

July 2020

AGREEMENT REACHED ON PLUGGING CURRENT YEAR BUDGET DEFICIT

In a rare display of bipartisan cooperation, the Legislature has approved measures designed to resolve a \$2.2 billion hole in the state's current budget using mostly federal money, \$350 million from the Rainy Day Fund, fund shifts, and \$483 million in hard cuts.

The deal was heralded by Budget Director Chris Kolb, Republican leadership, and the Democratic minority leadership as a bipartisan agreement hammered out over long hours of negotiations.

Once it reaches her desk, Governor Gretchen Whitmer will sign the two legislative measures (HB 5265 and SB 373).

The roughly \$1.3 billion in federal money is being used to replace cuts in Department of Corrections programming and Michigan State Police posts. Additionally, \$175 per-pupil cut to K-2 schools, an 11% cut to state universities and community colleges, cuts to revenue sharing to cities, and \$125 million in other assorted General Fund reductions, as well as adding \$150 million in additional Medicaid match.

The \$483 million in hard cuts include the School Aid Fund, the Judiciary, temporary layoffs, hiring freeze, and freezing discretionary spending.

About \$13 million that would have gone to fixing the roads and another \$13 million for economic development in the transportation budget will not be spent.

MASK UP MICHIGAN

With COVID-19 spiking and now at the highest level since May, Governor Gretchen Whitmer has issued her two newest executive orders.

The first requires people to wear masks in crowded outdoor spaces, and businesses open to the public are required to refuse entry or service for people who refuse to wear masks.

The second order clarifies that businesses may not assume that an unmasked customer cannot medically tolerate a face covering, though they can accept a customer's verbal representation to that effect. It also requires public safety officers to wear a face covering unless doing so would seriously interfere in the performance of their responsibilities, and clarifies that wearing a mask at a polling place for purposes of voting in an election is not required, but strongly suggested.

There are exceptions to the initial order: no penalty when engaging in worshiping at a house of worship, interfering with exercising, or receiving a service requiring temporary removal of the mask.

A willful violation is a misdemeanor subject to a \$500 criminal penalty, but no term of confinement may be imposed.

The Governor also has extended the State of Emergency Order that was expire on July 12 until August 11.

House Speaker Lee Chatfield (R-Levering) and Senate Majority Leader Mike Shirkey (R-Clarklake) are urging resident to wear masks.

HOUSE PASSES IMMUNITY BILL, GOVERNOR OBJECTS

Legislation, SB 899, that would give the medical community broad immunity protection against potential legal suits dealing with COVID-19 treatment passed the House last night.

The bill would shield hospitals and doctors from all COVID-19 treatment legal suits as long as the cases aren't examples of gross negligence, criminal misconduct or intentional infliction of harm.

However, Governor Gretchen Whitmer and legislative Democrats believe the protections go too far.

GOVERNOR WHITMER CREATES NURSING HOME TASK FORCE

Gov. Gretchen Whitmer has created a nursing home task force to recommend how COVID-19 patients should be treated at these facilities in case a second wave of the virus should occur.

The Michigan Nursing Homes COVID-19 Preparedness Task Force will include a Republican and Democratic House member and Senators who the Governor will appoint.

In addition to the Department of Health and Human Services and Licensing and Regulatory Affairs officials, the task force will have 12 people with “personal or professional interest” in nursing home residents or its workers.

The task force will have until August 31st to present its recommendations.

BALLOT COMMITTEE FORMED TO REPEAL EMERGENCY POWER LAW

Calling itself Unlock Michigan, a ballot committee is seeking to repeal a disputed 1945 law that gives the Governor emergency powers by sending a proposal to the Legislature for a vote before the end of the year.

The law in question is one that doesn’t require legislative approval for Governor to extend a previously declared state of emergency.

The initiated petition requires 340,047 valid signatures for its approval so it can become law.

STATE BOARD OF CANVASSERS GIVES OKAY FOR PROPOSAL TO REPEAL ’45 GOVERNOR POWERS ACT TO MOVE FORWARD

The State Board of Canvassers (SBC) has okayed petition and summary language for a petition seeking to overturn the 1945 gubernatorial emergency powers act invoked in part by Governor Gretchen Whitmer during the COVID-19 crisis.

Governor Whitmer has cited the law in continuing the emergency act tied to COVID-19 which has given her the power to issue executive orders related to the pandemic. The Legislature is challenging the Governor’s authority to do so in a lawsuit.

Meanwhile, a group politically-led by former-Congressman Joe Schwarz is asking the Michigan Court of Appeals to order the Board of State Canvassers to call back the petition drive to repeal the 1945 Riot Act.

The group, called Keep Michigan Safe, claims the Board of State Canvassars did not provide proper notice that it was going to vote on Unlock Michigan’s petition at its July 6 meeting.

It also claims that Unlock Michigan’s amended petition, which was approved by the Board, was not properly disclosed to the public.

CSC SAYS STATE WORKERS MUST RE-UP ANNUALLY WITH UNION

A measure requiring state workers who are union members to reauthorize membership annually has been adopted by the Michigan Civil Service Commission (CSC).

Under the proposal, employees will provide yearly authorization for the deduction of dues and fees. Based on an individual's wages, these participation costs can vary from \$400 to \$2,000 annually.

The United Auto Workers Union (UAW) and others said the reauthorization requirement will violate their association's collective bargaining agreement and will interfere with fundamental rights.

ENBRIDGE'S TUNNEL REQUEST IS BLOCKED...FOR NOW

The Michigan Public Service Commission (MPSC) has ruled that Enbridge does not already have the authority to construct its Line 5 underground tunnel.

The result of the ruling is that the company will have to formally apply to the commission and go through the contested case process which means that Enbridge's approval for the underground tunnel may not be answered for at least several more months.

RIGHT TO LIFE GIVES UP ON PETITION DRIVE

Right to Life (RTL) has ended its petition drive to criminalize what they refer to as "dismemberment" abortion after the Bureau of Elections determined the needed 340,047 valid signatures weren't there to move the proposal to the Legislature

RTL issued a statement that it will not challenge the board's recommendation.

SCRIPPS TO CHAIR THE MPSC

Starting July 27, Dan Scripps will move up to chairman of the Michigan Public Service Commission (MPSC) to succeed Sally Talberg, who is staying on the three-person regulatory body for now.

Talberg is resigning her position as chair as she is being considered to serve on the board of directors of the Electric Reliability Council of Texas, which manages' that state's electric grid.

KAROUB ASSOCIATES ANNOUNCES THREE NEW PARTNERS

Karoub Associates is both pleased and honored to announce the addition of three new partners to our growing firm. Most of our valued clients are familiar with the exceptional work ethic, integrity, and results these three bring to you day-in and day-out. Tabitha Zimny, Matt Breslin, and Matt Kurta have a combined 38 years' experience at Karoub Associates and they represent the next generation of leadership for not only this firm, but for the legislative consulting industry in general. Please join us in congratulating Tabitha, Matt, and Matt.