

CAPITOL NEWS UPDATE

WEEK OF JUNE 26, 2017

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SNYDER RETURNS SCHOOL REFORM OFFICE TO MICHIGAN DEPARTMENT OF EDUCATION

Gov. Rick Snyder signed an executive order today moving the Michigan School Reform Office back to the Michigan Department of Education.

The move comes two years after Snyder removed the office from the MDE and placed it under the control of the Department of Technology, Management and Budget which he oversees. He originally moved the office, which was intended to supervise the State's lowest performing schools, due to its lack of progress in helping these schools.

The Michigan Department of Education is overseen by the state superintendent, currently Brian Whiston, who is appointed by the publicly-elected State Board of Education.

In his statement to announce the move, Snyder commended Whiston and Natasha Baker of the SRO in having done "great work to establish policies and procedures that promote sustainable and positive student outcomes. Moving the office back to MDE will ensure the efficient continuation of these efforts."

STUDY ON LINE 5 PUTS NUMEROUS OPTIONS ON TABLE

A report commissioned by the State of Michigan, released Thursday, said that keeping Line 5 in place or moving it into or under the bottom of the Great Lakes are the most feasible options presenting the least risk for the 64-year-old oil pipeline.

The report released by pipeline risk management consultants Dynamic Risk, suggested that the existing pipelines crossing the Straits of Mackinac could operate indefinitely, and that options for replacing the line include placing it in a trench along the bottom of the Straits, or using a new pipe inside a tunnel burrowed below the Great Lakes.

Michigan Attorney General Bill Schuette disagreed strongly with the analysis, which considered six alternatives including retaining the pipeline and closing it.

Schuette has said that any final plan would have to include a discussion to eventually decommission the pipeline. He is also urging the Legislature to put the agreement that keeps heavy crude oil and tar

sands out of the line into law, and that discussions should include the effects on propane supplies and costs for users in the Upper Peninsula.

Officials from the line owners, Enbridge Energy, are still reviewing the report and said they will continue working to keep the line safe including adding 22 additional anchor supports for which the company is currently seeking permits from the Department of Environmental Quality.

Opponents of the line say they are frustrated that Schuette is not using his authority to shut the line down, and that the lack of extra supports now puts the line in violation of its easement, which warrants shutting it down.

There is also concern that the report's shoreline damage assessment was based on the pipeline losing about a tenth of the oil estimated in an earlier University of Michigan study.

The state originally had a contract for a more detailed risk analysis of the current pipeline, but was canceled last week over conflict of interest violations. The report is now open for 30-day comment period.

TEACHER PENSION LEGISLATION SENT TO SNYDER

The Senate formally sent legislation bringing changes to the Michigan Public School Employees Retirement System on Thursday to Gov. Rick Snyder, who has endorsed the final compromise and is expected to sign the bill.

Wall Street rating agency Standard & Poor also released an analysis of the plan on Thursday, which said the change will increase state expenditures for the retirement plan but should be "affordable, accounting for less than 1 percent of [the state's] budget." The analysis also said local schools should benefit from "lower unfunded liabilities and less investment risk," as the state will assume more new costs.

The bill creates a new hybrid retirement plan for school workers hired in 2018. Current workers already enrolled in the hybrid system can remain in that system.

FORMER JUSTICE BOB YOUNG MAKES IT OFFICIAL: RUNNING FOR U.S. SENATE

Former Michigan Supreme Court Chief Justice Bob Young Jr. officially announced his Republican candidacy for the U.S Senate this week following an unofficial announcement on June 19.

Young made his official announcement via a livestream on Facebook while he was standing on a now vacant lot in Detroit where his childhood home once stood.

Young is a potential challenger to U.S. Sen. Debbie Stabenow, D-Mich., who is seeking a fourth six-year term. Other Republicans running for the seat include Lena Epstein, co-chair of Donald Trump's 2016 campaign in Michigan.

MM&A Briefs

Senate votes to sell Farnum building

The Michigan Senate voted 26-9 to sell the 11-story Farnum building in downtown Lansing this week. The building had housed Senate offices and meeting spaces before they moved into a newer building one block away in 2016.

The plan to sell the old Senate office building is now headed to Gov. Rick Snyder. The building was worth \$5.4 million and the parking lot was valued at \$225,000 in a 2014 appraisal. Michigan bought the building in 1978 for \$3 million. The House Fiscal Agency estimated it would've cost between \$11.5 million and \$20 million to renovate the building.

Mason expected to lead MEDC

The next leader of the Michigan Economic Development Corporation is expected to be Jeff Mason, executive director of the University Research Corridor. Mason is Snyder's choice for the position, but still needs to be approved by the MEDC board July 11.

Before becoming executive director at the URC in 2009, Mason was chief business development officer at MEDC and has also served as managing director of Travel Michigan.

Calendar of Important Events

- July 9 Rep. Donna Lasinski (D-Scio Twp.) Fundraiser
Location: 4 p.m., B&B Farms, Chelsea
- July 10 Rep. Gary Glenn (R-Midland) Fundraiser
Location: 5:30 p.m., Cottage Creamery, Midland
- July 11 Rep. Brett Roberts (R-Eaton Twp.) Golf Fundraiser
Location: Centennial Acres, Sunfield
- July 12 19th Senate District Candidate Mike Callton (R) Fundraiser
Location: 7:30 a.m., Karoub Associates, Lansing
- Rep. Daniela Garcia (R-Holland) Fundraiser
Location: 5:30 p.m., 7550 Ransom Street, Zeeland
- July 13 Rep. Phil Phelps (D-Flushing) Fundraiser
Location: 5 p.m., Flint Farmers Market, Flint
- Sen. Curtis Hertel Jr. (D-East Lansing) Fundraiser
Location: 5:30 p.m., 1860 Boxwood Lane, East Lansing
- July 14 Rep. Leslie Love (D-Detroit) Fundraiser
Location: 6 p.m. Demi's Restaurant, Detroit, Add to Calendar
- July 16 Michigan Democratic Party Fundraiser
Location: 1 p.m., Kensington Park, Orchard Place Pavilion, Milford