

LAWMAKERS PASS NEW DPS BAILOUT BILLS

Before adjourning for summer break, the Senate passed with only minor changes the House GOP-revised Detroit Public Schools (DPS) reform package, the House concurred, and the \$617 million bailout. The Governor is expected to sign the package.

The package sends \$467 million to help pay off the school district's operating deficit and \$150 million in transition costs to create a new district.

It does not, however, include a Detroit Education Commission (DEC), rather it creates a DPS-Charter Advisory Committee to make recommendations on school needs in the city.

The legislation provides for implementation of an A-F accountability system, intervention or closure for failing traditional and charter schools, and mandatory national accreditation for any charter authorizer who opens schools in Detroit.

The measures also included increased penalties for teacher "sickouts," merit pay, the options for the school board to hire non-certified teachers to fill vacancies, as well as ending the Governor's Education Achievement Authority (EAA).

LAWMAKERS FINALIZE THE FY 2017 BUDGET

With little fanfare, the House and Senate Wednesday night put the finishing touches on the nearly \$55 billion FY 2017 state budget that includes some \$450 million in spending reductions. It now goes to Governor Rick Snyder for his scrutiny and signatures.

K-12 education will see per-pupil increases of between \$60 and \$120 per pupil. Revenue sharing to local governments was not cut. More money was put into veterans services. Additionally the Healthy Kids Dental program was extended to all 83 Michigan counties. In the Department of Corrections (DOC), the Pugsley Correctional Facility in Grand Traverse County is being closed for a savings of \$27 million.

Both budget bills (HB 5294) and (SB 801) passed the House and the Senate on largely partisan votes, largely due to the last-minute cuts made necessary by falling state revenues.

SNYDER SETS UP ANOTHER COMMISSION

Governor Rick Snyder signed an executive order creating the "Building the 21st Century Economy Commission" – the last of the commissions he proposed in his 2016 State of the State address.

The 23-member commission is charged with "creating a comprehensive vision for the state's economic future" and will set goals and establish metrics to measure the state's economic success, identify potential for new industry growth, develop strategies to support existing industry and make recommendations that will distinguish the state as a center for innovation.

A report of the commission's findings and recommendations is expected by June 30, 2017.

LEGISLATURE REPEALS INSURANCE TAX CREDIT

An \$80 million mistake written in 2012 legislation to eliminate the annual tax credit for insurance companies in the FY 2017 budget has been repealed by the Legislature.

Governor Rick Snyder is expected to sign the legislation because his proposed budget included the presumption that the credit would be eliminated.

CAP ON UNASSIGNED AUTO INSURANCE CLAIMS PASSES IN SENATE, STALLS IN THE HOUSE

The auto insurance industry would see savings if a \$275,000 cap on unassigned claims from uninsured motorists included in House Bill 4724 passed by the Senate becomes law.

The House opted not to take up similar legislation (HB 5654) earlier and declined to concur in the changes the Senate made to HB 4224 out of concerns that it limited victims' access to coverage and resembled a type of "mini-no fault insurance reform."

AFTERMARKET AUTO PARTS BILL GETS THE VETO PEN

Governor Rick Snyder has vetoed legislation (HB 4344) that would have required auto mechanics to use original manufacturer parts when replacing safety components on vehicles.

In a press release Snyder said the bill would have "negatively affected market competition and driven up consumer costs for replacement parts on motor vehicles."

STATE UNEMPLOYMENT RATE IS LOWEST IN FIFTEEN YEARS

Michigan's unemployment rate dropped to 4.7 percent in May – the lowest figure since March 2001 and matches the national average, according to the Department of Technology, Management & Budget.

In addition, the number of unemployed Michigan workers stood at 227,000 in May, the lowest level since December 2000.

Michigan's unemployment rate a year ago May was 5.5 percent.

SCHUETTE RECALL PETITION IS APPROVED

The State Board of Canvassers (BSC) has approved the language for the recall petition against Attorney General Bill Schuette, filed by Calvin Hodges.

The recall complaint by Hodges is that Schuette appointed attorney Todd Flood to lead the AG's investigation of the Flint water crisis.

Supporters of the recall have 60 days to collect 789,133 valid signatures to get the petition on the ballot.

MARIJUANA LEGALIZATION GROUP GOES TO COURT

MiLegalize, a ballot committee led by Jeffrey Hank, has filed suit against the state in the Court of Claims in an attempt to get all of its signatures counted and the ballot question put before voters in November.

The action was taken after the Board of State Canvassers formally rejected the group's petitions. A staff report found the group did not submit enough valid signatures collected within 180 days, and attempts to rebut older signatures fell short of the state's policy.

LEGISLATURE IS ON SUMMER RECESS

Lawmakers adjourned on June 9 and are scheduled to begin the fall session following Labor Day. The Senate is scheduled to return on September 6, the House on September 7.

Both chambers have scheduled one session day in July and August.

HERTEL SAYS NO

Key Democrats have gotten the word from Senator Curtis Hertel, Jr. (D-Meridian Twp.) that he has no interest in running for the 8th Congressional District seat to replace Melissa Gilbert who is no longer campaigning for the post due to health issues.

Senator Hertel said it was simply "not the right time" for him personally.