



## Prepared for the Fire Service Clients of Kelley Cawthorne

### **Legislative Update for April 8<sup>th</sup> – April 12<sup>th</sup>**

After a Court of Claims judge issued a temporary restraining order preventing the Bureau of Marijuana Regulation from shutting down approximately 50 unlicensed provisioning centers across the state, Rep. Jim Lilly (R-Park Twp.) introduced legislation that would make marijuana facilities operating without a license after June 1 ineligible for licensure for at least a year. The legislation has moved quickly and was reported out of the House Government Operations Committee on Wednesday. It could come up for a vote on the House floor as early as next week.

Both chambers continued work on “raise the age” legislation this week, with plans to move bills out of both chambers next week. The respective bill packages would end the state’s current practice of automatically charging 17-year-olds as adults. Conversations regarding how to fund the change, which would fall on counties if not addressed by the state, were ongoing this week, with several options proposed. The first option would have the state pay 100 percent of costs, while the second option would have the state pay 68% of the cost to provide juvenile justice services under the Child Care Fund.

Gov. Gretchen Whitmer stated this week that her administration is developing a policy to address how the state will pay for the growing legal costs associated with defending state officials involved in the Flint Water Crisis. While she indicated that the state would need to continue to pay some future costs associated with litigation and she wants to support her employees, she also wants to find ways to limit costs, particularly among calls to cut funding for the defense of emergency managers and other appointees from the Snyder administration.

HB 4268, sponsored by Rep. Beth Griffin (R-Mattawan), received its first committee hearing this week. The legislation would exempt new broadband equipment in rural, under-served areas from the personal property tax. The bill received some opposition from local governments, who expressed concerns that they would see decreased revenues.

The Senate Natural Resources Committee heard testimony this week on legislation that would remove the ban on baiting and feeding deer in the Lower Peninsula. SB 37, sponsored by Sen. Curt VanderWall (R-Ludington), received support from small businesses who argue that the ban will impact their businesses by creating a decline in the amount of hunters. State officials opposed the legislation, citing scientific data that the bill could aid the spread of Chronic Wasting Disease.

The ongoing debate regarding whether the state should allow schools to begin classes before Labor Day resumed this week. House Education Committee Chair Pam Hornberger (R-Chesterfield Twp.) expressed support for HB 4369 during a hearing on the measure, which is



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### **Miscellaneous**

Rep. Brixie is planning to introduce two bills, one dealing with safe haven and the other funding for local governments.

I've attached the digital version of the main bill for the Safe Haven Package (formerly referred to as "Baby Boxes") that Reps. Bronna Kahle, Julie Brixie, Daire Rendon and Brenda Carter are working on together. The legislation is permissive, meaning each fire department and local unit would be able to choose if they would like to install a newborn safety device to allow parents to anonymously surrender their child.

This legislation would only require fire stations that are staffed 24/7 to be included. Fire stations are currently one of three locations (police and fire stations, and hospitals) where a parent may voluntarily surrender their child under state law, so it makes sense to include them in this legislation. Current law requires you to surrender directly to a staff member at one of these locations, this legislation would allow for anonymous surrender via a device that auto locked and dials 911. There are numerous safety precautions in the bill and this is legislation that many other states have adopted.

The second piece of legislation would establish the "Raise Up Local Grant Program" that would match special millages (or bonds) levied by counties, cities, townships and villages dedicated toward four purposes:

1. Roads and bridges
2. Water and sewer systems
3. Police, fire and EMS
4. Pension and OPEB plans/unfunded liabilities

Under this program, communities can levy up to four different special millages (or bonds) that are approved by voters after the date of enactment of the legislation to qualify for state matching funds, in accordance with the special millage purposes outlined above.

Eligible local units include those that have taxable value below the statewide average per capita on the local unit's fiscal year basis. The population of each local unit would be based on the most recent estimates provided by the United States Census Bureau and the annual taxable value as reported by the local unit.

The program would match these special millages levied by qualifying local units as follows:

- The first 1.0 mill – 100% up to the statewide average in taxable value per capita



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- The next 0.5 mill – 50% up to the statewide average in taxable value per capita
- The next 0.5 mill – 25% up to the statewide average in taxable value per capita

If a community levies 1 mill, their taxable value per capita will be raised to 100% of the statewide average through state match grants.

If a community levies 1.5 mills, their taxable value per capita will be raised to 83.33% of the statewide average through state match grants.

If a community levies the full 2 mills, their taxable value per capita will be raised to 68.75% of the statewide average through state match grants.

The intent is to dedicate Income Tax revenue that draws from the General Fund's revenue stream to a newly created restricted fund known as the "Local Raise Up Grant Program Fund" to fund the program. We currently estimate that the program would cost approximately \$220-\$250 million annually if every eligible local unit levied the full 2 mills. Unused grant funds would lapse into the General Fund prior to the executive recommendation. The fiscal impact for eligible counties at full participation is \$127.5 million (see attached data set). LSB Research is aggregating the data we need to determine the fiscal impact for cities, townships and villages.

Additional details and examples of the program's impact are outlined in the attached document.

### **STATE BUDGET:**

The state budget is currently being discussed by the legislature. We are working to restore funding to the First Responders Presumed Coverage Fund. Currently, there is no additional funding other than what is currently left in the fund, \$2.1M.

There is little expectation that the budget will be completed before summer as the legislative Republicans differ with Governor Whitmer on how to fix the roads. The Governor's budget is predicated on \$2.5B in new revenue which will help to fix the roads and increase education funding. The Republicans would like to separate the issue of road funding from the budget.

### Upcoming Committees:

No Committees posted at this time.

### Upcoming Events:

Fire Services Coalition Meeting



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April 29<sup>th</sup>

Kelley Cawthorne offices

1:00 PM

Fire OPS 101

May 20<sup>th</sup>

LCC Fire Academy

10 am – 2 pm

### **Bill Introductions:**

[HB 4426 of 2019](#)

Higher education; financial aid; tuition assistance benefits for certain survivors of Michigan police officers and Michigan fire fighters killed in the line of duty; modify. Amends secs. 2 & 3 of 1996 PA 195 (MCL 390.1242 & 390.1243).

[HB 4427 of 2019](#)

Criminal procedure; other; violation of tampering with utility shut-off procedures; decriminalize under certain circumstances. Amends title & secs. 282 & 383a of 1931 PA 328 (MCL 750.282 & 750.383a).

[HB 4428 of 2019](#)

Criminal procedure; sentencing guidelines; sentencing guidelines for tampering with utility shutoff to residence; amend to reflect decriminalization of certain acts. Amends secs. 16o & 16s, ch. XVII of 1927 PA 175 (MCL 777.16o & 777.16s). TIE BAR WITH: HB 4427'19

[HB 4446 of 2019](#)

Campaign finance; contributions and expenditures; campaign fund deposits; clarify source of, and limit certain payments of costs by connected organizations. Amends secs. 5, 9, 12, 21, 24, 34, 41, 51, 54 & 55 of 1976 PA 388 (MCL 169.205 et seq.).

[SB 0259 of 2019](#)

State; other; reimbursement to local government for additional liability or debt incurred by an emergency manager; provide for. Amends sec. 32 of 2012 PA 436 (MCL 141.1572).

[SB 0260 of 2019](#)

Local government; other; authority of emergency managers to sell or transfer assets of a local government; modify. Amends secs.



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12, 14, 15 & 19 of 2012 PA 436 (MCL 141.1552 et seq.) & adds secs. 12a & 14a.

[SB 0261 of 2019](#)

Environmental protection; landfills; civil, administrative, and criminal fines; increase. Amends secs. 5529, 5530, 5531, 11546 & 11549 of 1994 PA 451 (MCL 324.5529 et seq.).

### **Bill Activity:**

**PASSED, ENROLLED or ADOPTED By the CHAMBER**

No activity at this time.

### **Articles of Interest**

#### **MIRS March 26**

##### **Still 'Too Early' For Whitmer To Weigh In On Internet Gaming**

When Democrats last week tried to double the tax on a proposed legalized internet gaming bill from 8 to 16 percent, it signaled an interest in the Gov. Gretchen [WHITMER](#) administration to squeeze more state revenue out of the expanding gaming bill.

The suggested boost from Rep. Alex [GARZA](#) (D-Taylor) failed, but the Governor is still watching the proceedings before she commits to signing the measure (See ["Whitmer Administration Holding Back Support On Gaming Expansion,"](#) 3/19/19).

Quizzed on that during a brief scrum before addressing the Lansing Economic Club, Whitmer was queried on what bothered her about the betting expansion?

"I don't have a problem per se with the sports betting bill," which sponsor Rep. Brandt [IDEN](#) (R-Oshtemo Twp.) will be relieved to read. "But we are still in early conversations about what it should look like."

She recounted that former Gov. Rick [SNYDER](#) nixed the package and she said, "I want to make sure see have a well-thought-out bill that merits my signature."

*MIRS* wanted to know if she, indeed, wanted more money "for you" out of the legislation?

She chuckled adding, "You'll see how tight our budget is, which is maybe why you are asking that question?"



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### *Ananich Proposes Authorizing Office Pools*

How is your NCAA bracket doing? If you put a little money into your office pool, it's technically against state law, something Senate Minority Leader Jim [ANANICH](#) (D-Flint) wants to change.

His 🐾 [SB 0249](#) introduced last week would make it legal for small pools of less than 100 people betting \$25 or less to fill out brackets, pick numbers on a Super Bowl squares board or any other type of small-time sports betting pool with friends and colleagues.

"It's Michigan's worst-kept secret, especially this time of year," Ananich said. "Groups of friends, family members, coworkers and bar buddies have been putting money on their March Madness brackets for years, and my legislation simply states that they are in good legal standing to go ahead and place their bets."

The bill was referred to the Regulatory Reform Committee.

## **MIRS March 29**

### **Ambulances Sounds The Alarm On Low EMT Wages**

Emergency medical technicians (EMTs) are paid slightly better than a McDonald's burger flipper, and it's chasing young medical professionals out of the business. It's causing staffing shortages across the state and could end up increasing ambulance response times, a Macomb County ambulance official told a Senate committee this month.

With EMTs averaging \$32,000 a year or \$15.56 an hour, many of the state's 250 ambulance providers are struggling to retain quality staff, testified Jeffrey **WHITE**, the chief of emergency medical services for Richmond and Lenox townships. That \$32,000 figure includes overtime. Many EMTs work 48-hour or 60-hour work weeks.

"Especially in our rural areas, the safety net that we all sleep under every night has many holes in it," White told the Senate Department of Health and Human Services Appropriations Subcommittee. "We simply cannot find enough paramedics and EMTs to staff our ambulances and to respond to our 911 calls. The reason has been the amount we're able to pay or unable to pay to our staff."

At White's 48-employee shop in Northern Macomb County, the staffing shortage is at 10 percent. He said he would hire four to five people today if he could find them. Statewide, the Michigan Association of Ambulance Services estimates 500 paramedic openings. Those are just paramedics averaging around \$40,000 a year.



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Also, the number of students graduating from paramedic training in the state has dropped from 1,200 per year to 250 in the past three years, according to the Michigan Bureau of EMS, Trauma and Preparedness.

White didn't have his hand out to legislators for more money, however. Rather, he asked the Legislature to reauthorize a Quality Assurance Assessment Program (QAAP) on ambulance services that lawmakers approved in 2015 that increased provider rates by 20 percent starting last year.

The change came with an estimated \$10.3 million for the ambulances after federal money was drawn down. Of the 250 ambulance providers, 209 saw more Medicaid funding from the QAAP, but for those who don't have a significant number of Medicaid patients, the either saw no increase or a slight funding decrease.

The QAAP is slated to expire Oct. 1 and White is urging that it be reauthorized.

"When there's no cost of living increase, it's hard to pay for fuel and tires when those costs keep going up and we we're told there just wasn't money for in the budget," White said. "The only way we're able to make this work is through the QAAP, where we could assess our members in order to leverage these federal dollars . . . It's still not where we would like it to be, but going backward would be devastating."

The Northern Macomb, White's shop is 25 miles from the nearest hospital. The average run costs \$1,000. Medicare reimburses at between \$400 and \$450. Medicaid reimburses at \$150 to \$225.

Sen. Tom [BARRETT](#) (R-Pottersville) suggested bringing more former military medics into the profession, which White said he'd love to do. But after a few months at \$32,000 a year, these experienced workers tend to move on for higher pay. Having firefighter be trained as EMTs was suggested, as well.

White said the industry has looked for ways to cut costs. Combining services. Working with county health departments. Finding ways to treat patients on site so they don't need a hospital run. But White said, "We can't do any more. We are out of money. Most of us are not making money in the ambulance business; in fact, many are losing money."

### **Gongwer April 5**

#### No Rumbblings of GOP Roads Plan Specifics Just Yet

One month after Governor Gretchen Whitmer's release of a budget proposal containing a 45-cent gasoline tax increase, there is no concrete GOP counterproposal yet put to paper, though sources say members of the Republican majority are increasingly acknowledging that new revenue likely will need to be part of the puzzle.



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Several sources this week told Gongwer News Service that there has been no word around Lansing on what the Republican-controlled Legislature may plan to offer in a road funding proposal. Sources said there is no plan yet, but leadership is working behind the scenes and something will likely be announced during the next month in one of the chambers.

Ms. Whitmer has proposed an incremental increase in the gas tax to raise roughly \$2.5 billion to repair the state's crumbling roads and to allow some of the General Fund that has been dedicated to roads to be shifted to other programs.

Republicans have called the governor's proposal a non-starter and have said constituents cannot take on a tax increase of that size. Also, Republicans are against upending the 2015 roads plan, which will shift \$600 million in General Funds to roads once fully phased in (along with the already phased in gas tax and registration fee increases equaling another \$600 million). Ms. Whitmer has proposed ending the General Fund shift.

House Speaker Lee Chatfield (R-Levering) said on "Michigan's Big Show" this week that details are still being sorted out between the House and Senate, but they will propose a "responsible plan."

"Everyone wants to see the roads fixed. The governor has certainly made it one of her top priorities," he said. "The House Republicans agree we want to see more investment in the roads, and I think you're going to see additional investments into the roads."

Senate Republican leadership has spoken of finding a mix of new revenue and existing monies from within the budget to raise new road revenue, while Mr. Chatfield has focused on removing the sales tax from gasoline and increasing the fuel tax by a revenue-neutral amount so that all taxes paid at the pump go to roads.

Whatever the plan may be, sources have said some Republicans are acknowledging the 2015 road funding plan was a first step and there is a growing understanding that new revenue will likely need to be part of a roads plan. The question remains how much new revenue could be raised, and how, and passed by the Republican-controlled Legislature and still signed by Ms. Whitmer.





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One source said "creative" solutions to raise taxes might be more palatable for GOP lawmakers, like allowing local governments to raise more money for roads themselves.

While several sources said there is a more openness for new revenue among some lawmakers than in past years, there is still a cohort of lawmakers who would not support a tax or fee increase.

Senate Majority Leader Mike Shirkey (R-Clarklake) has said he wants to separate the road funding plan from the rest of the budget.

"The Senate, and I believe the House, are committed to presenting to her a responsible budget," Mr. Shirkey said on "Michigan's Big Show" this week. "Also presenting a plan to save all drivers and car owners ... material savings in auto no-fault reform. And also, separately from the budget, presenting a plan on the next (set) of significant investment in the roads."

Rep. Matt Maddock (R-Milford), chair of the House Appropriations Transportation Subcommittee, does not support raising taxes for roads, even if the amount is smaller than Ms. Whitmer's increase. He is currently advocating to state government employees to contact him with any examples of waste in government.

"I think for far too many years we as legislators in our state have been eating our dessert instead of our vegetables," he said. "We have had too many people not wanting to make the hard deductions to make appropriate cuts."

Mr. Maddock said he believes enough waste and cuts in the budget can be made to prioritize spending money on roads. He said every subcommittee chair should identify waste in their budgets to pitch in for infrastructure funding.

He also said legislators have more control over the funding than they are led to believe. Often the General Fund, which is roughly \$10 billion, is cited as the discretionary spending lawmakers can pull from. Mr. Maddock said they have more control of the full \$57 billion budget if they made changes.

"We do have the capability of moving things around," he said.



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One Lansing source said legislative leaders "have been pretty tight-lipped" about what they are considering for a counterproposal.

The source said whatever is passed with the budget needs to actually solve the problem of crumbling roads and be constitutionally dedicated funds.

"At the end of the day it takes money," the source said, adding it is a positive sign that Republican leadership, while not on board with Ms. Whitmer's plan, have realized that some new revenue is needed.

"I am encouraged that we're talking about this," another source said, also opining that the governor's proposal needs significant work. "I would expect they wouldn't go two years for a full package, if they go for it at \$2.5 billion."

Yet another Lansing source admitted "I've got nothing" outside of what has appeared in media reports.

The source said whatever the Legislature may end up crafting may need to contain incentives for contractors to ramp up road construction activities such as for mining aggregate materials.

One legislative source said the funding from the 2015 road plan should remain intact and any plan should build off that, a stance a growing number of Republican lawmakers have taken.

Republicans appear on board with Mr. Shirkey's idea of having the budget be separate from any road plan, the legislative source said. Providing local governments and schools predictability on what they will receive in the fall is important, he said. He expects the Legislature to work toward having a budget completed in June while keeping a roads plan separate.

A second legislative source said concerns with a rapid increase in road funding include whether contractors would be able to ramp up sufficiently to take on and complete more projects in a timely fashion. Also, there are questions whether costs could inflate drastically under such a scenario.



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This legislative source pointed out that one long-term way to free up money for roads is continuing to aggressively pay down existing bonding debt from projects years ago. Once the more than \$1 billion remaining is paid off in several years, there will be additional flexibility for putting funding toward roads.

Another legislative source noted funding for transportation has increased significantly over the past several years, adding that some believe that 100 percent of the tax paid at the pump should go toward roads before asking taxpayers for more.

"We shouldn't go back to that well," the legislative source said.

### Consumers Submits Report On Ray Compressor Station Fire

Consumers Energy announced Friday it has submitted a report to the Public Service Commission on the cause of a major fire at a natural gas processing facility in southeast Michigan in January that prompted a call for customers to temporarily conserve natural gas during a period of extreme cold temperatures.

On the morning of January 30, the fire suppression system at Plant 3 at the Ray Natural Gas Compressor Station in Armada Township in northern Macomb County was triggered, using what is known as a "fire gate" to begin the process of venting the natural gas out of the plant's systems as quickly as possible.

Typically, the gas dissipates into the atmosphere but, due to the extreme cold temperatures blanketing the state at that time and high winds, the gas did not dissipate and was blown toward the super-heated stack of Ray Plant 2, causing it to ignite.

From there the remaining gas at the facility began to vent, creating a second cloud and then a second explosion.

"Consumers Energy's review found no evidence of failure to properly maintain our equipment," the company said in a Friday release. "The fire at the Ray Station was precipitated by a safety venting fire-gate process that is proven safe and effective. However, under unique and extreme weather conditions, the process became hazardous. We plan to address the issue at the Ray Compressor Station and



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implement new procedures across our natural gas fleet to further enhance resiliency and help avoid failure in these extraordinary circumstances."

The company did not specify in its release what procedural changes it may implement.

The report confirms a theory that company officials outlined in February during legislative testimony. Contents of the report are the result of a two-month internal investigation the utility said has been verified by an independent third-party consultant.

Governor Gretchen Whitmer ordered the PSC to review the state's energy supply as well as preparedness for emergency situations stemming from high energy demand, with the governor citing a need for more redundancy which she said was highlighted by the high volume of natural gas going through the Ray facility at the time of the fire.

During the January cold spell, Consumers said it was meeting the record demand it was facing until the Ray fire, which led to a request for customers to lower their thermostats and for larger industrial and commercial users to curtail natural gas use temporarily.

### **MIRS April 5**

### **Consumers On Station Fire: 'No Evidence' Of Not Maintaining Equipment**

Consumers Energy's internal review into its natural gas station fire from January found "no evidence of failure to properly maintain our equipment," the company said today.

Instead, the fire that knocked the Ray Compressor Station offline was a combination of factors, specifically the ignition of natural gas and air from outside the plant that mixed together due to the high winds at the time.

Consumers today filed with the Michigan Public Service Commission (MPSC) its internal review of the incident that knocked off the Macomb County facility tied to 60 percent of the utility's natural gas supply used for heating homes.



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The fire happened during the midst of an unusually frigid week across the state that spiked natural gas demand. (See ["Consumers: Arctic Cold Ices Record For Natural Gas Single-Day Usage,"](#) 1/31/19)

Concern over an energy shortage prompted both Consumers Energy and Gov. Gretchen [WHITMER](#) to ask the public to keep the heat down to conserve supply. (See ["Whitmer, Consumers Energy President: Please Turn Thermostats To 65,"](#) 1/30/19.)

Whitmer then asked the MPSC to open an investigation as a result. (See ["The Search For Answers In Consumers Energy Fire Begins,"](#) 2/7/19.) The MPSC staff will now follow with its own analysis of the incident.

The utility's review was "confirmed by a third-party consultant" and found the following factors led to the fire: A plume of natural gas released by the safety fire-gate system was the fuel source; air outside of the plant mixed with the natural gas due to the high winds; and extremely hot equipment caused the natural gas-air mixture to ignite.

"The fire at the Ray Station was precipitated by a safety venting fire-gate process that is proven safe and effective," the company said in a statement today. "However, under unique and extreme weather conditions, the process became hazardous. We plan to address the issue at the Ray Compressor Station and implement new procedures across our natural gas fleet to further enhance resiliency and help avoid failure in these extraordinary circumstances."



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