip to Japan and Germany, legislative leaders signaled "a hopeful framework of an agreement" on how to raise 1.2 billion in additional annual spending on Michigan's crumbling roads and decaying bridges.

The "hopeful" plan would include around \$800 million in new revenue and \$400 million in existing General Fund money, according to reports.

However, the devil is in the details and the administration along with each caucus in each chamber has its own issues to deal with caucus members.

House Republicans are not enthralled over \$800 million in new revenues. And Senate Majority Leader Arlan Meekhof (R-West Olive) said he wasn't sure how to respond to the question of whether the final plan will deal with roads only, due to the potential impact it will play on other areas of the budget.

A Snyder spokesperson wouldn't address any specifics but said productive conversations continue.

In Snyder's absence, Lt. Gov. Brian Calley is the administration point person on the road issue, but Snyder is staying in close touch.

SNYDER CREATES PIPELINE BOARD

Taking a cue from a pipeline task force's recommendations, Gov. Rick Snyder signed an executive order creating a 15-member Michigan Pipeline Safety Advisory Board to be housed in the Department of Environmental Quality (DEQ).

The board will be charged with ensuring safety, upkeep and transparency of issues related to the state's network of pipelines, according to a Snyder statement which also added the administration looks forward to working with the Legislature on a bill to increase civil fines in the event of an oil spill in the state.

Along with the board's creation, the administration announced an agreement had been reached between the state and Embridge to permanently ban heavy crude oil from moving through the Straits of Mackinac pipeline.

The agreement reached with Embridge is a binding legal document that can be enforced in court, Attorney General Bill Schuette said in a statement.

STATE TO DEVELOP ITS OWN EPA PLAN

As for those Environmental Protection Agency's (EPA) new regulations for existing power plants, Department of Environmental Quality (DEQ) Director Dan Wyant said the state will be developing its own plan to meet the EPA regulations.

Rather than waiting for a federal implementation plan to be finalized, Wyant said "a state plan can provide and should provide more certainty and more flexibility than a federal plan."

According to Wyant, by the state crafting its own implementation plan Michigan would be avoiding a "pig in a poke" and "a risk that we just don't feel is acceptable" because specifics of the federal plan are still unknown.

According to the Snyder administration, there are no plans for the state to join the current challenges to the federal Clean Power Plan.

However, it is unknown whether Attorney General Bill Schuette will join the multi-state suit challenging the EPA rule, but reports are that he is seriously considering it.

M M & A BRIEFS

Supreme Court to hear prevailing wage and no fault cases. The Michigan Supreme Court kicks off its 2015-2016 calendar on a pair of subjects currently before the Legislature – prevailing wage and no-fault car insurance. The first round of oral arguments will be held Oct. 13-15 and will tackle the 1923 court ruling that has allowed cities to mandate construction workers on public projects be paid the area's prevailing wage for such work. The court will also hear whether certain Michigan Catastrophic Claims Association (MCCA) documents should be subject to the Michigan Freedom of Information Act (FOIA).

SOS cancels its computer system contract. Roughly 12 years after then-Secretary of State Terri Lynn Land launched the Business Access Modernization (BAM) computer program, Secretary of State Ruth Johnson has pulled the plug on the \$40.1 million contract with Hewlett Packard (HP) which was charged with completing a nearly \$50 million overhaul of the department's computer system. The contract with HP Enterprise Services was set to expire Sept. 1, 2016.

Priest named Medicaid director. Chris Priest has been named the new permanent Medicaid director, as well as deputy director for the Medical Services Administration with the Department of Health and Human Services (DHHS). He transfers into his new job from his post as Gov. Rick Snyder's deputy director of strategy. Priest succeeds Steve Fitton who retired in June.

Senate gives DHHS agents limited arrest power. The Senate has passed legislation (SBs 0384 and 0385) that would allow authorized agents in the Department of Health and Human Services (DHHS) to carry weapons and to make arrests during Bridge Card fraud and other fraud investigations.

Bill would toughen school bus violation penalties. Legislation has been introduced in the Senate that would amend the Michigan Vehicle Code to give the Secretary of State the ability to suspend licenses after second and subsequent violations and increase fines for drivers who violate state school bus laws such as passing a school bus that is stopping to load or unload children.

Rock Snot, a new invasive species, is found in Michigan. A freshwater algae commonly known as didymo or rock snot, has been found growing in large mats in the St. Mary's River near Sault Ste. Marie and another new invasive species, New Zealand mud snails, are in the Pere Marquette River near Ludington, according to the Department of Environmental Quality (DEQ).

CALENDAR OF IMPORTANT EVENTS

- Sept. 14 Sen. Wayne Schmidt (R-Traverse City) Golf Outing
Location: 8 a.m., The Wolverine, Grand Traverse Resort, Acme, MI

- Sept. 19 Sen. Wayne Schmidt (R-Traverse City) Brunch Reception
Location: 10 a.m., Mary's Bistro, Mackinac Island, MI

- Sept. 30 Rep. Mike Callton (R-Nashville) Breakfast Reception
Location: 7:30 a.m., Michigan Beer & Wine Wholesalers, Lansing

- Sept. 30 Sen. Vincent Gregory (D-Southfield) Fall Reception
Location: 11:30 a.m., Karoub Associates, Lansing