

June 2017

## **MPSERS IS MOVING**

The Senate Education Committee and House Education Reform Committee, on close votes, have sent to their respective chambers legislation (SB 0401) and (HB 4647) that will reform the Michigan Public Schools Employment Retirement System (MPSERS).

The action came quickly last week as Gov. Rick Snyder and the Republican leadership, who had been at odds over the issue, struck a deal.

Under the new plan, future teachers would have a choice of the same 401(k) package offered to state employees or a likely more expensive pension option.

In short, the plan would:

--Give all new teachers the option of a defined contribution retirement plan 401(k) that would include employees kicking in as much as 3 percent of their pay while the state would contribute up to 7 percent of an employees' salary. This would allow teachers who selected the 401(k) option between 2012 to the present day, to select the new defined contribution plan.

--Creates a new define benefit or pension option with a new set of assumptions – a 6 percent rate of return rather than the current 7.5 percent.

--Mandates a defined benefit plan that will have a 50/50 cost sharing option between employee and employer if the fund dips below 10 percent.

--Requires the hybrid pension fund be funded at 85 percent or above for two straight years on a rolling average. If not, the Legislature will have 12 months to determine whether it should be closed. However, according to the Speaker's office, the Legislature cannot purposely sabotage the fund.

The plan is clearly designed to encourage more future traditional public K-12 employees, including community college and some university employees, into the 401(k) defined contribution benefit.

## **MORE WARRANTS ISSUED IN FLINT WATER CRISIS**

More charges have been leveled and warrants issued due to the ongoing investigation of the Flint water crisis by Attorney General Bill Schuette.

Michigan Health and Human Services (MHHS) Director Nick Lyons faces a 15-year felony charge of involuntary manslaughter as well as misconduct in office stemming from the death of a Flint resident who died in December of 2015 an outbreak of Legionnaires' Disease.

Eden Wells, chief medical executive, was charged with obstruction of justice. The charge is rooted in her knowingly providing false testimony to a Special Agent. She was also charged with lying to peace officer.

Involuntary manslaughter charges were also filed against former Emergency Manager, Darnell Early, former city of Flint Water Department Manager Howard Croft, and DEQ's former drinking water chief, Liane Shekter-Smith, and former DEQ official, Stephen Burch.

Schuette has called for Lyon and Wells to resign. However, Gov. Rick Snyder is standing in support of the two.

In a statement, Snyder said they have his "full faith and confidence" and remain "on duty, calling Lyon a strong leader" and both Lyon and Wells "have been and continue to be instrumental in Flint's recovery."

#### **BUREAU OF ELECTIONS: CALLEY PTL PETITION FORM IS O.K.**

After having some concerns, the state Bureau of Elections is now "satisfied" that Lt. Gov. Brian Calley's part-time legislature petition meets the "technical requirements" in state law. The language now goes to the Board of State Canvassers.

Calley has launched a petition drive in support of a Constitutional amendment that would limit lawmakers meeting only 90 consecutive days a year unless called into special session by the Governor and would be paid per session day the average daily salary of a teacher.

According to Michigan's Center of Educational Performance and Information (CEPI), that would amount to about \$30,937 a year.

However, the proposal does not address the state's 1992 voter-approved term-limit law. Calley said others could address that issue if they choose.

#### **ANTI-FEMALE MUTILATION LEGISLATURE CLEARS BOTH CHAMBERS**

Twelve bills (SBs 0338 0367 thru 0369) and (HBs 4636 thru 4638) designed to punish those have a role in the practice of surgically messing with a girl's genitals unless medically necessary, come just two months after a Michigan emergency room doctor was arrested and charged in connection with performing a clitoridectomy on young girls.

According to Rep. Klint Kesto (R-Commerce Twp.), chair of the House Law and Justice Committee, the legislative package deals with child custody, licensure, actual crime and prosecution and with the sentencing of that crime.

## **DEMS: GOOD JOBS BILLS NOT SO GOOD**

House Minority Leader Sam Singh (D-East Lansing) says his caucus and a number of concerns with the so-called “Good Jobs for Michigan” legislation (SBs 0242 thru 0244) that would provide additional tax credits for businesses.

The concerns are rather surprising in that the package drew strong support from Democrats when it was approved by the Senate on March 29.

Singh said he wants to see the business community pay for the tax cuts and currently doesn’t see that happening.

The Good Jobs bills allow businesses that expand or add a new location to capture 50 or 100 percent of their new employees’ income tax withholdings for up to 10 years, if the jobs come with high enough salaries.

## **NO NO-FAULT MOVEMENT LIKELY UNTIL FALL**

Detroit Mayor, Mike Duggan, is “really optimistic” that he and House Speaker, Tom Leonard (R-DeWitt), will push a no-fault reform package that will impact the entire state.

But Mayor Duggan, who has been on this issue for more than two years, said that he and Speaker Leonard are hammering out details with the hope of having it done this summer in time for movement after Labor Day.

## **CONSTITUTIONAL CARRY – OR – PERMIT-LESS CARRY?**

No longer will gun-owners need a special license to carry a concealed firearm under legislation dubbed by supporters as “constitutional carry” and by opponents as “permit-less carry” under legislation (HBs 4416 thru 4419) that has cleared the House.

Current law requires Michigan residents to take eight hours of training, firing at least 30 rounds on a range, before they apply for a concealed pistol license (CPL). Removing the requirement to get a CPL to carry concealed also eliminates the requirement for training.

## **HERE COMES THE JUDGE**

Under legislation being brought back by Rep. Robert Wittenberg (D-Oak Park), police and family members who believe someone poses an “extreme risk” to themselves or others can go through a judge to get that person’s guns taken away for up to a year.

Under the measure, police would need to bring evidence for such an order to a judge before an “Extreme Risk” order could be issued. The court would have to consider testimony, documents and other evidence in support of the request.

### **MiTHRIVE PACKAGE SIGNED INTO LAW**

The MiThrive legislation (SBs 0111 thru 0115) that would allow developers to capture the income taxes and receive exemptions on sales and use taxes generated from certain developments on brownfield properties has been signed into law by Gov. Rick Snyder.

There was some hesitation to pass the bills, given the House's failure to pass an income tax cut, but in the end the bill package passed both chambers rather easily.

### **DEMS WANT MORE ENERGY FROM RENEWABLE SOURCES**

Three Senate Democrats and Representative from the House are readying legislation that would require Michigan to generate 50 percent of its electricity from renewable sources by 2035.

Legislation that was passed just last December sets the requirement at 20 percent by 2021.

The soon to be introduced legislation would also raise the energy efficiency standard to a 2 percent energy savings per year beginning in 2022.