

Michigan's Business Community Speaks with One Voice for Structural Reform

Leaders of Business Organizations Statewide Call for Action in Lansing

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LANSING, Mich.

Leaders of multiple statewide business organizations today spoke with one voice in calling on Governor Jennifer Granholm and state legislators to enact significant structural reform to state government prior to the beginning of the October 1 fiscal year.

"Passing a budget that once again patches things together and kicks the can down the road another year or two would be considered a complete failure of state government," said Jim Holcomb, Vice President of Business Advocacy and Associate General Counsel for the Michigan Chamber of Commerce. "Michigan's business leaders expect that Michigan's elected leaders will go beyond their minimum constitutional duty and set Michigan on a path to reform and revitalization."

"The business community knows that the time for single house or single branch solutions is over and real structural reform must be enacted prior to the start of the October 1 fiscal year," said Sarah Hubbard, Senior Vice President of Government Affairs for the Detroit Regional Chamber.

"The business community is cognizant of the fact that reform is never easy," said Jared Rodriguez, Senior Vice President of Government Affairs for the Grand Rapids Area Chamber of Commerce. "We stand committed in supporting those legislators that will provide the leadership to properly solve this ongoing budget crisis by enacting long-term reform to revitalize Michigan government."

"Business organizations from around the state are ready to assist legislators and the Governor in rallying support for significant structural reform," added Kristin Beltzer, Senior Vice President, Government Relations and Public Affairs for the Lansing Regional Chamber. "To help guide the discussion, we've provided each legislative office with a list of reforms that should be part of the discussion."

"To be clear, individually, our organizations see various degrees of merit in the individual reform proposals," Holcomb noted. "Without question, though, we agree that the worst option is to do nothing."

The major business and trade organizations joining the call for reform include: Michigan Association of Realtors; Small Business Association of Michigan; National Federation of Independent Businesses; Detroit Renaissance; Michigan Manufacturers Association; Michigan Association of Home Builders; Associated Builders and Contractors of Michigan; Michigan Bankers Association; Michigan Chamber of Commerce; Detroit Regional Chamber; Grand Rapids Area Chamber of Commerce; Lansing Regional Chamber; and the Kalamazoo Regional Chamber.

The list of suggested reforms for consideration includes:

- Pool all health care plans for public employees.
- Establish an Office of Medicaid Inspector General to specifically investigate Medicaid fraud.
- Reform Public Act 312 to change arbitration standards for police and fire.
- Reform Urban Cooperation Act and two other similar acts to eliminate requirement that when a service merger occurs, the higher wage and benefits must be paid.
- Require all new teachers hired by a date certain in the future to have defined contribution, rather than defined benefit, retirement plans.
- Move all administrative functions of local schools to the ISD, leaving local school boards with only academic and athletic functions.
- Privatize food service, mental health services, and transportation in prisons.
- Increase minimum retirement/years of service for all public employees to be eligible for retirement benefits.
- Increase state employee and retiree health care premium co-pays.
- Exempt government construction from prevailing wage statutes.
- Eliminate road patrol function of Michigan State Police and let county sheriffs take over that function.
- Require that school districts competitively bid all non-core functions, including transportation, food service, and custodial work.
- Reduce the number of school districts.
- Reduce mandatory minimum sentences and increase parole rates for all crimes.
- Make Michigan Promise scholarships a forgivable loan, rather than a

scholarship, requiring participants to work in Michigan for two years following completion of their degree.

- School employees pay 25% of health insurance costs.
- Reduce state worker benefits to national average.
- Cap school superintendent pay.
- Require program efficiency studies in all government programs to eliminate waste.
- Eliminate undocumented and potentially fraudulent child care payments.

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