

January 2019

LEGISLATURE ADJOURNS

After an oft-times contentious lame duck session that saw the GOP-controlled 99th Legislature pass several controversial pieces of the legislation and an all-night session, lawmakers wrapped up their work for the year and the 99th Legislature came to an end.

KAROUB ASSOCIATES LOBBYIST APPOINTED POLICY DIRECTOR FOR GOVERNOR WHITMER

Our very own Emily Laidlaw was named Policy Director for Governor Whitmer's Administration. Emily has been a key lobbyist with our firm and has been instrumental in developing Karoub's Education Practice. Prior to joining Karoub Associates, Emily was director of government relations for the Michigan Association of Intermediate School Administrators and before that position spent almost seven years on the House Democratic Policy staff. Congratulations Emily!

SNYDER SIGNS MASSIVE SUPPLEMENTAL SPENDING BILL

Governor Rick Snyder has signed a huge \$1.3 billion spending bill that includes \$69 million for the Renew Michigan Fund for hazardous waste sites, a new revenue stream (\$114 million in FY 2019 and \$143 million in FY 2020) for roads, \$19.3 million to fight PFAS and \$40 million for a new Capitol Visitor Center at the Capitol.

It also adds money to hire more child protective service workers and fight the Asian Carp threat in the Great Lakes.

The education community was quick to criticize because the supplemental shifts \$173 million from the School Aid Fund with the expectation that the increased online sales tax revenue will make up the difference.

Governor Snyder did not get the \$4.75 per ton landfill tipping fee that he had proposed.

Other measures signed into law:

- Governor Snyder signed legislation passed by the GOP-controlled Legislature that guts two initiatives that would raise the minimum wage to \$12 per hour and require employers to provide paid sick time to employees. As signed, the minimum \$12 per hour by 2022 would not reach that level until 2030. As for bartenders and wait staff that also would have seen the \$12 per hour wage increase more gradually will see their pay rise to only \$4 per hour by 2030. Initially, sick time was to accrue at a rate of one hour for every 30 hours worked or 72 hours per year. However, under Senate Bill 1175 the sick time was reduced to one hour for every 40 hours worked, or 36 hours per year. The legislation (SB 1171) also ends the future minimum wage increases being tied to increases in the consumer price index.

- A law creating a 3-member panel to oversee construction of an oil pipeline tunnel in the Straits of Mackinac. Enbridge will foot the bill for the construction of the tunnel.
- House Bill 4205 which prohibits state agency rules from being more stringent than federal regulations and House Bill 6595 that requires a petition circulator for constitutional amendments, initiatives, or referendums to indicate if he or she is paid or a volunteer and provides certain limitations on petition signatures.
- A measure requiring ballot drives to count no more than 15 percent of their voter signatures from any one of the state's 14 congressional districts.
- Laws to establish online voter registration.
- A thru F letter grades for public schools beginning in September 2019.
- Signed legislation creating an Office of School Safety and require schools to develop emergency operations plans.
- A law making cyber bullying a crime.
- Laws letting municipalities restrict the use of fireworks on more days.

As for vetoes, Governor Snyder put his pen to:

- Legislation that would allow the Legislature to have automatic standing in any legal case challenging the validity or constitutionality of legislative action.
- Bills that would have let parents surrender a newborn inside a safety box at hospital, fire station or police department.
- Measures that would have authorized online gambling and wagers on sports in Detroit casinos and the 42 tribal casinos across the state.

Governor Snyder vetoed a total of 56 bills in his final days of office.

LAST DITCH EFFORT ON NO-FAULT INSURANCE REFORM DIES

Eleventh hour efforts by Detroit developer Dan Gilbert to revive no-fault auto insurance reform went nowhere fast as they failed to make it out of the Legislature during the last day of the lame duck session.

A version of Senate Bill 1014 created three tiers of personal injury protection (PIP) coverage options with guaranteed insurance rate reductions of 40, 20 and 10 percent, allowed seniors to opt out of PIP at age 63, created a hospital fee schedule and capped family attendant care hours.

BRAKES SLAMMED ON LEGISLATION INCREASING SPEED LIMITS ON MICHIGAN ROADS.

Although the Senate passed legislation that would make all limited access expressways 75 miles per hour and all non-city highways 65 miles per hour, the House wanted no part of it.

The original House Bill 5385 outlined how city highways leading into residential neighborhoods could be posted at 25 miles per hour, but Senator Mike Nofs (R-Battle Creek) a former state trooper, wrote language into the bill that would clarify that higher speed limits apply to all expressways and highways. That is when the wheels came off the buggy in the House.

WHITMER NAMES BUDGET DIRECTOR AND TREASURER

One of Governor Gretchen Whitmer's first major tasks will be to craft a state budget for the 2019-2020 Fiscal Year that begins next October 1.

To get things rolling she has tapped Michigan Environmental Council President and former state representative Chris Kolb as her choice for Budget Director and Rachael Eubanks, currently a member of the Michigan Public Service Commission (MPSC), as Treasurer.

She has also tapped a 28-year MDOT employee, Paul Ajegba to serve as Director of the Michigan Department of Transportation (MDOT); Heidi Washington to continue to lead the Department of Corrections (DOC); Liesl Eichler Clark as Director of the Michigan Department of Environmental Quality (DEQ); Gary McDowell, Director of Michigan Department of Agriculture and Rural Development; Daniel Eichinger at the helm of the Michigan Department of Natural Resources (DNR); Col. Joseph Gasper as Director of the Michigan State Police; Brig. Gen. Paul Rogers as Director of the Department of Military and Veterans Affairs (DMVA); Orlene Hawks to head the Licensing and Regulatory Affairs (LARA); Anita Fox as Director of Insurance and Financial Services and Lisa McCormick as the Children's Ombudsman.

Governor Whitmer also announced the appointment of Tricia Foster as the Director of the Department of Technology, Management and Budget (DTMB); Stephanie Beckhorn as the Acting Director of the Department of Talent and Economic Development (TED), and Farah Hanley as acting director of the Department of Health and Human Services.

SFA TO HAVE A NEW DIRECTOR

Former Budget Office staffer Chris Harkins is replacing retiring Ellen Jeffries as the director of the Senate Fiscal Agency (SFA).

Harkins most recently was a senior policy advisor of government relations for Jackson National Life Insurance and worked in the House Policy Office and the Senate before going to the Department of Technology, Management and Budget.