

No. 27  
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House Chamber, Lansing, Tuesday, March 17, 2015.

1:30 p.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Afendoulis—present	Franz—present	Kosowski—present	Potvin—present
Banks—present	Gamrat—present	LaFontaine—present	Price—present
Barrett—present	Garcia—present	Lane—excused	Pscholka—present
Bizon—present	Garrett—present	Lauwers—present	Rendon—present
Brinks—present	Gay-Dagnogo—excused	LaVoy—present	Roberts, B.—present
Brunner—present	Geiss—present	Leonard—present	Roberts, S.—present
Bumstead—present	Gardon—present	Leutheuser—present	Robinson—present
Byrd—present	Glenn—present	Liberati—present	Runestad—present
Callton—present	Goike—present	Love—present	Rutledge—present
Canfield—present	Graves—present	Lucido—present	Santana—present
Chang—present	Greig—present	Lyons—present	Schor—present
Chatfield—present	Greimel—present	Maturen—present	Sheppard—present
Chirkun—present	Guerra—present	McBroom—present	Singh—present
Clemente—present	Heise—present	McCready—present	Smiley—present
Cochran—present	Hoadley—present	Miller, A.—present	Somerville—present
Cole—present	Hooker—present	Miller, D.—present	Talabi—present
Cotter—present	Hovey-Wright—present	Moss—present	Tedder—present
Courser—present	Howrylak—present	Muxlow—present	Theis—present
Cox—present	Hughes—present	Neeley—present	Townsend—present
Crawford—present	Iden—present	Nesbitt—present	Vaupel—present
Darany—present	Inman—present	Outman—present	VerHeulen—present
Dianda—present	Irwin—present	Pagan—present	Victory—present
Dillon—present	Jacobsen—present	Pagel—present	Webber—present
Driskell—present	Jenkins—present	Pettalia—present	Wittenberg—present
Durhal—present	Johnson—present	Phelps—present	Yanez—present
Faris—present	Kelly—present	Plawecki—present	Yonker—present
Farrington—present	Kesto—present	Poleski—present	Zemke—present
Forlini—present	Kivela—present		

e/d/s = entered during session

Pastor Jim Wiegand, Pastor of The Freedom Center in Fenton, offered the following invocation:

“Heavenly Father, I ask You to bless these men and women with Your great wisdom, insight and courage to serve You and the people of this great state. May You guide their words, thoughts and hearts as each important decision is discussed and made. May Your love give them courage to always do what is right in Your eyes for You alone are the final judge of all mankind. May they be servants to all who trusted in them with their vote but only be ruled by You in their hearts and minds. May You bless this session beyond all that has been thought, hoped and imagined. Amen.”

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Rep. Singh moved that Reps. Gay-Dagnogo and Lane be excused from today’s session.  
The motion prevailed.

### Motions and Resolutions

Reps. Sarah Roberts, Dillon, Hovey-Wright, McCready, Darany, Townsend, LaVoy, Wittenberg, Singh, Hoadley and Howrylak offered the following resolution:

**House Resolution No. 35.**

A resolution to declare March 2015 as Multiple Myeloma Awareness Month in the state of Michigan.

Whereas, Multiple myeloma, the second most common blood cancer worldwide, is a cancer of plasma cells in the bone marrow and can occur at multiple sites; and

Whereas, Multiple myeloma currently affects more than 100,000 people in the United States, with an estimated 20,000 new cases diagnosed each year and 10,000 losing their battle each year; and

Whereas, Once a disease of the elderly, it is now being found in increasing numbers in people under 65; and

Whereas, Because myeloma is not a common disease, there can be a delayed diagnosis, leading to delayed treatment. For this reason, an increased awareness of myeloma for clinicians and the general public will lead to earlier diagnosis, allowing people to live longer; and

Whereas, Continued investment and innovation is critical to achieve early diagnosis and implement the most effective and safest treatments for myeloma patients; and

Whereas, Although we have seen important advances in the last decade, there is still no cure for myeloma; and

Whereas, The people of the state of Michigan wish to find a cure for myeloma and support the treatment of its citizens that suffer from myeloma and encourages private efforts to enhance research funding and education programs; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare March 2015 as Multiple Myeloma Awareness Month in the state of Michigan. We encourage all citizens to participate in voluntary activities to support multiple myeloma education and the funding of research programs to find a cure.

The question being on the adoption of the resolution,

Rep. Sarah Roberts moved to substitute (H-1) the resolution as follows:

**Substitute for House Resolution No. 35.**

A resolution to declare March 2015 as Multiple Myeloma Awareness Month in the state of Michigan.

Whereas, Multiple myeloma, the second most common blood cancer worldwide, is a cancer of plasma cells in the bone marrow and can occur at multiple sites; and

Whereas, Multiple myeloma currently affects 1 in 143 people in the United States, with an estimated 26,850 new cases diagnosed each year and 11,240 losing their battle each year; and

Whereas, Once a disease of the elderly, it is now being found in increasing numbers in people under 65; and

Whereas, Because myeloma is not a common disease, there can be a delayed diagnosis, leading to delayed treatment. For this reason, an increased awareness of myeloma for clinicians and the general public will lead to earlier diagnosis, allowing people to live longer; and

Whereas, Continued investment and innovation is critical to achieve early diagnosis and implement the most effective and safest treatments for myeloma patients; and

Whereas, Although we have seen important advances in the last decade, there is still no cure for myeloma; and

Whereas, The people of the state of Michigan wish to find a cure for myeloma and support the treatment of its citizens that suffer from myeloma and encourages private efforts to enhance research funding and education programs; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare March 2015 as Multiple Myeloma Awareness Month in the state of Michigan. We encourage all citizens to participate in voluntary activities to support multiple myeloma education and the funding of research programs to find a cure.

The motion prevailed and the substitute (H-1) was adopted, a majority of the members serving voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Hovey-Wright, Lane, Plawecki, Brinks, Yanez, Chang, Garrett, Schor, Pagan, Love, Townsend, Sarah Roberts, Derek Miller, Irwin, Guerra, Hoadley and Singh offered the following resolution:

**House Resolution No. 36.**

A resolution to declare March 2015 as Social Work Month in the state of Michigan.

Whereas, The primary mission of the social work profession has been to enhance well-being and help meet the basic needs of all people, especially the most vulnerable in society; and

Whereas, Social work pioneers have helped lead America's struggle for social justice and pave the way for positive social change; and

Whereas, Social workers – more than any other profession – recognize that more must be done to address persistent social problems; and

Whereas, Social workers are change agents who put the ideals of citizenship into action every day through major legislative, regulatory, and social policy victories; and

Whereas, Social workers support diverse families in every community, understanding that individuals and communities together can bring about group change; and

Whereas, Social workers continue to work to improve the rights of women, African Americans and other ethnic minorities, and the LGBT community; and

Whereas, Social workers apply their research and legislative advocacy skills to transform community needs into national priorities; and

Whereas, Social workers know from experience that discrimination of any kind limits human potential and must be eliminated, and that poverty and trauma can create lifelong social and economic disadvantages; and

Whereas, Social workers help people in every stage of life function better in their environments, improve their relationships with others, and solve personal and family problems; and

Whereas, All children have the right to safe environments and quality education; and

Whereas, Dignity and care-giving for older adults help define a nation's character; and

Whereas, Veterans and their families need community support to ensure successful transitions after service; and

Whereas, Access to mental health treatment and health care services saves millions of lives; and

Whereas, Research shows that all people, no matter their circumstances, at some time in their lives, may need the expertise of a skilled social worker; and

Whereas, Social workers celebrate the courage, hope, and strength of the human spirit throughout their careers; and

Whereas, The National Association of Social Workers is celebrating its 60th year in 2015 and is an organization committed to supporting the social work profession and bringing positive change to American society; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare March 2015 as Social Work Month in the state of Michigan. We recognize the numerous contributions made by more than 600,000 American social workers and join in this celebration and support of the social work profession.

The resolution was referred to the Committee on Families, Children, and Seniors.

Reps. Dianda, Irwin, Cole and Chirkun offered the following resolution:

**House Resolution No. 37.**

A resolution to urge the Governor and Department of Corrections to convert heating plants at the state's correctional facilities to combined heat and power plants.

Whereas, Correctional facilities are big consumers of electricity, as they account for nearly 45 percent of the electricity used by all state facilities. In 2012, correctional facilities consumed nearly 172 million kilowatt hours of electricity at a cost of almost \$15 million. Nine of the facilities in the corrections system operate heating plants on-site to meet the heating and cooling needs of multiple buildings. The nine facilities with on-site heating plants collectively account for nearly 50 percent of the Department of Corrections' annual electricity use, which presents an opportunity for substantial savings from more efficient delivery of utilities. The combination of existing heating capacity and electricity demand make these facilities ideal candidates for new cogeneration projects; and

Whereas, The Department of Corrections is responding to the Legislature's demand to complete energy utilization assessments and implement energy-savings initiatives in the last two state budgets. Their efforts look promising as recent reports

suggest early reductions in electricity use at the G. Robert Cotton Correctional Facility of nearly 12 percent. Still, the Department needs to think more broadly at what can be accomplished to reduce utility use and look to the example of other state department efforts to dramatically reduce costs; and

Whereas, A cogeneration conversion project implemented at the state secondary complex achieved dramatic reductions in utility use and ultimately costs. Electricity, heat, and air conditioning are now being provided through a cogeneration system fired by natural gas, a cleaner burning fuel. New, high-efficiency gas turbines producing 1.2 megawatts of electricity were installed at the complex. The co-benefit of the system is the production of steam that is used to heat the facility in the winter and operate chillers in the summer to cool the facility. The energy efficient cogeneration system displaced old, inefficient boilers used for heating and cooling as well as the need to buy electricity off the grid. In all, the state expects to save \$1.6 million per year in reduced utility costs with a payoff on investment in less than 8 years. This is from a facility that is a much smaller energy user than the correctional facilities with heating plants; and

Whereas, Making an investment in a cleaner, more efficient, cost-saving technology allows the state to demonstrate leadership and a sense of urgency in managing taxpayer investments in our state. Switching to a cleaner burning fuel will help the state reduce emissions of sulfur dioxide, nitrogen oxides, and mercury and reduce our carbon foot-print. Installing more efficient technologies will help the state meet utility needs by consuming less energy. Reducing energy use will produce much needed savings in the Department of Corrections' budget and free up resources for other state spending priorities; now, therefore, be it

Resolved by the House of Representatives, That we urge the Governor and Department of Corrections to convert power plants at the state's correctional facilities to combined heat and power, also known as cogeneration plants, to reduce pollutant emissions and to save the state millions of dollars in utility costs over the equipment's lifespan; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the Governor and Director of the Department of Corrections.

The resolution was referred to the Committee on Appropriations.

Reps. Dianda, Irwin, Geiss, Chirkun and Cochran offered the following resolution:

**House Resolution No. 38.**

A resolution to urge the Michigan Department of Natural Resources to acquire land surrounding Houghton-Douglass Falls in the Keweenaw Peninsula.

Whereas, The falls are named in honor the first State Geologist, Dr. Douglass Houghton and his cousin and assistant, Columbus Christopher Douglass. Houghton convinced the new Michigan legislature to sponsor the exploration of the Upper Peninsula and was the first to recognize the enormous economic potential of the Keweenaw's copper ore bodies. After Houghton's untimely drowning death in 1845, C.C. Douglass spent the remainder of his career developing the vast mineral resources of the Keweenaw Peninsula.

Whereas, The falls, located on Hammell Creek, are the tallest in Michigan at well over 100 feet. They are described as large, dangerous, and enticing, with several streams bouncing off the sharp, volcanic rock. At the top, an explorer has a beautiful view of Torch Lake below in the creek valley. The waterfalls are listed in numerous guides as a must-see destination for those exploring the waterfalls of the Keweenaw Peninsula and are a significant local and tourist attraction; and

Whereas, Houghton-Douglass Falls are located on private property. Although access has been implicitly allowed in past decades, the landowner would like to see the acreage in public ownership to provide visitors with clear signage directing them to the falls and a safe path to a lookout spot. The falls have been the site of severe and even fatal falling accidents; and

Whereas, Houghton County recently updated its recreation plan and found a great deal of support for public acquisition of the lands surrounding the waterfalls. Public ownership would allow the county to provide safe access to the falls. Sixty-three acres surrounding the waterfalls border state-owned rail trails and state highway M-26, making this a strategic acquisition that promises greater access for the people of Michigan; now, therefore, be it

Resolved by the House of Representatives, That we urge the Michigan Department of Natural Resources to acquire land surrounding Houghton-Douglass Falls in the Keweenaw Peninsula; and be it further

Resolved, That copies of this resolution be transmitted to the Department of Natural Resources.

The resolution was referred to the Committee on Natural Resources.

Reps. Townsend, Chirkun, LaVoy, Driskell, Zemke, Moss, Hovey-Wright, Greig, Dillon, Brunner, Yanez, Byrd, Garrett, Plawecki, Pagan and Hoadley offered the following resolution:

**House Resolution No. 39.**

A resolution to memorialize the President of the United States, the U.S. Congress, and the U.S. Federal Communications Commission to stand firm on the decision to regulate broadband Internet services as common carrier services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality.

Whereas, More so than any other invention of our time, the Internet has unlocked possibilities that were unimaginable a generation ago. The Internet is a vital platform for innovation, economic growth, and free expression in the United States; and

Whereas, The incredible economic growth and entrepreneurial innovation that has proven possible through the Internet relies upon the principle of broadband providers treating Internet traffic, or data, equally. This principle—known as net neutrality—holds that an entrepreneur’s fledgling company should have the same opportunity to succeed as established corporations, and that access to an individual’s blog should not be unjustly restricted through a slower speed to make way for businesses with more money. Open and fair use of the Internet promotes competition and enables innovation and investment by making it possible for anyone, anywhere to easily launch applications and services that revolutionize the way people communicate, socialize, create, live, and do business. It leads to job creation across communities in the country; and

Whereas, Under the principle of net neutrality, consumers can make their own choices about what applications and services to use and are free to decide what lawful content they wish to create, access, and share, without facing restrictions. With net neutrality, you do not have to ask permission or pay tolls to broadband providers to reach others on the Internet. If you develop an innovative new website, you do not have to seek permission from your Internet provider to share it with the world; and

Whereas, Without proper regulation, there is a risk that net neutrality, and its benefits, could be wiped out. The absence of an open and fair Internet would imperil the ability of Americans to express their views and ideas and market their intellectual property equally. Allowing broadband providers to charge different rates to guarantee higher priority and faster data transmission would deny small businesses, locally managed networks, and start-up companies full connectivity and access to open and fair use of the Internet. It would similarly hinder consumers’ use of the Internet; and

Whereas, On December 23, 2010, the U.S. Federal Communications Commission (FCC) issued the *Open Internet Order*, which set certain rules for the broadband industry to protect Internet openness. The FCC’s rules were challenged in court, and on January 14, 2014, the District of Columbia Court of Appeals vacated some of the rules based on the order’s regulatory framework. However, the court affirmed the FCC’s authority to regulate broadband Internet access service and supported the FCC’s judgment that Internet openness encourages broadband investment and that its absence could impede broadband deployment. The court also invited the FCC to act to preserve free and open use of the Internet; and

Whereas, In response to the court’s ruling, on May 15, 2014, the FCC launched a rulemaking process, seeking public comment on how best to protect, preserve, and promote net neutrality. The notice of proposed rulemaking posed a broad range of questions to elicit input from everyone impacted by the Internet, from consumers and small businesses to providers and start-ups; and

Whereas, On February 26, 2015, the FCC passed rules to protect net neutrality and equal access to content and services available on the Internet. The rules reclassified Internet service as a telecommunications, not information, service. This reclassification and associated rules designate broadband essentially as a public utility, which grants the FCC greater oversight over the industry. As a result, Americans will not be subject to service providers determining the speed at which they can access information on the Internet. Since net neutrality promotes competition, entrepreneurs and small businesses will also benefit from the rules. Net neutrality will keep the United States at the forefront of technological, business, and social innovation on the Internet; and

Whereas, It is the judgment of the Michigan House of Representatives that the FCC’s action to reclassify the Internet as a public utility and preserve net neutrality will produce benefits across the state. The rules will facilitate investment in Michigan’s broadband Internet infrastructure and foster innovation in the state’s business sectors. Additionally, it will ensure Michiganders can openly access legal information and service on the Internet without infringement from providers. Members of the Michigan House of Representatives applaud the FCC for removing obstacles to widen broadband use by designating Internet broadband services as common carrier telecommunications services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the President of the United States, the U.S. Congress, and the U.S. Federal Communications Commission to stand firm on the decision to regulate broadband Internet services as common carrier services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the chairs of all committees in the U.S. House of Representative, the chairs of all committees in the U.S. Senate, the members of the Michigan congressional delegation, and the commissioners of the U.S. Federal Communications Commission.

The resolution was referred to the Committee on Communications and Technology.

Reps. Townsend, Chirkun, LaVoy, Driskell, Zemke, Moss, Hovey-Wright, Greig, Dillon, Brunner, Yanez, Byrd, Garrett, Plawecki, Pagan and Hoadley offered the following concurrent resolution:

**House Concurrent Resolution No. 4.**

A concurrent resolution to memorialize the President of the United States, the U.S. Congress, and the U.S. Federal Communications Commission to stand firm on the decision to regulate broadband Internet services as common carrier services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality.

Whereas, More so than any other invention of our time, the Internet has unlocked possibilities that were unimaginable a generation ago. The Internet is a vital platform for innovation, economic growth, and free expression in the United States; and

Whereas, The incredible economic growth and entrepreneurial innovation that has proven possible through the Internet relies upon the principle of broadband providers treating Internet traffic, or data, equally. This principle—known as net neutrality—holds that an entrepreneur's fledgling company should have the same opportunity to succeed as established corporations, and that access to an individual's blog should not be unjustly restricted through a slower speed to make way for businesses with more money. Open and fair use of the Internet promotes competition and enables innovation and investment by making it possible for anyone, anywhere to easily launch applications and services that revolutionize the way people communicate, socialize, create, live, and do business. It leads to job creation across communities in the country; and

Whereas, Under the principle of net neutrality, consumers can make their own choices about what applications and services to use and are free to decide what lawful content they wish to create, access, and share, without facing restrictions. With net neutrality, you do not have to ask permission or pay tolls to broadband providers to reach others on the Internet. If you develop an innovative new website, you do not have to seek permission from your Internet provider to share it with the world; and

Whereas, Without proper regulation, there is a risk that net neutrality, and its benefits, could be wiped out. The absence of an open and fair Internet would imperil the ability of Americans to express their views and ideas and market their intellectual property equally. Allowing broadband providers to charge different rates to guarantee higher priority and faster data transmission would deny small businesses, locally managed networks, and start-up companies full connectivity and access to open and fair use of the Internet. It would similarly hinder consumers' use of the Internet; and

Whereas, On December 23, 2010, the U.S. Federal Communications Commission (FCC) issued the *Open Internet Order*, which set certain rules for the broadband industry to protect Internet openness. The FCC's rules were challenged in court, and on January 14, 2014, the District of Columbia Court of Appeals vacated some of the rules based on the order's regulatory framework. However, the court affirmed the FCC's authority to regulate broadband Internet access service and supported the FCC's judgment that Internet openness encourages broadband investment and that its absence could impede broadband deployment. The court also invited the FCC to act to preserve free and open use of the Internet; and

Whereas, In response to the court's ruling, on May 15, 2014, the FCC launched a rulemaking process, seeking public comment on how best to protect, preserve, and promote net neutrality. The notice of proposed rulemaking posed a broad range of questions to elicit input from everyone impacted by the Internet, from consumers and small businesses to providers and start-ups; and

Whereas, On February 26, 2015, the FCC passed rules to protect net neutrality and equal access to content and services available on the Internet. The rules reclassified Internet service as a telecommunications, not information, service. This reclassification and associated rules designate broadband essentially as a public utility, which grants the FCC greater oversight over the industry. As a result, Americans will not be subject to service providers determining the speed at which they can access information on the Internet. Since net neutrality promotes competition, entrepreneurs and small businesses will also benefit from the rules. Net neutrality will keep the United States at the forefront of technological, business, and social innovation on the Internet; and

Whereas, It is the judgment of the Michigan House of Representatives that the FCC's action to reclassify the Internet as a public utility and preserve net neutrality will produce benefits across the state. The rules will facilitate investment in Michigan's broadband Internet infrastructure and foster innovation in the state's business sectors. Additionally, it will ensure Michiganders can openly access legal information and service on the Internet without infringement from providers. Members of the Michigan House of Representatives applaud the FCC for removing obstacles to widen broadband use by designating Internet broadband services as common carrier telecommunications services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we memorialize the President of the United States, the U.S. Congress, and the U.S. Federal Communications Commission to stand firm on the decision to regulate broadband Internet services as common carrier services under Title II of the Communications Act of 1934 in the interest of preserving net neutrality; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the chairs of all committees in the U.S. House of Representative, the chairs of all committees in the U.S. Senate, the members of the Michigan congressional delegation, and the commissioners of the U.S. Federal Communications Commission.

The concurrent resolution was referred to the Committee on Communications and Technology.

### Reports of Standing Committees

The Speaker laid before the House

#### **House Resolution No. 21.**

A resolution to memorialize the Congress of the United States to reinstate funding for the Yucca Mountain Nuclear Waste Repository.

(For text of resolution, see House Journal No. 19, p. 202.)

(The resolution was reported by the Committee on Energy Policy on March 11.)

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Canfield, Cole, Forlini, Franz, Garrett, Graves, Greimel, Guerra, Johnson, Leutheuser, Lucido, Outman, Pettalia, Rendon, Brett Roberts, Runestad, Smiley, Somerville, Tedder and Victory were named co-sponsors of the resolution.

### Third Reading of Bills

#### House Bill No. 4075, entitled

A bill to amend 1895 PA 161, entitled "An act to require county treasurers to furnish transcripts and abstracts of records, and fixing the fees to be paid therefor," by amending section 1 (MCL 48.101), as amended by 1984 PA 291.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

#### Roll Call No. 34

#### Yeas—104

Afendoulis	Forlini	Kosowski	Potvin
Banks	Franz	LaFontaine	Price
Barrett	Gamrat	Lauwers	Pscholka
Bizon	Garcia	LaVoy	Rendon
Brinks	Geiss	Leonard	Roberts, B.
Brunner	Glardon	Leutheuser	Roberts, S.
Bumstead	Glenn	Liberati	Runestad
Byrd	Goike	Love	Rutledge
Callton	Graves	Lucido	Santana
Canfield	Greig	Lyons	Schor
Chang	Greimel	Maturen	Sheppard
Chatfield	Guerra	McBroom	Singh
Chirkun	Heise	McCready	Smiley
Clemente	Hooker	Miller, A.	Somerville
Cochran	Hovey-Wright	Miller, D.	Talabi
Cole	Howrylak	Moss	Tedder
Cotter	Hughes	Muxlow	Theis
Courser	Iden	Neeley	Townsend
Cox	Inman	Nesbitt	Vaupel
Crawford	Irwin	Outman	VerHeulen
Darany	Jacobsen	Pagan	Victory
Dianda	Jenkins	Pagel	Webber
Dillon	Johnson	Pettalia	Wittenberg
Durhal	Kelly	Phelps	Yanez
Faris	Kesto	Plawecki	Yonker
Farrington	Kivela	Poleski	Zemke

#### Nays—4

Driskell	Garrett	Hoadley	Robinson
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In The Chair: Leonard

The House agreed to the title of the bill.

Rep. Nesbitt moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Hoadley, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

This bill unfairly advantages larger data purchasers over smaller data purchasers while stripping local control. A long-term, comprehensive solution should be made available regarding data in the state of Michigan—what can be charged, what should be free, and what should be available.”

### Second Reading of Bills

#### House Bill No. 4188, entitled

A bill to amend 1973 PA 116, entitled “An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts,” (MCL 722.111 to 722.128) by adding sections 14e and 14f.

The bill was read a second time.

Rep. LaFontaine moved to substitute (H-2) the bill.

The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Hovey-Wright moved to amend the bill as follows:

1. Amend page 3, line 15, after “(2)” by striking out “TO” and inserting “EXCEPT AS PROVIDED IN SUBSECTION (3), TO”.

2. Amend page 3, line 21, after “AGENCY” by inserting a comma and “EXCEPT IF DECLINING THE REFERRAL IS NOT IN THE BEST INTERESTS OF THE CHILD”.

3. Amend page 3, following line 21, by inserting:

“(3) A CHILD PLACING AGENCY SHALL NOT DECLINE TO PROVIDE SERVICES AS PROVIDED UNDER SUBSECTION (2) IF DECLINING TO PROVIDE THOSE SERVICES WOULD NOT BE IN THE BEST INTERESTS OF THE CHILD.” and renumbering the remaining subsections.

4. Amend page 6, line 5, after “(1)” by inserting a comma and “EXCEPT IF DECLINING THE REFERRAL IS NOT IN THE BEST INTERESTS OF THE CHILD”.

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 7, following line 6, by inserting:

“(a) House Bill No. 4133.” and relettering the remaining subdivisions.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 3, line 19, after “A” by inserting “PUBLICLY AVAILABLE UPON REQUEST”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Liberati moved to amend the bill as follows:

1. Amend page 4, following line 16, by inserting:

“(7) A CHILD PLACING AGENCY THAT DECLINES TO PROVIDE SERVICES UNDER SUBSECTION (2) MUST COMPLY WITH THE ELLIOTT-LARSEN CIVIL RIGHTS ACT, 1976 PA 453, MCL 37.2101 TO 37.2804.” and renumbering the remaining subsection.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Kosowski moved to amend the bill as follows:

1. Amend page 4, line 10, after “AGENCIES” by inserting “AND PROVIDE THE APPLICANT WITH A PRINTED LIST OF CHILD PLACING AGENCIES THAT ARE WILLING TO PROVIDE SERVICES TO THE APPLICANT”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Talabi moved to amend the bill as follows:

1. Amend page 4, following line 16, by inserting:

“(7) A CHILD PLACING AGENCY SHALL DISPLAY ON ITS WEBSITE IN AN AREA ACCESSIBLE TO THE PUBLIC AND PROMINENTLY IN EACH OF THE CHILD PLACING AGENCY’S OFFICES THE



**CIRCUMSTANCES UNDER WHICH THE CHILD PLACING AGENCY WOULD DECLINE TO PROVIDE ANY SERVICE AS PROVIDED UNDER SUBSECTION (2)."** and renumbering the remaining subsection.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor. Rep. LaFontaine moved that the bill be placed on the order of Third Reading of Bills. The motion prevailed.

**House Bill No. 4189, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712B.41) by adding section 23g to chapter X.

The bill was read a second time.

Rep. Hovey-Wright moved to amend the bill as follows:

1. Amend page 1, line 2, after "**23G.**" by inserting "**(1)**".
2. Amend page 2, following line 7, by inserting:

**"(2) SUBSECTION (1) DOES NOT APPLY IF BY DECLINING TO PROVIDE ADOPTION SERVICES UNDER SUBSECTION (1) THE CHILD PLACING AGENCY IS NOT ACTING IN THE BEST INTERESTS OF THE CHILD."**

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 1, line 7, after "**A**" by inserting "**PUBLICLY AVAILABLE UPON REQUEST**".

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 2, following line 15, by inserting:

**"(a) House Bill No. 4133."** and relettering the remaining subdivisions.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Liberati moved to amend the bill as follows:

1. Amend page 1, line 2, after "**23G.**" by inserting "**(1)**".
2. Amend page 2, following line 7, by inserting:

**"(2) A CHILD PLACING AGENCY THAT DECLINES TO PROVIDE ADOPTION SERVICES UNDER SUBSECTION (1) MUST COMPLY WITH THE ELLIOTT-LARSEN CIVIL RIGHTS ACT, 1976 PA 453, MCL 37.2101 TO 37.2804."**

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Liberati moved to amend the bill as follows:

1. Amend page 1, line 2, after "**23G.**" by inserting "**(1)**".
2. Amend page 2, following line 7, by inserting:

**"(2) A CHILD PLACING AGENCY THAT DECLINES TO PROVIDE ADOPTION SERVICES UNDER SUBSECTION (1) MUST COMPLY WITH THE CIVIL RIGHTS ACT OF 1964, PUBLIC LAW 88-352."**

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Santana moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4190, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 5a.

The bill was read a second time.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 1, line 8, after "**A**" by inserting "**PUBLICLY AVAILABLE UPON REQUEST**".

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Irwin moved to amend the bill as follows:

1. Amend page 2, following line 7, by inserting:

**"(a) House Bill No. 4133."** and relettering the remaining subdivisions.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Liberati moved to amend the bill as follows:

1. Amend page 1, line 1, after “5A.” by inserting “(1)”.
2. Amend page 1, following line 10, by inserting:

“(2) A CHILD PLACING AGENCY THAT DECLINES TO PROVIDE SERVICES UNDER SUBSECTION (1) MUST COMPLY WITH THE CIVIL RIGHTS ACT OF 1964, PUBLIC LAW 88-352.”.

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Liberati moved to amend the bill as follows:

1. Amend page 1, line 1, after “5A.” by inserting “(1)”.
2. Amend page 1, following line 10, by inserting:

“(2) A CHILD PLACING AGENCY THAT DECLINES TO PROVIDE SERVICES UNDER SUBSECTION (1) MUST COMPLY WITH THE ELLIOTT-LARSEN CIVIL RIGHTS ACT, 1976 PA 453, MCL 37.2101 TO 37.2804.”.

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Leutheuser moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

#### **House Bill No. 4038, entitled**

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 5718 (MCL 600.5718).

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Chang moved to amend the bill as follows:

1. Amend page 2, line 4, after “(2),” by striking out “ELECTRONICALLY” and inserting “BY ELECTRONIC SERVICE”.

2. Amend page 2, line 6, after “IF” by striking out the balance of the line through “CONFIRMS” on line 7 and inserting “THE CONSENT OR CONFIRMATION OF”.

3. Amend page 2, line 8, after “ELECTRONIC” by striking out “SERVICE” and inserting “TRANSMISSION”.

4. Amend page 2, line 10, after “SERVICE” by striking out “AND”.

5. Amend page 2, line 12, after “ELECTRONIC” by striking out “COMMUNICATION METHOD” and inserting “SERVICE ADDRESS”.

6. Amend page 2, line 14, after “SERVICE” by striking out “OR”.

7. Amend page 2, line 16, after “SERVICE” by inserting “ADDRESS”.

8. Amend page 2, following line 18, by inserting:

“(3) AS USED IN THIS SECTION:

(A) “DOCUMENT” MEANS A DIGITAL IMAGE OF A RECORD ORIGINALLY PRODUCED ON PAPER OR ORIGINALLY CREATED BY AN ELECTRONIC MEANS, THE OUTPUT OF WHICH IS READABLE BY SIGHT AND CAN BE PRINTED TO PAPER.

(B) “ELECTRONIC NOTIFICATION” MEANS THE NOTIFICATION TO A PERSON THAT A DOCUMENT IS SERVED BY SENDING AN ELECTRONIC MESSAGE TO THE ELECTRONIC SERVICE ADDRESS AT OR THROUGH WHICH THE PERSON HAS AUTHORIZED ELECTRONIC SERVICE, SPECIFYING THE EXACT NAME OF THE DOCUMENT SERVED OR PROVIDING A HYPERLINK AT WHICH THE SERVED DOCUMENT CAN BE VIEWED AND DOWNLOADED, OR BOTH.

(C) “ELECTRONIC SERVICE” MEANS SERVICE OF A DOCUMENT ON A PERSON BY EITHER ELECTRONIC TRANSMISSION OR ELECTRONIC NOTIFICATION.

(D) “ELECTRONIC SERVICE ADDRESS” OF A PERSON MEANS THE ELECTRONIC ADDRESS AT OR THROUGH WHICH THE PERSON HAS AUTHORIZED ELECTRONIC SERVICE.

(E) “ELECTRONIC TRANSMISSION” MEANS THE TRANSMISSION OF A DOCUMENT BY ELECTRONIC MEANS TO THE ELECTRONIC SERVICE ADDRESS AT OR THROUGH WHICH A PERSON HAS AUTHORIZED ELECTRONIC SERVICE.”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Forlini moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

#### **House Bill No. 4289, entitled**

A bill to amend 1965 PA 314, entitled “Public employee retirement system investment act,” by amending section 13g (MCL 38.1133g), as added by 2014 PA 185.

The bill was read a second time.

Rep. Yonker moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

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The Speaker Pro Tempore called Associate Speaker Pro Tempore Franz to the Chair.

### Introduction of Bills

Reps. Heise and Somerville introduced

**House Bill No. 4346, entitled**

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 10c (MCL 247.660c), as amended by 2012 PA 391, and by adding section 10q.

The bill was read a first time by its title and referred to the Committee on Transportation and Infrastructure.

Reps. Barrett, Somerville, Victory, Hughes, Sheppard, Maturen, Tedder, Driskell, Canfield, Kelly, Theis, Gamrat, Leutheuser, Glenn, Chatfield and Pagan introduced

**House Bill No. 4347, entitled**

A bill to designate February 1 of each year as "Blue Star Mothers Day".

The bill was read a first time by its title and referred to the Committee on Military and Veterans Affairs.

Reps. Faris, Kelly, Schor, Hoadley, Smiley, Cochran, Dianda, Lane, Chirkun, Greig, Plawecki, Hovey-Wright, Liberati and Singh introduced

**House Bill No. 4348, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 811dd.

The bill was read a first time by its title and referred to the Committee on Transportation and Infrastructure.

Reps. Yanez, Hovey-Wright, Greig, Darany, Cochran, Plawecki, Geiss, Sarah Roberts, Derek Miller, Liberati, Brunner, Pagan and Robinson introduced

**House Bill No. 4349, entitled**

A bill to amend 1979 PA 218, entitled "Adult foster care facility licensing act," by amending section 3 (MCL 400.703), as amended by 2014 PA 450.

The bill was read a first time by its title and referred to the Committee on Regulatory Reform.

Rep. Guerra introduced

**House Bill No. 4350, entitled**

A bill to regulate political activity; to regulate certain candidates for elective office and state officials; to require financial statements and reports; to prescribe the powers and duties of certain state and local governmental officers and agencies; to impose fees; to prescribe penalties and civil sanctions; and to provide remedies.

The bill was read a first time by its title and referred to the Committee on Elections.

Rep. Driskell introduced

**House Bill No. 4351, entitled**

A bill to amend 1978 PA 472, entitled "An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts," by amending section 6a (MCL 4.416a), as added by 1994 PA 383.

The bill was read a first time by its title and referred to the Committee on Oversight and Ethics.

Rep. Irwin introduced

**House Bill No. 4352, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 264a.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Rep. Nesbitt moved that House Committees be given leave to meet during the balance of today's session.  
The motion prevailed.

By unanimous consent the House returned to the order of

**Announcement by the Clerk of Printing and Enrollment**

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members on Friday, March 13:

<b>House Bill Nos.</b>	<b>4339</b>	<b>4340</b>	<b>4341</b>	<b>4342</b>	<b>4343</b>	<b>4344</b>	<b>4345</b>		
<b>House Joint Resolution</b>		<b>K</b>							
<b>Senate Bill Nos.</b>	<b>199</b>	<b>200</b>	<b>201</b>	<b>202</b>	<b>203</b>	<b>204</b>	<b>205</b>	<b>206</b>	<b>207</b>

**Reports of Standing Committees**

The Committee on Criminal Justice, by Rep. Heise, Chair, reported

**House Bill No. 4015, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 465 (MCL 750.465).  
Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Heise, Webber, Howrylak, Courser and Lucido

Nays: Reps. Guerra, Hovey-Wright and Chang

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Heise, Chair, of the Committee on Criminal Justice, was received and read:  
Meeting held on: Tuesday, March 17, 2015

Present: Reps. Heise, Webber, Howrylak, Courser, Lucido, Guerra, Hovey-Wright and Chang

The Committee on Judiciary, by Rep. Kesto, Chair, reported

**House Bill No. 4244, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 73301 (MCL 324.73301), as amended by 2007 PA 174.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Kesto, Lucido, Heise, Johnson, Cole and Runestad

Nays: Reps. Irwin, Robinson, Chang and Guerra

The Committee on Judiciary, by Rep. Kesto, Chair, reported

**House Bill No. 4295, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16m of chapter XVII (MCL 777.16m), as amended by 2014 PA 192.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Kesto, Lucido, Heise, Johnson, Howrylak, Cole, Runestad, Irwin and Guerra

Nays: Reps. Robinson and Chang

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Kesto, Chair, of the Committee on Judiciary, was received and read:  
Meeting held on: Tuesday, March 17, 2015

Present: Reps. Kesto, Lucido, Heise, Johnson, Howrylak, Cole, Runestad, Irwin, Robinson, Chang and Guerra

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. LaFontaine, Chair, of the Committee on Natural Resources, was received and read:

Meeting held on: Tuesday, March 17, 2015

Present: Reps. LaFontaine, Rendon, Forlini, Goike, Lyons, McBroom, Kivela, Smiley and Plawecki

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Callton, Chair, of the Committee on Health Policy, was received and read:

Meeting held on: Tuesday, March 17, 2015

Present: Reps. Callton, Vaupel, Hooker, Yonker, Graves, Hughes, Kesto, Bizon, Chatfield, Crawford, Garcia, Tedder, Darany, Brinks, Cochran, Phelps, Geiss, Liberati, Neeley and Wittenberg

Absent: Rep. VerHeulen

Excused: Rep. VerHeulen

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Graves, Chair, of the Committee on Commerce and Trade, was received and read:

Meeting held on: Tuesday, March 17, 2015

Present: Reps. Graves, Sheppard, Callton, Jenkins, Johnson, Rendon, Somerville, Hughes, Barrett, Garcia, Glenn, Leutheuser, Schor, Townsend, Byrd, Garrett, Geiss, Love and Moss

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Pettalia, Chair, of the Committee on Transportation and Infrastructure, was received and read:

Meeting held on: Tuesday, March 17, 2015

Present: Reps. Pettalia, Glardon, Farrington, Goike, Jacobsen, Yonker, Lauwers, McCready, Cole, Maturen, Rutledge, Smiley, Cochran, Dianda and Neeley

Absent: Rep. Lane

Excused: Rep. Lane

**Messages from the Governor**

Date: March 17, 2015

Time: 12:15 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4078 (Public Act No. 7, I.E.), being**

An act to make, supplement, and adjust appropriations for certain capital outlay projects for the fiscal year ending September 30, 2015; to provide for the expenditure of the appropriations; and to prescribe certain conditions for the appropriations.

(Filed with the Secretary of State March 17, 2015, at 2:11 p.m.)

The following message from the Governor was received March 12, 2015 and read:

**EXECUTIVE ORDER**

**No. 2015 - 9**

**CREATION OF THE  
STATE SCHOOL REFORM/REDESIGN SCHOOL OFFICE**

**DEPARTMENT OF EDUCATION  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

**EXECUTIVE REORGANIZATION**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that he considers necessary for efficient administration; and

WHEREAS, Section 8 of Article V of the Michigan Constitution of 1963 provides that each principal department shall be under the supervision of the Governor unless otherwise provided by the Constitution; and

WHEREAS, Section 1 of Article VIII of the Michigan Constitution of 1963 provides in part that schools and the means of education shall forever be encouraged; and

WHEREAS, Section 2 of Article VIII of the Michigan Constitution of 1963 provides in part that the legislature shall maintain and support a system of free public elementary and secondary schools as defined by law; and

WHEREAS, Section 3 of Article VIII of the Michigan Constitution of 1963 vests leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, in the State Board of Education; and

WHEREAS, there is a continued need to reorganize functions among state departments to ensure efficient administration; and

WHEREAS, the economic success of our state is dependent on having an educated and skilled citizenry that begins with every student having a quality education that prepares them for career and college readiness and success; and

WHEREAS, the State School Reform/Redesign Officer and State School Reform/Redesign School District were created to advance dramatic improvement in Michigan's lowest achieving public schools, as defined under state law; and

WHEREAS, by September 1st of each year, the Superintendent of Public Instruction is required to publish a list identifying the public schools in this state that the Michigan Department of Education has determined to be among the lowest achieving 5% of all public schools in this state, as defined under state law; and

WHEREAS, except public schools under the supervision of an emergency manager, the Superintendent of Public Instruction is required to issue an order placing each public school included on the list under the supervision of the State School Reform/Redesign Officer, and the governing board of each identified public school is required to submit a redesign plan to the State School Reform/Redesign Officer implementing a school intervention model, as defined under state law; and

WHEREAS, if the State School Reform/Redesign Officer does not approve the redesign plan or determines that the redesign plan is not achieving satisfactory results, the State School Reform/Redesign Officer shall issue an order placing the public school in the State School Reform/Redesign School District, imposing for the public school implementation of a school intervention model, as defined under state law; and

WHEREAS, since the creation of the State School Reform Officer in 2010, the State School Reform/Redesign Officer has approved redesign plans for 212 public schools; and

WHEREAS, 54 public schools have operated under a redesign plan for more than 3 years; and

WHEREAS, despite not achieving satisfactory outcomes, the current structure has neither implemented the rigorous supports and processes needed to create positive academic outcomes nor placed any of the identified low achieving schools in the State School Reform/Redesign School District; and

WHEREAS, many schools continue to perform at levels that hamper the ability of students to receive an education that prepares them for career and college readiness and success; and

WHEREAS, the state's lowest performing schools are in the greatest need of rigorous support structures and interventions in order to prevent further academic decline; and

WHEREAS, there is an immediate need to bring together the necessary school improvement resources within this state and utilize all the necessary school improvement models and strategies available for schools, to ensure that all students are given the opportunity to succeed in the classroom;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the powers and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

#### **I. DEFINITIONS**

As used in this Order:

A. "Department of Education" means the principal department of state government created under Section 300 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.400.

B. "Department of Technology, Management, and Budget" or "Department" means the principal department of state government created by Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121, and renamed the Department of Technology, Management, and Budget under Executive Order 2009-55, MCL 18.441.

C. "State" means the state of Michigan.

D. "State Board of Education" means the board created under Section 3, Article VIII, of the Michigan Constitution of 1963.

E. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321, and Executive Order 2009-55, MCL 18.441.

F. "State Budget Office" or "Office" means the office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

G. "State School Reform/Redesign School District" or "District" means the school district created under Section 1280c(6) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

H. "State School Reform/Redesign Office" means the office created within the Department of Technology, Management, and Budget under Section II of this Order.

I. "State School Reform/Redesign Officer" or "Officer" means the officer described in Section 1280c(9) of the Revised School Code, 1976 PA 451, MCL 380.1280c, and authorized to act as the superintendent of the State School Reform/Redesign District under Section 1280c(6)(b) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

J. "Superintendent of Public Instruction" means the principal executive officer of the Department of Education required under Section 3, Article VIII, of the Michigan Constitution of 1963.

## **II. CREATION OF STATE SCHOOL REFORM/REDESIGN OFFICE**

A. The State School Reform/Redesign Office is created as an autonomous entity within the Department of Technology, Management, and Budget.

B. The Office shall exercise its statutory powers, duties, and functions, including but not limited to rule-making, licensing, and registration, including any prescription of rules, rates, regulations, and standards, and adjudication independently of the Director of the Department. All budgeting, procurement, and related management functions of the Office shall be performed under the direction and supervision of the Director of the Department.

C. The Director of the Department shall be the appointing authority for employees of the Office.

## **III. STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT AND STATE SCHOOL REFORM/REDESIGN OFFICER**

A. The State School Reform/Redesign School District is transferred from the Department of Education to the State School Reform/Redesign Office.

B. The State School Reform/Redesign Officer is transferred from the Department of Education to the State School Reform/Redesign Office. The Officer shall be the head of the Office and shall carry out the functions vested in the Officer in this Order and as otherwise prescribed by law, including, but not limited to, acting as the superintendent of the State School Reform/Redesign District and performing functions and responsibilities vested in the State School Reform/Redesign Officer under Section 15(5) of 1947 PA 336, MCL 423.215. The authority to hire the Officer is transferred from the Superintendent of Public Instruction to the Director of the Department of Technology, Management, and Budget, who shall be the appointing authority for the Officer. The Officer shall be chosen solely on the basis of his or her competence and experience in educational reform and redesign. The Officer shall be exempt from and not within the classified state civil service. The Department of Technology, Management, and Budget shall request the Civil Service Commission to establish the Officer's position as an exempt position of a policy-making nature within the Department.

C. All authority, powers, duties, functions, and responsibilities of the Department of Education under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c, are transferred to the State School Reform/Redesign Office, including, but not limited to, all of the following authority, powers, duties, functions, and responsibilities:

1. Determining under Section 1280c(1) of the Revised School Code, 1976 PA 451, MCL 380.1280c(1), which public schools in this state are among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

2. Posting on a website the federal work rules and formula for identifying the lowest achieving 5% of all public schools in this state for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, known as the "race to the top" grant program and a list of public schools in this state that have been identified for these purposes as being among the lowest achieving 5% of all public schools in this state, and updating the list as considered appropriate under Section 1280c(15) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

3. Except as prohibited by federal law, administration of any federal waivers granted by the United States Department of Education relating to the authority, powers, duties, functions, and responsibilities of the Department of Education, relating to the District, or the Officer under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c.

D. Except as provided in Section III.E, all authority, powers, duties, functions, and responsibilities of the Superintendent of Public Instruction under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c, and Section 15(6) of 1947 PA 336, MCL 423.215, are transferred to the State School Reform/Redesign Office, including, but not limited to, all of the following authority, powers, duties functions, and responsibilities::

1. Publication of a list identifying the public schools in this state that are determined to be among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, under Section 1280c(1) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

2. Issuance of orders placing each school that is included on the list under Section 1280c(1) of the Revised School Code, 1976 PA 451, MCL 380.1280c, under the supervision of the State School Reform/Redesign Officer.

3. Appointing a chief executive officer to take control over multiple public schools and directing the chief executive officer to exercise other powers or duties over the public schools under Section 1280c(7) of the Revised School Code, 1976 PA 451, MCL 380.1280c, and powers or duties under Section 15(5) of 1947 PA 336, MCL 423.215.

4. Releasing a public school from measures imposed under Section 1280c(6) or 1280c(7) of the Revised School Code, 1976 PA 451, MCL 380.1280c, under section 1280c(13) of the Revised School Code, 1976 PA 451, MCL 380.1280c.



5. Except as prohibited by federal law, administration of any federal waivers granted by the United States Department of Education relating to the authority, powers, duties, functions, and responsibilities of the Superintendent of Public Instruction relating to the District or the Officer under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c.

E. The Superintendent of Public Instruction shall retain the authority, powers, duties, functions, and responsibilities to hear and decide appeals from a school board or a board of directors under Section 1280c(4) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

F. All of the following authority, powers, duties, functions, and responsibilities of the Superintendent of Public Instruction are transferred to the State School Reform/Redesign Office:

1. Determining that a public school academy that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 507 of the Revised School Code, 1976 PA 451, MCL 380.507, and notifying the public school academy's authorizing body under Section 507(5) of the Revised School Code, 1976 PA 451, MCL 380.507, of that determination.

2. Determining that an urban high school academy that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 528 of the Revised School Code, 1976 PA 451, MCL 380.528, and notifying the urban high school academy's authorizing body under Section 528(5) of the Revised School Code, 1976 PA 451, MCL 380.528, of that determination.

3. Determining that a school of excellence serving a special student population that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 561 of the Revised School Code, 1976 PA 451, MCL 380.561, and notifying the school of excellence's authorizing body under Section 561 of the Revised School Code, 1976 PA 451, MCL 380.561, of that determination.

#### **IV. IMPLEMENTATION**

A. Nothing in this Order should be construed to diminish the role of the State Board of Education under Section 3 of Article VIII of the State Constitution of 1963 in providing leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, to serve as the general planning and coordinating body for all public education, including higher education, or to advise the Legislature as to the financial requirements in connection therewith.

B. All records, personnel, property, unexpended balances of appropriations, allocations, or other funds used, held, employed, available, or to be made available to the State School Reform/Redesign School Office for the authority, powers, duties, functions, and responsibilities transferred under this Order are transferred to Office.

C. The State School Reform/Redesign Officer shall administer functions and responsibilities assigned under this Order in such a way as to promote efficient administration. The Director of the Department of Technology, Management, and Budget and the State School Reform/Redesign Officer shall make internal organizational changes as may be administratively necessary to complete the realignment of functions and responsibilities by this Order pursuant to MCL 16.107.

D. The Director of the Department of Technology, Management, and Budget shall provide executive direction and supervision for the implementation of the transfers under this Order.

E. The Director of the Department of Technology, Management, and Budget and the Superintendent of Public Instruction shall immediately initiate coordination to facilitate the transfers under this Order and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Education.

F. The State Budget Director shall determine and authorize the most efficient manner possible for the handling of financial transactions and records in the state's financial management system for the remainder of the current state fiscal year for transfers made under this Order.

G. All rules, orders, contracts, plans, and agreements relating to the functions and responsibilities transferred by this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or rescinded.

H. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity transferred by this Order shall not abate by reason of the taking effect of this Order. Any lawfully commenced suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

In fulfillment of the requirements of Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective on 60 days after the filing of this Order.

[SEAL]

Given under my hand and the Great Seal of the state of Michigan this 12th day of March, in the Year of our Lord Two Thousand Fifteen.

RICHARD D. SNYDER  
GOVERNOR  
BY THE GOVERNOR:  
RUTH A. JOHNSON  
SECRETARY OF STATE

The message was referred to the Clerk.

The following message from the Governor was received and read:

March 13, 2015

Gary Randall  
Clerk  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909-7509

Dear Mr. Randall:

Attached is a copy of my Special Message on Energy to the Regular Session of the 98th Michigan Legislature. This message transmitting information on the affairs of state and recommending measures I consider necessary and desirable is presented to the Michigan House of Representatives pursuant to Section 17 of Article V of the Michigan Constitution of 1963.

Sincerely,  
Rick Snyder  
Governor

March 13, 2015

*A Special Message from Gov. Rick Snyder  
Ensuring Affordable, Reliable, and Environmentally Protective Energy for Michigan's Future*

To Michiganders and the Michigan Legislature

#### **Introduction**

**Michigan needs to take aggressive steps to avoid a future of spiking energy prices and widespread power outages.**

In the last two years, we have laid the groundwork for a bright energy future for Michigan. We have gathered key information and met with residents all over the state to learn about our options. We set clear goals for Michigan's energy future.

We knew our energy must be affordable for our homes and businesses – for instance, residential bills for heat and electricity should not be higher than the national average. We looked to ensure that people could rest easily, knowing there would be dependable heat and electricity to power their homes. Specifically, we said that we should not have widespread outages due to a lack of supply, and that our residents should endure less than one outage a year on average, and that our outages should average less than two hours and 15 minutes. We sought to make sure we had options so our state could draw energy from a variety of sources, able to adapt as technology developed reliable and efficient alternatives. We said that the newest technological advances that will be right for Michigan are in natural gas and renewable generation. And we made it a priority to protect our environment for the generations to come, reducing mercury, acid rain, and particles in the air.

We've made real progress since 2012. We met the 11th most aggressive renewable portfolio standard in the nation, and we did so under budget – in some cases, at no additional cost compared to other energy sources. We were able to do that for a lot of reasons. Our standard encouraged collaboration, so we had access to people familiar with the newest technologies. We saw huge price reductions in even the last five years as we took advantage of those new technologies – better towers, better blades, and better electronics all meant better prices for Michiganders in the wind space, which has been our least expensive resource to date. In another success story, we established both utility and non-utility programs to reduce energy waste that are delivering measurable and very cost-effective results. In fact, our energy waste elimination is coming in at about a third the cost of what we would pay to generate that power. There is an awful lot of coal and natural gas we never had to burn, and that is only one way we managed to save so much money. We have proposed an energy code that will reduce new building energy usage by at least 25 percent.

I could keep listing good things that have happened, but we are here today because we have a lot more to do.

Our mission is to build a foundation of adaptability – that means that regardless of what the future holds, our energy system will be able to support all our needs at a reasonable price. Our efforts should be focused on ensuring our energy infrastructure can keep up with the demands of a growing economy. We need to ensure Michigan’s future energy decisions are made in Michigan. We need to make sure that when we make those decisions, we have the right process to ensure the decisions focus on the pillars of a strong energy future: affordability, reliability, and protection of the environment.

Now it is time to propose a plan that will see Michigan through at least the next 10 years of energy decision-making. During those next 10 years, Michigan will have to solve a shortage of electric generation. It will likely have to do that while complying with new federal regulations on carbon emissions. Our economy is expected to grow, and our infrastructure and natural assets will become even more important to our future. Ten years is near enough to have a good idea of the challenges we will face, and long enough to take concrete steps to secure our energy future.

#### Affordability

#### **Eliminating waste – investing in our homes and businesses – is vital to meeting our affordability goals.**

Michiganders pay more than the national average for the energy that powers, warms and cools their homes right now. That needs to change. The first and best thing we must do to change that is to help our homes and businesses eliminate waste. When you can get the same result for less money by upgrading your home or business, that’s a win-win-win solution for Michigan.

In 2009, Michiganders used 38 percent more energy — heating plus electricity — than the national average. Our average bills were 6 percent above national average. We can lower those bills.

There is a lot going on in those numbers. Our climate requires us to use more energy heating our homes than we do cooling them, unlike other parts of the country. Our natural gas price is one of the 10 lowest in the country, and that is used to heat the vast majority of homes in Michigan. That is why we use so much more energy than average, but our overall spending is a lot closer to average.

But people in their homes and businesses can do better just by eliminating energy waste, and we have reason to think we have some big opportunities there. First, Michigan homes tend to be smaller and older than the national average, which means they should take less energy to heat and cool if they are properly insulated and have heating and air conditioning systems that are reasonably up to date. That means we have a big opportunity to hold down our costs by helping our neighbors do the same. When we need to build a plant or burn some coal, that shows up on all our bills. Our current program that utilities use to reduce waste has been so successful that we have spent about a third of the money we would have otherwise on coal, gas, or facilities. In other words, we saved two-thirds of our dollars, and did so while making Michiganders homes and businesses more comfortable and their bills lower. Why wouldn’t we do more of that?

- Call to action: We should meet at least 15 percent more of Michigan’s energy needs in the next decade by eliminating energy waste.

We know that an energy shortage will come if we do nothing. The more energy we need, the more we have to build, and building gets expensive. The best way to avoid those large expenses is to reduce that demand when it makes good economic sense. We know it does make a lot of economic sense for Michigan to reduce energy waste. The 15 percent goal comes from the reports that were prepared by the Michigan Public Service Commission and the Michigan Economic Development Corporation. That figure is actually conservative, as it represents carrying out only half of the projects that already pay for themselves.

Here are some examples of ways Michiganders are already reducing energy waste in these programs:

- Insulating or caulking windows to keep drafts from stealing away our heat.
- Replacing old furnaces and water heaters so that we can be just as comfortable for a lot less money.
- Getting newer seals on the big freezers and refrigerators in convenience and grocery stores.
- Replacing older industrial equipment with newer technologies that create a better price-per-piece.

We do have a lot of variation in the amount of waste that can be eliminated across the state. Some utilities cover a large number of vacation homes that are unoccupied during the winter. Insulating them won’t produce much energy savings. Other utilities serve large areas with thousands of mercury street lights that are twice as expensive to operate as newer, brighter LED technologies, older homes that are occupied year-round and could be much more comfortable if they were better insulated, and a large number of industrial operations that could become much more competitive if they had access to the expertise and capital necessary to capture those savings. Those are opportunities for save we can’t pass up.

Michigan needs to change its attitude from seeing waste elimination as a nice-to-have add-on and see it as the cornerstone for Michigan’s next energy policy.

- Call to action: We need to eliminate artificial limits to the amount of waste reduction that utilities do. Right now, our law prevents utilities from spending more than 2 percent of their budget on waste reductions, even if that forces them to buy more expensive equipment instead.
- Call to action: We need to make sure our Public Service Commission can weigh the benefits of energy waste reductions in the same way it can weigh other kinds of expenses.
- Call to action: We need to break out of the thinking that says the only compensation for waste reduction programs is to offset a loss, and instead make our smartest option a place where utilities want to invest. Capital invested in stopping energy waste should not be less valuable than capital invested in a new plant.

Working families and seniors on a fixed income might want to insulate or install a better furnace, but don't have the up-front money to do it. Or, someone might be a renter that pays utilities and would benefit from the lower bill, but doesn't own the house. On-bill financing can be a key tool to address these kinds of situations – and 30 other states are taking advantage of it. Such plans would allow utility payers to take measures that reduce their waste, and pay for them over time as part of their electric bill. In other words, someone could essentially borrow the money to improve the furnace, and pay it back out of their monthly bill. Their bill doesn't go up, because of the energy savings. When they are done paying it off, their bill drops.

This can be a great tool for lots of Michiganders. Renters who want to make an investment to keep their utilities bill down have a way to do it. A senior citizen who knows their home could be more comfortable but doesn't know how long they will be in the home can make the change and know they will only pay for as much as they use. Last year the Legislature and I worked as partners to allow municipal utilities to offer these programs.

- Call to action: We should continue our good work on this issue, and repeal the on-bill financing ban for other utilities.

There is one more big reason Michigan should be a leader in this area. Michigan has companies that design more efficient building materials, appliances, and machinery. We build many of these items here, too. Other Michiganders install these technologies and materials in Michigan homes and businesses. This is a perfect example of an opportunity to build on existing leadership the state has in connecting Michigan businesses to each other. It is the right thing to do for energy costs, and the right thing to do for Michigan businesses and Michigan jobs. We cannot let this opportunity pass us by.

In every possible scenario, the elimination of energy waste is the right answer for Michigan. It enhances our reliability, as the only kind of energy that never strains the grid is the energy you don't use. It is the best thing we can do for affordability; the cheapest energy is the energy you don't use. It is the best thing we can do for environmental protection; the cleanest energy is the energy you don't use. And it allows our businesses and residents to save money by supporting each other.

Eliminating energy waste is only the place to start.

- Call to action: When utilities propose big-dollar investments, we need to make sure those investments will keep down costs, provide reliability, and protect our environment.

Utilities make a lot of investments – sometimes in new plants, sometimes in big upgrades to existing plants, and sometimes in operation, maintenance, and long-term purchase contracts. In 2008, we took a big step forward by saying investing new plants should have to be compared to other possible alternatives before pre-approval would be given. We need to expand that to all large investments.

We can protect our affordability by making decisions that take into account many possible futures. That includes making sure that Michigan's Public Service Commission has the power to require the cost of all alternatives be determined for the short and long term. Those alternatives also should be put through tests to determine the impact on reliability, our environment, and long-term regulatory compliance, and only the best alternative should be funded.

That is why we must get the right expertise asking the right questions. Michigan has the opportunity to be a nationwide leader in designing such a process; we should do that now.

We know that for some businesses, energy costs are not just one of many important costs, but one of their biggest expenses. Larger industrial customers that shaping metal in some way – like a steel-maker or a metal melter – are examples. On the agricultural side, some greenhouse operations also spend a large percentage of their budget on energy. We need to make sure that such businesses are able to choose Michigan, because they are a crucial part of our economic future. These are job creators that have a choice of where to locate. In order for the rest of our economy to build on a strong base of advanced manufacturing, we must be able to make sure such businesses can locate in Michigan and be competitive.

We need to adhere to our cost-of-service principles for all classes, meaning no one should be subsidizing others. Under legislation passed last year, the Public Service Commission is already looking at ensuring that rates properly reflect cost-of-service in most of lower Michigan.

But there is more we can do. These are many users that are motivated to work to control their own costs and destinies — if given the tools to do so. For instance, we have seen a lot of success through the metal melting rate that Consumers Energy offers, which has as a major component pricing to encourage use during off-peak hours. We also need to encourage other voluntary “peak shaving” activities by energy users. Even small changes at the right time may have outsize benefits.

- Call to action: Some energy users, especially energy intensive industries, may be able to manage their energy use to go down when the grid starts to get strained, which will hold down costs and lower risks for everyone. We should make sure that we both create an opportunity and a reward for them to partner with our utilities to capture that savings.

#### Reliability

#### **Michigan needs to do more to keep providing reliable electric and gas service.**

Michigan residents and businesses need to know that when they flick the switch or twist the dial, they will have electricity and heat.

Just a few days after I announced my reliability goals in 2012, many Michiganders endured the hardship of spending several days without electric power. We have had a lot of extreme weather in the last two years that was hard on our electrical system – ice storms, heavy winds – and that has made us look at all the steps we need to take to make sure that we get better about protecting ourselves from outages.

People can't get things done when the power goes out. Many of our businesses can't function without power. Our schools close and parents must leave work to pick up their children. There also is a human element to outages that we can't forget. Dialysis centers have to find somewhere else that can provide lifesaving treatment. A lack of air conditioning on a hot day is life-threatening to our seniors.

Michigan set goals last year of being leaders in reliability – meaning ensuring that both we don't have as many outages, and they don't last as long. The goals we set would mean that Michiganders would experience less than one outage a year, and that it would be over in about the time of a competitive college basketball game – less than two and half hours. For instance, in 2011, the average number of outages a year per customer was 1.13 (a little more than one a year). Today, it is 0.8 – meaning most Michiganders won't experience a sustained outage this year. But we still have more to do.

I commend the Public Service Commission for setting aggressive goals in this area and working to encourage more measures that are already bearing fruit, and for our utilities and grid owners for responding.

Taking advantage of new technologies can also give us opportunities to prevent and fix outages much more easily than in the past. Until very recently, if your power went out, the utility did not know it until you called. Our utilities had to figure out what likely broke by how many people called, and where they were located. Now, with newer technologies, utilities can immediately see a problem and know what needs to be sent to the site to fix it.

- Call to action: Michigan needs to complete plans to deploy smart meters that help utilities locate outages and restore power more quickly.

The deployment of smart meters might be the best thing we ever do for reliability. That deployment should be complete in our two largest utilities in the next three years, and I know the commission has been working with utilities to accelerate the effort.

- Call to action: Michigan needs to continue investing in infrastructure and maintenance to keep our power grid and pipeline system working smoothly and safely.

The PSC has taken other steps to ensure reliability as well. It has pushed for more investment in tree trimming and challenged our utilities to step up their game on other infrastructure and maintenance activities that help keep our grid reliable. It's working. The average number of power interruptions has been declining in Michigan since 2011.

On the natural gas side, the commission took advantage of record-low gas prices to encourage utilities to replace our aging natural gas pipelines – especially those that are made of cast iron. For too long, we neglected our pipelines and recently, we have seen a quadrupling of leaks for some of our largest gas utilities compared to a decade ago. These programs are the right thing to do and must be continued, and accelerated as much as is economically feasible.

- Call to action: We must change our electric market structure to ensure all electric providers are protecting their customers from massive outages due to lack of supply.

An electric grid is a unique, gigantic machine that makes the market for electricity unlike all other economic markets. In most markets, if there is a shortage, some customers get the materials and some don't. But with electricity, if you can't get the electrons to the last light switch that flips “on,” then the grid fails and no one gets power. We've seen this happen in Michigan before. In 2003, much of lower Michigan experienced a massive outage and the Upper Peninsula remembers a similar problem when the Presque Isle Power Plant flooded out.

The Midcontinent Independent Systems Operator – MISO –is charged with making the interstate electric grid operate smoothly. MISO says the majority of lower Michigan is facing a 3 gigawatt shortfall of generation that can be called on to keep the grid from failing. That is about the size of our two largest nuclear plants – Cook and Fermi – put together. And that doesn't count the needs of the UP, which needs another plant built in the next five years. We've already taken some actions to fill that gap – but we aren't done yet addressing that gap, and we will need to do more almost every year for the next decade to fill that gap.

Michigan's risk of devastating outages is serious and growing. No large-scale grid operator in the country has a more serious risk than MISO, and no place in MISO has a shortage nearly as big as Michigan's.

If we don't solve that problem, Washington D.C. will solve it for us – and we will not like its solutions. We know this from what we are dealing with in the Upper Peninsula right now.

- Call to action: We need to act now to make sure we have the tools to solve our own problems and keep decision-making in Michigan, not in Washington D.C.

It is pretty clear that we have to make a lot of decisions – expensive decisions – in the coming years. And we have recently learned how important it is to take action in order to protect our ability to make those decisions here in Michigan. We know that if we don't get plants built in Michigan that we need, the federal government will essentially take over setting our electric rates and planning our energy future. And we know from experience that the “solution” imposed on us will not feature adaptability, affordability, reliability, or protection of the environment.

Consider what happened to the Upper Peninsula in the last year.

When the utility that owned a coal plant announced it didn't need it anymore, the people who run our interstate electrical grid for most of Michigan, a group called MISO, said the plant had to be kept operating for reliability. MISO doesn't normally get into the economics of running actual plants; that is usually done at the state level. But when there is a potential for the grid to collapse and leave everyone without electricity, it can step in. MISO entered into a private agreement with

the utility that meant Michigan ratepayers were now going to have to pay almost \$100 million a year until new electric lines could be built – something that takes at least 5 years, even if done expediently.

Michigan's Public Service Commission said that amount was way too high – it meant as much as an overnight 20 percent increase in some bills. That's approximately \$120 a year extra for the hardest-hit residential customers, many of whom are on fixed incomes. That's the kind of rate hike businesses can't plan for and absorb. The Federal Energy Regulatory Commission imposed the rate hike anyway, saying that even though those rates might be unjust and unreasonable, it would be sorted out later.

Let's think about the "solution" we were buying for all that money – keeping an old coal plant limping along while we spent more than a half a billion dollars on upgrading the system to bring out-of-state energy — mostly coal-generated — into Michigan. It would leave our reliability in a worse position than building a plant, it would be less affordable than building a plant, and it would be worse for the environment than building a new, natural gas plant that is designed to reduce energy waste by selling steam.

That's just not what Michiganders call a solution. So in January, we were able to announce a series of likely transactions that would provide for an orderly retirement – without millions of additional dollars in MISO-imposed payments — of the Presque Isle Power Plant (PIPP) and construction of a combined heat and power plant.

Today, I am announcing that the transactions have changed slightly, but overall, the outcome is still very positive for U.P. residents. Despite the best efforts of the Upper Peninsula Power Company and Cliffs Natural Resources, they were unable to come to terms on a contract for service. However, WE Energies has now agreed to provide service without seeking extra system support revenues, and Cliffs has agreed to remain with WE Energies until the new plant can be built. Just as before, the new plant to replace PIPP will be constructed no later than 2020, and will be supported by a series of business agreements. We look forward to working with legislative partners and the utilities to further cement Michigan's energy independence, by enabling the creation of Michigan-only utilities when that is in the ratepayers' best interest.

- Call to action: Finalize the transactions that will solve the U.P. power crisis.

I am proud to say that we still believe a long-term solution for the U.P.'s current energy crisis will be in place this year. We solved the problem, because that is what Michiganders hired us do. But it is not going to be a way we can keep solving this problem, and this problem is set to hit the Lower Peninsula in a big way.

The same day FERC issued orders that imposed unreasonable costs in the Upper Peninsula; it issued another order to one of Michigan's biggest utilities, Consumers Energy. Consumers Energy plans to retire at least seven coal plants next year. It doesn't just plan to – it has a court order requiring it to do so for environmental compliance. But when Consumers Energy asked the FERC for permission to retire those plants, FERC didn't simply approve their request. Instead, FERC demanded more information on the impact those closings would have on others, suggesting the company could be placed in an impossible position: conflicting federal orders both to keep the plants running and to close them.

This time, after a lot of additional information, the FERC agreed the plants could be closed. But what happens next time, when the Lower Peninsula has a plant that the grid needs but the utility wants to close because it doesn't make economic sense to run it?

If we don't have the ability to make some good decisions now, our future will be decided in years of Washington bureaucratic wrangling and court cases.

- Call to action: Prevent the Lower Peninsula from developing the same crisis the U.P. is living through by reforming our electrical market to require every electric provider to protect its customers.

We are facing a crisis because of a shortage of plants once coal plants begin retiring next year. These plants are being retired for two main reasons. First, our coal fleet is on average more than 50 years old, so many of the facilities just aren't efficient to run anymore. Second, there are some EPA regulations that are going to come into effect in the near future that will mean at least nine coal plants in lower Michigan, plus PIPP, will need to retire because they are too expensive to upgrade to meet the new standards.

This projected shortfall does not take into account any additional federal requirements that are currently proposed; it is the result of regulations that have already survived years of court challenges and are undoubtedly coming. We know at least 10 plants in Michigan will retire in the coming years. It could be more.

We cannot fix this without changing the way we structure our market. We need to give our regulators the power to determine when we may face a shortage, and tools to address it when we do. Without that, we cannot be adaptable. We also need to make sure that every company that sells energy in Michigan is protecting its customers from unpredictable price spikes due to a lack of generation or import ability. We can fix our electric capacity problem without forcing customers to change electric providers. But we can't fix our electric capacity problem until every electric provider has an equal responsibility to ensure that the plants or transmission lines their customers rely on will be there. Right now, we know we have a problem coming on that front. We need to require everyone selling power in Michigan to be part of solving that problem.

We can solve this problem without getting rid of retail open access – sometimes called choice — for those businesses that have already made plans and commitments to get their power from an alternative electric supplier. But we can only solve this problem if that choice is a fair choice. In Michigan, any company that sells you life insurance has to show the

state that they have enough reserves to make good on the policy they are selling. It's only fair to make sure that everyone who sells power is also required to buy the insurance policy that protects us all from big risks if there is not enough power available.

Right now, our incumbent utilities are required to be ready to take 100 percent of customers back – but those utilities will not receive approval to build plants their current customers don't need. When there were plenty of plants, that system worked without causing a reliability problem. But that is not going to be the case in the coming years. Instead, we face the question of how to pay for plants that may only need to run a few weeks a year, if no utility can be authorized to build them, and no investor thinks they can make their money back.

In Michigan, we believe in the principle of cost of service – users should not be subsidizing each other. That principle needs to apply to our market design too, and make sure everyone is fairly sharing in the costs of those plants we may only need a few times a year, or the lines we need to bring in the power that keeps our grid running. This must be a top priority.

While we need to change our market structure, we need to recognize the fact that in much of Michigan, 10 percent of businesses have relationships with other electric providers. When we change our system, we can respect those business decisions and allow those relationships to continue, if those providers can be part of the solution to our current problems. Reorganizing and redesigning electric markets, and giving our electric companies and their customers time to respond to those changes, is crucial. We also need to have a defined universe of megawatts we are addressing, so we need to keep the 10 percent limit.

It takes 3-5 years to build a new generating plant, including all regulatory approvals and permit requirements. So we need to know electric customers are protected now and 5 years into the future. That will give us time to construct a new, efficient plant if needed. All electric companies should be required to show the MPSC they have the capacity to serve their customers for the next five years in order to do business in Michigan. I am calling on the legislature to help us reform this system before the summer break, so that we can give ourselves as much time as possible to make a smooth transition.

#### Adaptability

**Michigan must set a reasonable, achievable and efficient goal for 2025 : a minimum of 30 percent clean energy – and potentially much more.**

2025 is 10 years away. And in those 10 years, Michigan is going to need to build new plants for electric generation and make sure our natural gas infrastructure is able to handle increased demand. We need to make sure our decisions keep Michigan adaptable, while making sure our energy is reliable, affordable, and protective of the environment. We've been talking about energy for some time, and that time has given us clarity on some key challenges facing Michigan.

Michigan has historically been one of the top 10 states most dependent on coal. We will have fewer coal plants in the near future. Now is the time when we will make energy decisions that shape our future and our children's energy future. That energy future can be one where our system is adaptable, reliable, affordable, and protects our environment – but only if we are smart about how we make those decisions and take advantage of our strengths.

Michigan is well-positioned to make those decisions. We've been working during the last few years and have a pretty good idea of the range of the best solutions for Michigan.

First, we know that Michigan will benefit most by eliminating energy waste as our first priority. Then we can look at what plants will be shutting down and what will be replacing those to determine what our future mix of electric plants will look like. We will have less coal and more natural gas and renewables. We will have more natural gas plants for baseload generation as well as for intermittent generation when power from renewables may not be available — and more renewable energy to help us contain costs. And reducing energy waste will be an increasingly important part of our portfolio.

If you look at where Michigan gets its electricity today, we are still pretty reliant on coal. But we are seeing a contribution from our newer investments – reducing waste and renewables – that is almost as large as the contribution from our nuclear plants. Below are charts showing what our mix looks like when you add in the energy waste reductions, or if you look only at our generation.

#### **Michigan's 2015 Electricity Mix**

Coal, 54%  
Nuclear, 17%  
Natural Gas, 13%  
Renewables, 9%  
Reducing Energy Waste, 7%

Coal, 59%  
Nuclear, 18%  
Natural Gas, 14%  
Renewables, 9%

Now, when we look at the future, what do we know? First off, we know Michigan is growing again. While we should look at all scenarios, we should plan for at least a moderate amount of growth in electric demand.

We know that renewable energy has dropped significantly in cost, making it cost-competitive or close to cost-competitive. We are now hearing firm 20-year price quotes for wind that are less expensive than coal or natural gas. These least-expensive renewables can't provide baseload power – because they only work when the sun is shining or the wind is blowing. That said, we have a unique asset that helps us store power in Ludington, Mich. so we can get more benefit from intermittent power than most states do.

We know that our nuclear production is likely to hold steady until the federal government figures out what do to with the waste, and until we figure out a way to make sure nuclear plant construction can be done cost-effectively.

Our new source of baseload power will likely come from natural gas. We know that natural gas prices at more stable lows than we have seen for decades. We know Michigan has the best natural gas storage in the country. We know Michigan has the ability to produce natural gas – with a safety record to be proud of. And we know natural gas prices are very competitive in Michigan – the eighth-lowest in the country. With that said, natural gas also has a history of very volatile fuel pricing – lots of spikes as well as valleys. To protect Michigan residents and business from big price swings, we will need to offset that risk of natural gas prices with power that doesn't need us to pay for fuel – renewables.

Now, let's get to what we don't know. We don't know if exactly what natural gas will cost – if it will beat renewables, or vice-versa. So starting with what we know, we can try out some possible futures and see what our mix would be if we just built as much of the cheapest thing as possible to fill our gap. To make it simple, these scenarios do not try to include any new federal regulations change the mix, or hedge our risks, or technological changes.

If natural gas generation is generally less expensive than renewables (onshore wind), then here would be the state's energy mix in 2025 with energy waste elimination shown (top), or the resource mix of only our generation assets (below).

**Michigan's Potential 2025 Electricity Mix**  
**(natural gas less expensive than renewables per kWh)**

Coal, 34%  
Natural Gas, 20%  
Nuclear, 16%  
Eliminating Energy Waste (2016-2025), 15%  
Renewables, 9%  
Reducing Energy Waste (2009-2015), 6%

Coal, 43%  
Natural Gas, 26%  
Nuclear, 20%  
Renewables, 11%

Now let's look at another scenario, where onshore wind is less expensive than natural gas.

**Michigan's Potential 2025 Electricity Mix**  
**(natural gas more expensive than renewables per kWh)**

Coal, 34%  
Renewables, 19%  
Nuclear, 15%  
Eliminating Energy Waste (2016-2025), 15%  
Natural Gas, 11%  
Reducing Energy Waste (2009-2015), 6%

Coal, 43%  
Renewables, 24%  
Nuclear, 20%  
Natural Gas, 13%

If we look at nothing but cost — and renewables don't beat natural gas on cost — Michigan would want to get **30 percent of our energy needs in 2025** from our cleanest sources (eliminating waste and renewable energy).

If we look at nothing but cost, and renewables beat natural gas on cost, Michigan would want to get **40 percent of our energy needs by 2025** from our cleanest sources (eliminating waste and renewable energy).

Once you start looking at possible futures, you can see why Michigan's energy goals include the elimination of energy waste and moving to a mix of natural gas and renewables. No matter what the future holds, there is no scenario in which we should not more than double our efforts to reduce energy waste. There are reasonably likely situations in which for financial reasons alone, Michigan would want to more than double our current renewable generation. And you also see why we need to be adaptable, since we don't know which future we will actually come to see.

When other factors are taken into account, including the likelihood of increased regulation on coal and the expected upward pressure on natural gas prices, it is clear that this range – 30 percent to 40 percent renewables plus waste reduction — represents the least amount of waste reduction and renewable energy that would make sense for Michigan to invest in during the next ten years.



### Protecting the Environment

#### **Michigan's energy generation needs to be part of a healthier future by reducing mercury emissions, pollution that creates acid rain, and particles in the air for the health of Michigan.**

In Michigan, pregnant women and children can't eat a lot of fish we catch in our lakes and rivers because the mercury in the fish would cause serious health and developmental problems. There also are studies dating back decades that show particulate matter in the air is linked to asthma attacks and hospitalization, especially in children. And as the home of the Great Lakes, Michiganders care about acid rain creation, which is why we showed a lot of early leadership in controlling the pollutants that cause this.

We should not lose sight of the fact that there are other reasons beyond cost and portfolio diversity that these technologies are better for Michigan than what we have today.

Pure Michigan has been such a powerful brand for our state because it promotes the reality of our state. People should come here to enjoy the kind of experiences that make treasured memories.

One nearly-perfect Pure Michigan moment that comes to mind is a kid pulling a huge fish out of a picture-perfect lake. You know how to make that perfect? Having the kid be able to eat that fish that night. That's a part of no-regrets energy decision making.

We need to continue to take environmental priorities into account when making energy decisions. We must work to ensure our energy portfolio should continue to get better over time in controlling pollutants. When you replace a coal plant with a natural gas plant, you have essentially eliminated mercury as a pollutant from that plant. Chemicals that lead to acid rain— SO<sub>x</sub> and NO<sub>x</sub> — also drop enormously when you replace coal with natural gas. Particulate matter, which is linked to heart and lung diseases – like asthma – is reduced through natural gas use instead of coal, but large reductions come when you rely more on our cleanest sources, like waste elimination and wind or solar power.

Of course, we can't just look at power plants when we discuss energy and the environment.

In charting out Michigan's energy future, we should also explore ways to promote the adoption of advanced transportation fuels such as natural gas, biofuels, hydrogen, and electricity. Passenger cars and trucks, transit buses, fleet delivery vans, refuse and utility trucks, and even heavy duty rigs are now being powered by alternative energy sources and we must continue to examine how smart policies can help encourage their growth as part of Michigan's energy future. We also need to look at emerging technologies that may be able to do more to limit pollution from traditional vehicles. Michigan has been a leader in developing and testing autonomous and connected vehicles, which would not only help reduce crashes, but can reduce emissions too.

In another arena, yesterday new rules went into place that continue Michigan's tradition of protective and effective regulation of drilling for natural gas and oil, and help us adapt to technological change.

We are pleased at the level of thoughtful interest and exchange this issue is receiving outside of government. The rules that took effect this week regarding high volume hydraulic fracturing were developed while key decision-makers from the state were participating in the first phase of an integrated assessment by the University of Michigan's Graham Institute. That helped us see an opportunity to strengthen our protection of water and give the public more information.

Specifically, we took some steps to require more preparatory work and monitoring of water levels. Baseline water quality samples will also have to be collected, so we will be able to know what the water quality was in the area before the operation started. DEQ will also have to be notified at least 48 hours before the operation starts.

The public will also have more information about when and where high volume hydraulic fracturing is used – permits will now have to contain this information, even if the producer is using the technique on an old well. The pressures and volumes being used will be reported, and operators must post information about the chemical additives used on the FracFocus Chemical Disclosure Registry – which is on the web and anyone can access.

The Graham Institute is now well into the second phase of its integrated assessment and the State will be among the many entities giving public comment to the researchers. The State looks forward to reading the final assessment and considering whether further rule changes or other improvements should be proposed.

### Conclusion

#### **Now is the time for Michigan to take charge of its energy future.**

We have an agenda before us with great challenges. We have set ambitious goals and there is much to do if we are to meet them.

But one thing we know for sure is that Michiganders do not back away from challenges. Our reinvention is proof that we know how to pull together, innovate and find solutions. We can lead the nation. That's the only way we should approach our energy needs.

I announced in the State of the State address that I plan to create a state agency focused entirely on meeting our energy needs now and long into the future. Later this month, I will sign an executive order creating that agency so that we can start improving our energy decision-making. We will do that not by replacing the skilled decision-making by our Public Service Commission and Department of Environmental Quality, but by having a single agency dedicated to getting all of our departments and commissions the information and context they need to support our energy priorities. We will be ready

to put into place the changes that come about through work with our legislative partners as well as stakeholders. And most of all, we will be ready to adapt and make sure Michigan – and Michiganders — make the best energy decisions for our future.

The message was referred to the Clerk.

#### **Announcements by the Clerk**

March 13, 2015

Received from the Auditor General a copy of the following audit report and/or report summary:  
Performance audit of the Bridge Inspection Program, Michigan Department of Transportation, March 2015.

Gary L. Randall  
Clerk of the House

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Rep. Price moved that the House adjourn.  
The motion prevailed, the time being 3:30 p.m.

Associate Speaker Pro Tempore Franz declared the House adjourned until Wednesday, March 18, at 1:30 p.m.

GARY L. RANDALL  
Clerk of the House of Representatives