

September 19, 2011

BUDGET COULD TAKE A HIT

The Department of Treasury says the FY 2012 budget could take an \$80 million or more hit if the Michigan Supreme Court rules that Governor Rick Snyder's tax plan essentially creates a graduated income tax.

During recent oral arguments the high court seemed to focus primarily on whether eliminating the personal exemption for higher-income earners and on pensions would create a graduated income tax.

The Snyder administration urged the court to take up the issue so it is not held up in costly litigation for the next several years.

GOP PLANS FALL AGENDA

As lawmakers returned to Lansing from their summer break, Governor Rick Snyder, Senate Majority Leader Randy Richardville (R-Monroe) and House Speaker Jase Bolger (R-Marshall) huddled to discuss the Governor's agenda for the fall session.

It is an agenda that includes three special messages to the Legislature: one health and wellness initiatives, a second on transportation in October and a third in November dealing with better ways to tap into workers' talents.

SNYDER: SHED THE WEIGHT

In an effort to turn Michigan into a healthier state physically, Governor Rick Snyder has unveiled several health reform measures --- some just urging citizens to take measures to improve their health and others that would require legislative action.

Governor Rick Snyder wants to create a registry that monitors the Body Mass Index (BMI) for children, potential reform of Blue Cross and Blue Shield of Michigan, change laws to require insurers to cover evidence-based therapies for autism, pursue additional Qualified Health Centers for Michigan, and grant the Department of Natural Resources (DNR) the ability to make all state-owned beaches smoke free.

Governor Rick Snyder also wants all Michigan residents to adopt a four-by-four program of health including body mass, cholesterol, blood sugar and blood pressure and healthy habits that include exercise, healthy diet, annual physical and avoiding tobacco.

HOUSE SETS AMBITIOUS AGENDA

It appears House Republicans are taking Governor Rick Snyder's mantra of "working in dog years" to heart. They have set an ambitious 10-point agenda for the fall session that includes:

- Repeal of the Personal Property Tax
- Regulatory Reform (but without specifics at this time)
- Education Reform that will likely include privatizing teacher positions and eliminating teacher tenure as well as the cap on charter schools
- Reforming school employee pensions
- Revising the medical marijuana law
- State retiree healthcare
- Partial birth abortion
- New International Trade Crossing (Detroit-Windsor Bridge)
- Right-to-Work
- Welfare reform

EDUCATION REFORM INTRODUCED IN SENATE

Senate Republicans have introduced a seven-bill package of education reform legislation that would, among other things, provide for school choice among all school districts and eliminate the charter school cap.

Senate Education Committee Chair Phil Pavlov (R-St. Clair) said the committee will hear testimony through this month on the bills (SBs 618 through 624) that incorporate the goals outlined in Governor Rick Snyder's special education message.

Dubbed the "Parent Empowerment Education Reform" package, it also includes would allow school districts to contract for instruction services, expansion of the cyber-school, provide services for non-public students, and expand the dual enrollment option for high-achieving students.

The Michigan Education Association (MEA), not surprisingly, has slammed the proposed privatization of teachers, but the Michigan Association of School Boards said as long as the privatization is not mandatory it should be an option for school districts to have.

It appears the unfettered schools of choice bill (SB 624) may face an uphill fight in the Senate Republican's own caucus. Word is that at least 14 GOP senators are in the firm "no" column and at this point don't appear to be any firm "yes" votes other than the sponsor, Senate Education Committee Chair Phil Pavlov (R-St. Clair).

However, Governor Rick Snyder says a "Right-to-Teach" measure being touted by Senate Majority Leader Randy Richardville (R-Monroe) and separate from the Education Reform package is not on his agenda.

TEACHER RETIREMENT BILL IS INTRODUCED

Legislation (SB 593) that would switch teachers' pensions to a defined contribution plan has been introduced in the Senate by Sen. Rick Jones (R-Grand Ledge). The measure was referred to the Local Government and Elections Committee, not the Education Committee. Efforts to put the teachers under the defined contribution plan at the same time state employees were moved out of defined benefit plan several years ago failed.

PUT NITC TESTIFIERS UNDER OATH?

Senate Economic Development Committee Chair Mike Kowall (R-White Lake) is conferring with legal counsel over the advisability of putting those testifying on the New International Bridge Crossing legislation under oath.

The panel, which is scheduling several more committee hearings on the legislation (SBs 410 and 411), is eyeing an October 26 vote on the bills that would clear the way for the Detroit-to-Windsor bridge.

Each of the committee meetings will be divided into one hour for those supporting the NITC and one hour for those opposed.

SNYDER SIGNS WELFARE CAP

Welfare recipients in Michigan will be limited to four-years of cash assistance as a result of Governor Rick Snyder signing into law legislation (HBs 4409 and 4410) that will more strictly enforce the state's four-year limit on cash assistance beginning Oct. 1.

However, the state will still allow exemptions for those who have a disability and are unable to work. Temporary exemptions may also be allowed for recipients who care for a disabled spouse or child, those who are 65 and older but do not qualify for Social Security benefits or those involved in domestic violence situations that involve law enforcement.

HOUSE BANS UNION DUES COLLECTION

The House, on a 55-53 vote, has passed legislation (HB 4929) that would prevent union dues from being automatically deducted from teachers' paychecks. Similar legislation (SB 0636) has been introduced in the Senate. That measure has been referred to the Senate Reforms, Restructuring and Reinvention Committee.

Another bill (HB 4588) has been introduced in the House. That legislation would apply to all public employers, not just school districts.

BRIDGE CARD BILLS PASS THE HOUSE

A four-bill package of legislation (HBs 4721 through 4724) that would restrict what recipients can use their Bridge Cards for passed the House with bi-partisan support. Included in the legislation is a ban on the use of Bridge Cards for gaining cash at casino ATMs and prohibiting the use for the purchase of lottery tickets, alcohol or tobacco products.

COURT RULES ON MEDICAL MARIJUANA

The Michigan Court of Appeals has ruled that if you qualify for a medical marijuana card, you can grow the substance for your own use, but patients cannot buy the legal grass at a pot shop or anywhere else. The ruling takes immediate effect.

The court ruled that the operation of a medical marijuana dispensary that facilitates patient-to-patient sale of marijuana constitutes a public nuisance and violates the state's public health code.

MCRI DECISION TO BE REHEARD

An earlier court decision that ruled unconstitutional Michigan's ban on affirmative action programs public institutions or racial preferences in university admissions is going to be reheard by the full 6th Circuit U.S. Court of Appeals.

In July, a three-judge Appeals Court panel issued a ruling overturning Proposal 2 of 2006. With the latest decision, the Court will review the earlier decision with an en banc hearing which means all of the 6th Circuit court judges will participate in the review.

Attorney General Bill Schuette, who filed the petition for the rehearing, said it defies common sense to say a ban on racial discrimination which Proposal 2 enshrined in the Michigan constitution, perpetuates racial discrimination.

Proposal 2, more commonly known as the Michigan Civil Rights Initiative (MCRI) was approved by a 58 percent majority of the voters in 2006.

According to Attorney General Schuette, MCRI will remain in effect until the court renders a final decision.

GOVERNOR SNYDER MAKES MPSC APPOINTMENT

Governor Rick Snyder has tapped John Quackenbush to chair the Michigan Public Service Commission (MPSC).

Mr. Quackenbush, who has worked for UBS Global Management for the past 10 years, fills a vacancy created when former Commissioner Monica Martinez, whose term expired in July, resigned from the Commission on Sept. 2.

BARRETT NAMED TO MCSC

Former Michigan State Chamber of Commerce President and CEO James Barrett has been named by Governor Rick Snyder to the Michigan Civil Service Commission (MCSC).

Mr. Barrett, who currently serves a consultant on product marketing, foundation and association management and venture formation, fills a vacancy when Andrew Abood unexpectedly resigned in August. Barrett will fill the remainder of Abood's term which expires on Dec.31, 2012.