



December 2020

LAWMAKERS PASS \$467 MILLION PANDEMIC SPENDING BILL, GOVERNOR SIGNS \$106 MILLION WORTH INTO LAW

Senate Bill 748 was slated to put \$220 million into the state's unemployment insurance trust fund from the General Fund to prevent businesses from potentially needing to pay an extra fee to keep the fund afloat and to cover the temporary expansion of unemployment benefits from 20 weeks to 26 weeks for laid off workers from January 1 through April 1, 2021.

The supplement includes a \$45 million program that will give workers laid off at restaurants, entertainment venues and places of gatherings due to the last round of government-mandated shutdowns a \$1,650 check from the Michigan Treasury.

Small businesses shut down due to pandemic restrictions can take advantage of \$63.5 million in "survival grants" through the Michigan Economic Development Corporation (MEDC); maximum grant amounts up to \$20,000 for individual businesses.

Another \$79.1 million is going to expand virus testing and vaccine distribution. Hospitals are getting an additional \$10 million to hire temporary staff and \$3.3 million to house Covid-positive nursing home residents.

Teachers for Great Start Readiness, Head Start, special education and adult education programs have a chance at \$500 grants through another \$2.5 million put in the bill.

During the Governor's press conference regarding the supplemental, she stated she vetoed only the portions "Republicans did not negotiate beforehand" with her office. Some of the items vetoed include various capital outlay projects, and language that would allow certain hazardous wastes to be transported across the Ambassador Bridge. The largest line-item veto from the Governor was the \$220 million for the Unemployment Insurance Trust Fund; the Governor stated, "to be very clear, this

will not impact individual workers,” Whitmer said of the Trust Fund veto. “General Fund dollars have got to be used to fund essential services, like vaccines and PPE not to give tax breaks to big businesses right now.” There are differences of opinion on the potential impact of the Governor’s veto, but she justified the move by pointing to the federal stimulus approved by President Donald Trump on Sunday, Dec. 27. The impact to the Unemployment Insurance Trust Fund would be mitigated by the federal stimulus providing all unemployment recipients with an additional \$300 per week.

SCHOOLS, ENTERTAINMENT VENUES TO REOPEN UNDER NEW STATE ORDER

In-person instruction at high schools can resume and movie theaters, casinos and other entertainment venues can reopen under new orders issued by the Whitmer Administration.

Universities and community colleges can let students return to campus next month but are urged to wait until January 18 to start face-to-face classes.

Indoor and outdoor sports remain closed unless there is rigorous testing. Entertainment businesses that reopen must close drink and food concessions.

Indoor restaurant dining will continue to be barred under the new state department order.

The new orders follow a decline in coronavirus cases. Restrictions began on December 21, 2020 and will last through January 15, 2021.

SENATE BLESSES ALLOWING COLLEGE ATHLETES TO DO SPONSOR DEALS

On votes of 35-3 on each of two bills, the Senate passed legislation that would allow college athletes in Michigan to earn some money through endorsements, sponsorships, and similar arrangements.

The measures do not allow athletes to enter into contracts until 2023.

Both bills received earlier support in the House this year so the measures head to the Governor for final approval.

WHITMER DELAYS BUSINESS TAXES

Governor Gretchen Whitmer has delayed the payment of some business taxes for many restaurants, movie theaters, bowling alleys and other venues currently not allowed to operate at full, or any capacity, due to Covid-19 restrictions.

GOVERNOR CREATES NEW BIPARTISAN VACCINE COMMISSION

A new 50-member Protect Michigan Commission is being created within the Department of Health and Human Services (DHHS) whose focus will be to raise awareness about vaccine safety and efficacy.

The Commission will be chaired by Lieutenant Governor Garlin Gilchrist II, former Lieutenant Governor Brian Calley; Dr. Joneigh Khaldun, State Chief Medical Executive; Blake Griffin of the Detroit Pistons, and Dr. Mona Hanna-Attisha, a Flint pediatrician.

LAWMAKERS HALT WATER SHUTOFFS

Governor Gretchen Whitmer has been sent Senate Bill 241, introduced by Senator Stephanie Chang (D-Detroit), that would halt residential water shutoffs for nonpayment through the end of next March and restore water service at many locations where service has been turned off.

The legislation puts the force of state law behind a moratorium already in place in Detroit and extends the statewide moratorium that had been scheduled to expire December 31.

VIRTUAL MEETINGS EXTENDED THROUGH END OF MARCH

The Legislature voted to extend the ability for local boards to meet remotely through March 31, 2021. Senate Bill 1246, introduced by Senator Lana Theis (R-Brighton), initially included some language that left some confusion for counties with Executive leadership; changes were made once the bill was sent to the House to resolve the issue. The Senate concurred in the House changes and the bill was signed by the Governor on December 23, 2020.

INTER-SESSION RULES COMMITTEE TO BE CREATED

The Senate and House passed resolution SCR 36 introduced by Senator John Bizon (R-Battle Creek), which allows the Legislature to create the Joint Committee on

Inter-Session Rules and Regulations, which would act as a watchdog for the time between when the 100th session of the Legislature adjourns later this month and when the 101st session of the Legislature starts the second Wednesday in January, with the goal being to eliminate any blind spots on the calendar that would allow the Department of Health and Human Services to propose new requirements the Legislature may want to hold up.

The committee would consist of two Republican Senators and one Democratic Senator, and two Republican House members and one Democratic House member.

According to attorney Steve Liedel of Dykema, the committee's creation does create constitutional issues as Article IV, Section 37 of the state Constitution allows for a joint committee to oversee administrative rules in between sessions. He indicated that there is technically no Legislature in the state of Michigan during the first 12 days of January so there can't be a committee consisting of Legislators who haven't begun their session yet.

SEX OFFENDER CHANGES GO TO THE GOVERNOR

Despite objections from Democrats and the American Civil Liberties Union of Michigan (ACLU), HB 5679 is going to Governor Gretchen Whitmer that would scale back some of the requirements of Michigan's Sex Offender Registry Act (SORA). The bill came in response to judicial orders that certain elements like bans on sex offenders living or working too close to a school and the reporting of e-mail address changes and social media usernames were too punitive.

Michigan was expected to make adjustments to the act after a 2016 ruling, *Joe Doe v. Richard Snyder* by the U.S. Circuit Court of Appeals by using SORA, which made way into a permanent injunction banning the state from using its SORA on those who committed their offenses before 2011.

LAWMAKERS TAP INTO FLINT WATER SETTLEMENT

Legislators have completed a plan to borrow \$600 million to finance the state's proposed settlement with the residents of Flint. It would authorize a loan from a state economic development fund, costing \$1 billion to repay over 30 years at \$35 million annually. The legislation will be signed by Governor Gretchen Whitmer.

DECRIMINALIZATION BILL SAILS THROUGH THE SENATE

The Senate passed a series of bills, HBs 5844, 5854-5857, that would eliminate license suspensions for Michiganders who failed to pay legal fines and fees for missed court appearances.

The legislation gives a judge discretion over mandatory minimum sentencing for nonviolent crimes, such as missing a court date or driving on a suspended license.

Many of the bills were part of the “Smarter on Crime, Better for Communities” package of recommendations made by the Michigan Joint Task Force on Jail and Pretrial Incarceration.

CONSUMERS ENERGY GETS \$100 MILLION RATE HIKE

Consumers Energy residential customers will be paying about \$9 more per month starting in January under a \$100 million hike approved by the Michigan Public Service Commission (MPSC).

The increase amounts to nearly 12% after other allowed adjustments are factored in, the Commission said.

The hike is 39% of what the utility requested and will be used to fund upgrades to its distribution system and to meet its clean energy goals by retiring coal-fired plants.

FIVE MEN PLEAD NOT GUILTY TO CHARGES OF CONSPIRING TO KIDNAP WHITMER

Federal prosecutors say they have a large volume of evidence ranging from interviews with FBI agents, secret recordings, text messages and chat room exchanges to audio and video sent through social media in addition to drug paraphernalia and firearms seized via search warrants.

Despite all of that the grand jury did not add any new charges against the men. The five were arraigned last week on one count each of conspiracy to commit kidnapping, which carries a sentence of up to life in prison. Each defendant pleaded not guilty.

A sixth man was also indicted but was not arraigned.

HOUSE CONCURS WITH SENATE ON DATA BREACH REQUIREMENT

With the House concurring with Senate changes to HB 4186 and HB 4187, if signed into law by Governor Gretchen Whitmer, businesses will have 45 days to notify customers about a data breach that exposes personal information.

The measures were a reintroduction of bills proposed last term, but ran out of time during lame duck.

DETROIT CFO TO BE NEW BUDGET DIRECTOR

Dave Massaron, Chief Financial Officer for the City of Detroit, has been appointed by Governor Gretchen Whitmer to serve as the state's new budget director.

His appointment comes just days after Budget Director Chris Kolb announced he was leaving to take a five-year appointment as Vice President of Government Relations at the University of Michigan.

CIARAMITARO APPOINTED TO MICHIGAN CIVIL SERVICE COMMISSION

Former AFSME Council 25 director of legislation and policy, Nick Ciaramitaro, has been appointed by Governor Gretchen Whitmer to the Michigan Civil Service Commission (MCSC), replacing James Barrett, former Michigan Chamber of Commerce executive, to a term that will extend to December 1, 2028.

RESTAURANTS ALLOWED TO ACCEPT FOOD STAMPS

Governor Whitmer's Restaurant Meal Program will give eligible food stamp recipients the opportunity to use their benefits to purchase restaurant meals; MDHHS is opening the program for restaurants to enroll.

Among those eligible include people over the age of 60, people with a disability (including those who receive Social Security or other disability program benefits), and people experiencing homelessness.

WHITMER PICKS ENGINEER FOR MPSC

Governor Gretchen Whitmer has appointed Katherine Peretick, an engineer, to a spot on the Michigan Public Service Commission (MPSC). She is the replacement to Sally Talberg, who is leaving her term early to join the board of directors of the

Electric Reliability Council of Texas. Peretick currently serves as the director of engineering for NRStor Inc., an energy storage product developer.

NEXT CREC MEETING IS SET

The next Consensus Revenue Estimating Conference is set to take place virtually at 9am on Friday, January 15.