

CAPITOL NEWS UPDATE

WEEK OF JULY 6, 2020

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WHITMER ORDERS BUSINESSES TO REFUSE SERVICE TO THOSE NOT WEARING MASKS

After hinting at tougher requirements on face coverings earlier in the week, Gov. Gretchen Whitmer announced a new executive order today requiring businesses open to the public to refuse entry or service to people who refuse to wear masks. Businesses must also post signs at all entrances informing customers of the requirements.

Whitmer also expanded the mask requirement also to include crowded outdoor spaces and it reiterates the requirement to wear a mask in any indoor public area.

The order takes effect on Monday, July 13. Violating the order is a misdemeanor punishable by a fine of up to \$500, but no term of confinement can be issued for the violation.

The governor had alluded to the tougher restrictions at a press conference on Thursday, after large groups of people gathered for the 4th of July weekend without wearing masks, and the state's rate of COVID-19 cases are back on the rise.

Whitmer also said on Thursday that it is likely local officials will need to be more responsible for enforcement of the order.

KHALDUN CONCERNED ABOUT MICHIGAN'S RECENT INCREASE IN COVID-19 RATES

Also on Thursday, Michigan Chief Medical Executive Dr. Joneigh Khaldun reviewed the state's recent COVID-19 data trends and said that the state needs to "get back on track."

Some of the key areas Khaldun was concerned about include the data that the 610 COVID-19 cases reported Wednesday was the highest number in one day since May. In addition:

- The Grand Rapids region has the highest rate of cases in the state with 45 cases per million people per day.
- The rate of COVID cases in the Upper Peninsula is higher than at any point before now.

Some of the key places where Khaldun said the outbreaks have been traced to include: bars, food processing plants, a casino, religious gatherings and congregate care facilities, and general community spread.

PROPERTY TAX BILLS VETOED

Gov. Whitmer this week vetoed two property tax extension bills aimed at providing relief to business owners and others who are struggling due to the COVID-19 pandemic. The bills would also have delayed Summer 2020 taxes until May 2021.

Whitmer said the bills had constitutional flaws and would have jeopardized credit available to local governments. Opponents of HB 5761 and HB 5810 included local government, K-12 schools, and county treasurers.

Whitmer's veto letter said that requiring the state to provide funding to counties to make up for the deferred taxes would violate the Michigan Constitution "by making the state the guarantor of county liabilities without receiving anything of value in return." In addition, without state backing but requiring counties to advance money to cities and towns, would violate the Headlee amendments.

Whitmer also vetoed SB 0935, SB 0936 and SB 0937, saying that the bills which would've provided relief to businesses and residents through income, sales and use tax deferments, would push local budgets into financial crisis.

The legislation had previously passed both houses with wide margins. The sponsor of HB 5761 and HB 5810, Rep. Jim Lower (R-Greenville), spoke out against the veto, saying that the proposals "respected the immense financial pressure people have experienced throughout the state, while also recognizing the importance this revenue has for our local communities and their governments."

SCHOOL REOPENING IN QUESTION

As the number of coronavirus cases in Michigan continues to rise again, Gov. Whitmer said on Thursday that the state might need to press pause on its school reopening plan, saying that if the state remains on its current trajectory, "it's very much in question."

While Whitmer expressed caution, President Donald Trump and U.S. Education Secretary Betsy DeVos said this week that schools should open for all students every school day starting this fall. President Trump also threatened to withhold federal funding for schools that don't reopen fully.

DeVos also said she is considering withholding funds from schools with fall plans for online or mixed online and in-person education.

The school reopening plan released by Gov. Whitmer does not require social-distancing, but allows schools to take additional safety measures that are not required in the plan.

AG SUES FOR CARES ACT FOR PRIVATE SCHOOLS

Attorney General Dana Nessel announced this week that Michigan is one of six states seeking legal action against a recent U.S. Department of Education rule, accusing the department of potentially providing less funding for public schools at the expense of more funding for private institutions regarding the Coronavirus Aid, Relief and Economic Security Act.

The suit accuses U.S. Secretary of Education Betsy DeVos, and the Department of Education of offering inconsistent guidance on the disbursement of the CARES funds. Filed in the U.S. District Court for the Northern District of California, it alleges that instead of distributing the funds based on Title I, Part A allocations as written in the law, the Department of Education requires local education agencies to choose between two ways to allocate the money.

As written, the CARES Act allocates almost \$30.8 billion in aid to K-12 schools due to the coronavirus pandemic. Of the total amount, \$13.2 billion would be given to state education agencies.

Michigan would receive \$390 million which would be given to local education agencies and distributed to individual schools.

The money was meant to support schools with low-income students and be allocated based on the amount of Title I funding that each state and school district received as of the most recent fiscal year.

DeVos published an interim final rule on July 1, however, which clarified how CARES Act funding could be allocated to nonpublic schools. Her interpretation of the ACT says the relief funds would be distributed based on the total number of students in any private school that wishes to participate and that equitable services must be provided to all enrolled students, meaning that all private school students are potentially eligible for equitable, even if these students would not have been eligible under Title I of the Elementary and Secondary Education Act.

States have opposed the rule citing confusion over how funding requirements are applied through two different formulas. Neither formula is included in the original CARES Act.

Nessel has said that under the DeVos ruling, Grand Rapids Public Schools and the Detroit Public Schools Community District would each receive \$2.6 million less in funding.

MM&A Briefs

Civil Rights Director Living in Illinois – Unions Call for Firing

After Michigan Civil Service Commission Chair Janet McClelland sold her home in Lansing and moved to Illinois, a group of unions and others have called for her to step down.

McClelland said she moved to be closer to family, and that she intends to serve through the remainder of her term, which expires December 2022. Civil Service Commission rules do not require commissioners to live in Michigan.

McClelland was appointed to the commission by former Republican Gov. Rick Snyder in 2014 after working in human resources for the state for decades, including serving as the state personnel director.

Auto No-Fault Law Takes Effect

Signed into law last spring, Michigan's no-fault auto reform laws went into effect July 1, 2020. The change means Michigan drivers now have the option to choose their level of personal injury protection when buying or renewing their policies. Previously, Michigan was the only state that required drivers to have unlimited medical coverage for PIP.

The options, which come with a level of reduced premiums, include:

- Keep the unlimited option
- \$500,000
- \$250,000
- \$50,000 (only for those on Medicaid)
- opt out completely (only for those on Medicare Part A & B)

Spirits Distributor Fined \$3 Million for 88 Violations

Attorney General Dana Nessel and Michigan Liquor Control Commission Chair Pat Gagliardi announced that NWS Michigan, LLC, a state-authorized spirits distributor, was fined \$3 million for 88 code violations related to vendor mismanagement and the group's liquor supply shortage throughout the state during the winter of 2019.

Violations included failure to deliver liquor orders, failure to maintain an adequate physical plant and failure to provide records.

Calendar of Important Events

- July 12** **47th House District candidate Meghan Reckling (R) Fundraiser**
Location: 3 p.m., 3800 Chilson Road, Howell
- July 13** **CANCELED**
~~**Rep. Pam Hornberger (R) Golf Outing**~~
Golden Hawk, 9861 Meisner Road, Casco, 10:30 a.m.
- Rep. Annette Glenn (R-Midland) Fundraiser**
Location: 6 p.m., Sanford Whippy Dip, 2890 North Meridian Road, Sanford
- July 14** **Rep. Andrea Schroeder (R-Independence Twp.) Fundraiser**
Location: 5 p.m., Deer Lake Athletic Club, Clarkston
- July 15** **Sen. Sean McCann (D-Kalamazoo) Fundraiser**
Location: 11:30 a.m., Country Club of Lansing, 2200 Moores River Dr., Lansing
- Rep. Angela Witwer (D-Delta Twp.) Fundraiser**
Location: Virtual, 6 p.m.
(Donate at <https://secure.actblue.com/donate/forschool> to receive a Zoom link.)
- July 16** **Rep. John Cherry (D-Flint) Fundraiser**
Location: 5:30 p.m., Redwood Steakhouse and Brewery, 5304 Gateway Center, Flint
- Rep. Jim Haadsma (D-Battle Creek) Fundraiser**
Virtual, 7 p.m. (RSVP at info@jimhaadsma.com.)
- July 17** **Rep. Triston Cole (R-Mancelona) Golf Outing/PAC Fundraiser**
Location: 9:30 a.m., Centennial Golf Club, 3388 West Eddy School Road, Bellaire
- Rep. Christine Greig (D-Farmington Hills) Fundraiser**
Location: 5 p.m., 21031 Eastfarm Lane Ct., Farmington Hills
- July 20** **U.S. Rep. John Moolenaar (R-Midland) Fundraiser**
Location: 9 a.m., Bucks Run Golf Course, 1559 South Chippewa, Mount Pleasant
- July 21** **Rep. Thomas Albert (R-Lowell) PAC Fundraiser**
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing
- Rep. Kevin Coleman (D-Westland) Fundraiser**
Location: 11:30 a.m., Michigan Beer and Wine Wholesalers, Lansing

July 22

Sen. Jim Ananich (D-Flint) PAC Fundraiser

Location: 4:30 p.m., Wonch Park, 4555 Okemos Road, Okemos

Rep. Greg VanWoerkom (R-Norton Shores) Fundraiser

Location: 5 p.m., Michigan Beer and Wine Wholesalers, Lansing

Senate Democratic Fund Fundraiser

Location: 5:30 p.m., Wonch Park, 4555 Okemos Road, Okemos

July 24

Rep. Julie Alexander (R-Hanover) Fundraiser

Location: 3 p.m., 400 North Mechanic Street, Jackson, 3 p.m.