

CAPITOL NEWS UPDATE

WEEK OF JUNE 12, 2017

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TEACHER PENSION LEGISLATION PASSES ON PARTY-LINE VOTE

Both the Michigan Senate and House of Representatives passed identical legislation by narrow margins on Thursday, after reaching agreement with the Governor on changes to the retirement plans for newly hired teacher and public school employees.

The votes bring the tug-of-war over the teacher pension system between legislative leaders and Gov. Rick Snyder to an end, with Republicans saying the plan is a way to stabilize the teacher retirement system. Democrats say the bills fail to provide a secure retirement for teachers, and are concerned about the lack of information on what the plan will cost.

Designed to encourage teachers in Michigan to choose a 401 (K) plan and move away from a hybrid pension option, the bills would give newly hired teachers the choice between a new hybrid pension plan with a higher cost to participate, and a 401(k) plan that is more generous than the current option.

The state currently offers a 401(k) plan with a 3 percent match. The more generous new version would include an employer match of up to 7 percent. The legislation would also close the current "hybrid" pension plan—a combination of a traditional pension and a 401(k)—to new hires starting in February 2018 and replace it with an updated hybrid plan which kept guaranteed lifetime income but requires more significant employee contributions. In addition, the new hybrid plan would close if it fell below 85 percent funding on average over a five-year period.

The Republican-controlled legislature passed the bills 21-17 in the Senate with all but six majority Republicans voting yes and all Democrats voting no, 55-52 in the House where one Republican was absent and seven Republicans along with all Democrats voted no.

DHHS DIRECTOR, FOUR OTHERS FACE INVOLUNTARY MANSLAUGHTER CHARGES IN FLINT WATER LEGIONNAIRE'S CASE

In the highest profile indictments related to the Flint water crisis to date; Department of Health and Human Services Director Nick Lyon was among five charged with involuntary manslaughter and misconduct in office this week, in response to how they responded to the Legionnaire's disease outbreak that was part of the Flint water crisis in 2014. In all, 12 people died and 78 became sick after the city switched to Flint River water for its water supply.

Others being charged in the case are former Flint Emergency Manager Darnell Earley, former Office of Drinking Water and Municipal Assistance Director Liane Shekter-Smith, former Lansing-Jackson

region water supervisor Steve Busch, and former Flint water chief Howard Croft. Earley, Shekter-Smith, Busch and Croft were already facing previously issued charges.

The state's chief medical executive, Dr. Eden Wells, was also charged with obstruction of justice and lying to a peace officer in relation to the Flint water crisis.

The charges were announced by Attorney General Bill Schuette, along with the Flint water legal team. Schuette said that investigations are ongoing, even as the case starts moving into the trial phase.

The Attorney General would not comment on whether there's an active investigation into Gov. Snyder or his office's regarding the handling of the crisis.

GOOD JOBS FOR MICHIGAN PACKAGE SEES LIGHT IN HOUSE TAX POLICY COMMITTEE

The House Tax Policy Committee heard varied testimony this week on legislation to set up the Good Jobs Michigan Program touted by Gov. Rick Snyder and designed to attract large businesses to the state through a new tax incentive.

The Senate and Gov. Snyder have given the package vocal support. The bills, SB 242 – 244, would give eligible businesses up to a five-year, 50 percent tax abatement on the personal income tax withholdings of new employees. Qualified businesses must create at least 500 new qualified jobs that pay the average wage or higher for the prosperity region in which the business is located.

Companies creating at least 250 qualified new jobs paying wages at 125 percent or more of the prosperity region average would be eligible to receive up to a 10-year, 100 percent abatement.

The bills cap the total cost to the state at \$250 million and would allow up to 15 written agreements per calendar year. If the Michigan Strategic Fund stays under that limit or signs fewer than 15 written agreements in a year, the unused approval authority would carry into the next year.

Sponsors of the package, led by State Senator Jim Stamas (R-Midland), said the goal of the bills is to stimulate the economy and community and that Michigan has been overlooked by numerous companies because it lacks incentives for larger companies.

REPUBLICAN LEADERS PUT FINAL TOUCHES ON BUDGET DEAL

Legislators continue working out the details of the fiscal year 2017-18 budget, with a vote expected before the legislature breaks next week.

Republican Senate leaders including Senate Majority Leader Arlan Meekhoff (R-West Olive) and Senate Appropriations Committee Chair Sen. Dave Hildenbrand (R-Lowell) said earlier in the week that the budget is nearly complete, with only a few outstanding issues to resolve.

This week's budget deals involve a \$150 million deposit into the Budget Stabilization Fund and \$35 million going to the infrastructure fund- both moves supported by the Snyder Administration.

In addition, an agreement on the teacher pensions means that it will cost \$255 million to change the system instead of the estimated \$495 million. The \$255 million includes \$55 million to cover the costs in the first two years of the changes to the teacher pension system and \$200 million to pay down the debt in the Michigan Public School Employees Retirement System.

Some of the unresolved issues include Section 298 portion of the Department of Health and Human Services budget and items in the Department of Corrections budget.

HOUSE AND SENATE APPROVE GENITAL MUTILATION LEGISLATION

The Michigan House and Senate approved legislation this week that would extend the statutes of limitations for victims of female genital mutilation to 10 years after they turn 18. The bills also include provisions such as making it a crime for performing the act, or transporting the victim, and revoking the medical licenses of those who perform the procedure.

Lawmakers pushed the legislation partially in response to two doctors in Michigan that have been indicted on charges of performing the procedure secretly in metro-Detroit.

FORMER LANSING STAFFER AMONG WOUNDED AT CONGRESSIONAL BASEBALL SHOOTING

Former Michigan legislative staff member and current lobbyist for Tyson, Matt Mika, was among the victims from Wednesday's attack on the Congressional Republican baseball team. At this time, Mika is listed in critical condition and will need additional surgery.

Mika, a graduate of Adrian college where he played baseball and football began his Capitol career in 2004 as the campaign manager and legislative staffer for former State Representative David Palsrok (R-Manistee). Mika left Michigan for Washington D.C where he spent time working for Michigan Congressmen David Camp (Midland) and Tim Walberg (Tipton) before joining Tyson six years ago.

U.S. Rep. Mike Bishop (R-Rochester), U.S. Rep. John Moolenaar (R-Midland) and U.S. Rep. Jack Bergman (R-Watermeet) were also on the team and at the practice when the attack occurred.

MM&A Briefs

House Passes bills eliminating concealed-carry permit requirement

A package of legislation that removes special training for a concealed pistol license recently passed in the House. Called "constitutional carry" by supporters, and "permit-less carry" by opponents, the legislation removes the requirement to get a CPL to carry a concealed weapon and also eliminates the requirement for training.

Maturen hospitalized after car accident

State Rep. Dave Maturen (R-Vicksburg) underwent knee surgery in Kalamazoo and was moved into an intensive rehabilitation facility after being injured in a car crash on June 9. Maturen, who is 69 years old, injured his leg and broke several ribs after losing control of his vehicle on his way to participate in the Grand Cereal Parade in Battle Creek.

Outgoing DTMB Director joining La-Z-Boy

The outgoing director of the Michigan Department of Technology, Management and Budget (DTMB), David Behen, will join La-Z-Boy as its vice president and chief information officer.

Calendar of Important Events

- June 19 Rep. Kim LaSata (R-Bainbridge Township) Golf Fundraiser
Location: Lake Michigan Hills Golf Club, Benton Harbor
- Rep. Bronna Kahle (R-Clinton) Fundraiser
Location: 12 p.m., Lenawee Country Club, Adrian
- Rep. Julie Alexander (R-Hanover) Event
Location: 4:30 p.m., Cascade Manor House, Jackson
- Rep. Kristy Pagan (D-Canton Twp.) Euchre Tournament Fundraiser
Location: 5 p.m., UAW Local 845, Canton
- Rep. Leslie Love (D-Detroit) Fundraiser
Location: 6 p.m., The Carr Center, Detroit
- June 21 Rep. Darrin Camilleri (D-Brownstown Twp.) Fundraiser
Location: 7:30 a.m., Grand Traverse Pie Company, Lansing
- Senate Democratic Fund
Location: 5 p.m., 2310 Moores River Drive, Lansing
- June 22 Sen. Ken Horn (R-Frankenmuth) Fundraiser
Location: 5 p.m., Sullivan's Black Forest, Frankenmuth
- June 23 Rep. Chris Afendoulis (R-Grand Rapids Twp.) Golf Fundraiser
Location: 9 a.m., Scott Lake Country Club, Comstock Park
- Sen. Goeff Hansen (R-Hart) Golf Fundraiser
Location: 9 a.m., Oceana Golf Club, Shelby
- Rep. Jason Wentworth (R-Clare) Fundraiser
Location: 5:30 p.m., Jay's Sporting Goods, Clare
- June 24 31st Senate District Candidate Kevin Daley (R) Fundraiser
Location: 6 p.m., Hunters Creek Club, Metamora
- Sen. Dale Zorn (R-Ida) Fundraiser
Location: 6 p.m., 7498 East Ida Road, Ida
- June 26 Sen. Wayne Schmidt (R-Traverse City) Fundraiser
Location: 9 a.m., The Wolverine Resort, Acme

- June 27 Sen. Jim Stamas (R-Midland) Fundraiser
Location: 9 a.m., Treetops Resort, Gaylord
- Rep. Gary Glenn (R-Midland) Fundraiser
Location: 11:30 a.m., Karoub Associates, Lansing
- June 28 Rep. Vanessa Guerra (D-Saginaw) Fundraiser
Location: 5 p.m., Saginaw Democratic Party Headquarters, Saginaw
- Rep. Beau LaFave (R-Iron Mountain) Fundraiser
Location: 7 p.m., 4305 U.S. Highway 2 & 41, Escanaba
- June 29 Attorney General Bill Schuette (R) Fundraiser
Location: 5:30 p.m., 1474 Cambridge Road, Lansing