



# 2010 | 2011 Legislative Priorities

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The Grand Rapids Area Chamber of Commerce Government Affairs division advocates for a variety of issues at the local, state and federal levels of government. The legislative priorities, created by Government Affairs Issue Committee's, will be used to educate and inform elected officials, Chamber members and the regional business community in 2010 – 2011.



## Education & Workforce Development

### Education Reform & Efficiency

- Advocate for reducing barriers to the sharing & consolidating of business services and non-core functions (i.e. transportation/food service).
- Support efforts to consolidate the number of K-12 school districts in Michigan.
- Advocate exempting school construction projects/consolidation from the “Prevailing Wage” Act.
- Ensure open and competitive bidding is achieved when evaluating public school employee’s health care insurance premiums. In addition, require minimum employee contribution toward health care premiums.
- Advocate that public school employees are moved out of a defined benefit style retirement plan to a contribution style retirement plan (i.e. 401k).

**Why?** The consolidation of services and districts drives more tax dollars into the classroom for student instruction. At a minimum, school districts should be encouraged to consolidate administrative services while retaining local control of academics. Efficient use of funds at the administrative level, as well as privatization of services like transportation and food service, will shift the focus from continuously trying to meet the revenue demands of the school bureaucracy to producing better results for students, parents and employers.

### Education Quality, Affordability and Access

- Advocate for innovative educational opportunities by means of professional/leadership development and increased use of technology in schools/school districts.
- Advocate for legislation and initiatives that promote early childhood and youth development.
- Actively promote, communicate and educate stakeholders of the *Consensus Principles for Education: Focus on the K-12 System*.

**Why?** Our future economic security and prosperity demands a generation of graduates with solid academic knowledge, world-class technical skills, reliable and professional work habits, and enthusiastic, creative analytical minds. High standards as well as opportunities to achieve must be available to all students, and schools must be given the opportunity and flexibility to develop and implement innovative educational opportunities.

### **Career Preparation**

- Support the alignment of Michigan’s curriculum with the needs of emerging industries.
- Support prescriptive program opportunities for local businesses to make a measurable difference in education quality and results in their communities, including programs such as student career exploration and the Chamber’s *Educator in the Workplace* initiative.

**Why?** Today’s economy demands a career-ready workforce, cognizant of employable skills and driven by innovative, future focused curriculum. The education of tomorrow’s workforce is the responsibility of not just teachers, but also business and industry.

### **Workforce Development**

- Advocate for future focused re-education of dislocated, transitional and incumbent workers, concentrating on transferable skills and lifelong learning.
- Advocate learning incentives for both employer and employee which embrace and result in life long learning of employable skills.

**Why?** As the state faces one of the highest unemployment rates in history, the focus of businesses, industries and education systems needs to be on re-educating those already in the workforce. This, combined with the growing concern of retaining the talented products of our school systems, places pressure on employers to encourage employee training and development, and to tailor this training to the needs of the market and its emerging industries. By providing future focused training and lifelong learning opportunities, businesses and industries can better position themselves for an economic up-swing. Employees must embrace a new concept of continuous life long learning to be employable in the future workforce.

## **Environmental Affairs**

### **Regulatory Oversight and Reform**

- Advocate for legislative oversight on environmental related fees not to exceed the cost of processing applications.
- Advocate for critical reforms to the Part 201 program, including reforms that:
  - Provide finality to the transaction
  - Simplify and define an endpoint for the clean up process
  - Revise oversight and reduce administrative cost
- Monitor the DNR/DEQ merger to ensure application and permitting processes are fair and efficient under the new DNRE.

**Why?** Fees that exceed the cost of permit processing unfairly force permit applicants to pay for unrelated government programs. Reforming Part 201 would return Michigan to a leadership position in attracting businesses to redeveloped sites and preserving Michigan's agricultural and recreational lands.

### **Air Quality**

- Support regional ozone air quality attainment status for West Michigan and non-attainment status re-designation.
- Advocate for fair PM 2.5 regulations and permit requirements on industry.
- Oppose new mercury emission limits.
- Oppose any state regulation of greenhouse gas emissions that is stricter than the federal standard.

**Why?** Overwhelming regional transport continues to be a concern. While air quality is improving, the tightening of standards will provide additional challenges for continued regional improvements.

### **Energy**

- Advocate for reliable and affordable energy including that from traditional sources.
- Support the research and development of alternative energy, energy efficiency, energy conservation, waste to energy, and clean energy technologies.
- Oversee the fair and reasonable implementation of PA 286, PA 287 and PA 295 of 2008 with appropriate oversight.

**Why?** We must ensure adequate energy supply to support a competitive cost of doing business in Michigan while exploring the development of new and innovative energy sources.

### **Sustainability**

- Support economic redevelopment incentives and business friendly remediation practices.
- Support smart growth and green space preservation
- Support incentives for sustainability and redevelopment
- Study impact of regulating carbon emissions, sequestration and carbon credits on business.

**Why?** Long term improvements can only be capitalized through balanced environmental and economically sustainable commercial, industrial and consumer actions.

### **Waste Management**

- Support a comprehensive recycling plan for Michigan
- Oppose the expansion of the bottle deposit law
- Oppose waste tipping fees as a funding source for recycling
- Study the creation of a statewide sanitary code at point of sale establishments

**Why?** The state of Michigan needs a comprehensive and commercially sustainable recycling program. To improve public health, consumer and commercial recycling centers need to be physically separated from our food supply.

### **Water Quality**

- Support the prevention of invasive species in the Great Lakes
- Monitor basin-wide ground water and surface water regulations
- Address Great Lakes water resource and management issues
- Support Great Lakes restoration and protection

**Why?** Human activities have a long term impact on the Great Lakes. Whether reasonable, unreasonable, intentional or not, support for a balance between water quality issues, ecological value, and appropriate and reasonable commerce is necessary.

## Health Care & Human Resources

### Health Care

- Continue to promote and advocate for the Consensus Principles for Health Care Delivery and the Consensus Principles for Behavioral Health Care Delivery.
- Advocate for “A Business Case for Medicaid Reform.”

One of our long-standing concerns has been the cost shifting by government plans to the private sector, leading to higher costs for employers.

Nearly \$200 million will be cost-shifted by Medicaid to those with private health insurance in West Michigan in 2009. In Michigan, the number is over \$2 billion.

Medicaid reimbursement rates of sixty cents on the dollar or less not only increase costs for employers, they decrease access to care for Medicaid recipients, forcing them to utilize the most expensive health care option -- the emergency room.

Medicaid is an illusion. The program does not pay the cost for the services it “covers” and cutting reimbursement rates to balance the budget is not an option.

As outlined in “A Business Case for Medicaid Reform,” the Chamber supports efforts to reform Medicaid through increasing individual recipient responsibility for health status, promoting healthy lifestyles, reducing fraud, and increasing pay-for-performance incentives. Medicaid benefit levels and eligibility need to be redesigned to control costs for this ballooning state program in order to prevent further reimbursement rate cuts and cover more of Michigan’s uninsured population in a depressed economy.

- Reduce health care costs for employer-provided health care.
  - Advocate for the Michigan Minimum Benefit Plan
  - Support the consolidation of public employee healthcare
    - Simplify opt-out mechanism for lower cost plans
    - Ensure more personal responsibility for health status and healthcare costs (premiums, deductibles and copays)
    - Include consumer-driven health care plans in plan design

Health care costs continue to escalate. Increased costs make it more difficult for small business to offer coverage to their employees. In addition, many employers have found it necessary to reduce healthcare benefits and pass along premium cost increases to their employees. Consideration should be given to methods of increasing efficiencies and eliminating waste, overuse and misuse of the system. The Chamber demands quality, accountability and innovation in the health care system. The Chamber will support legislative efforts to restrain employer-provided health care cost increases, expanding flexibility, competition and choice in the marketplace.

- Promote primary care, chronic disease management, prevention and education.

Continue to promote and utilize the reports of the Obesity Task Force, which were developed to assist employers in making decisions about tackling obesity and wellness issues in the workplace.

- Reduce barriers to consumers seeking primary care and chronic disease management services.
- Support the development of patient-centered medical homes in primary care and other cost containment innovations in hospital in and outpatient care, specialist physician care and prescription drug management.

**Why?** True health care cost containment cannot be achieved if the focus is on price controls and government interference in employers' health care decisions. Legislators should focus their time and energy on implementing market-friendly and consumer-driven reforms that eliminate regulations which increase business costs, cost employees more money, and adds to the number of uninsured individuals statewide. The Chamber will monitor and work to advance legislation in alignment with the health care priorities.

### **Human Resources**

- Prevent legislative initiatives that interfere with employers' ability to operate free of uncompetitive government regulations and workplace mandates.
- Oppose efforts to expand unemployment benefits beyond their original intent.

Unemployment benefits were created only to be a bridge for employees who lose their job due to no fault of their own and are actively seeking re-employment.

- Ensure the financial stability and solvency of the state's unemployment compensation trust fund.
- Oppose efforts to increase the current level of unemployment insurance benefits (UI).

These efforts will be opposed, unless offset by significant cost savings reforms, such as establishing a one-week waiting period; strengthening re-qualification requirements for claimants who voluntarily quit, are discharged for misconduct, etc.; strengthening work requirements; and/or lowering the minimum UI tax rate for employers who have had no benefits charged to their account for five years or more.

- Retain the current minimum wage.

Oppose efforts to automatically link future minimum wage increases to the rate of inflation or

- Oppose increases in workers' compensation benefits.

Create common sense standards for adjudicating questionable claims, such as stress and psychological claims.

- Oppose wage controls.  
Wage controls include local minimum, living and prevailing wage ordinances.
- Oppose any effort to shift the cost of operating the Bureau of Workers' Disability Compensation to employers.  
Oppose establishing a new tax, fee or surcharge on workers' compensation.
- Oppose mandatory ergonomic standards.  
Support voluntary and cooperative efforts between labor and management to promote safety in the workplace.
- Support efforts to educate employees working under union contracts of their Beck rights.  
Encourage employees to receive a refund of union dues monies spent on political, social or charitable causes to which they may object.
- Oppose legislation that would deny employees secret ballot elections in the union selection process, eliminate current National Labor Relations Board (NLRB) enforcement provisions, and implement mandatory interest arbitration for collective bargaining agreements.  
Support the rights of workers to cast their vote in private, removed from coercion from either unions or employers.

**Why?** Fair and affordable employment laws, including unemployment and workers' compensation programs, are more important than ever given today's economy. The Chamber believes employers should have the flexibility to manage their workforce and employees' needs—with limited governmental involvement or regulation. Michigan employers pay out billions in unemployment insurance (UI) benefits and workers' compensation benefits each year. One hundred percent of these benefits are financed by employers; therefore, the Chamber believes any reforms to the UI or workers' compensation systems should balance the needs of the employees and employers. Further, the Chamber believes employees should have the right to choose freely and anonymously whether to unionize and should be further educated about their rights. The Chamber will monitor and work to advance legislation in alignment with the Human Resources priorities.

## **Infrastructure & Transportation**

### **Federal Transportation Funding**

- In 2008, the balance in the Federal Highway Trust Fund dropped to zero and Congress took steps to temporarily restore funding for this critical program. In 2009, Congress will start work on reauthorizing the federal law that distributes highway funds to the states. Michigan has historically been a “donor state,” which means that for every dollar of transportation taxes we send to Washington, D.C., we get back 92.5 cents. We will work to address this and in addition, we will review the funding formula under P.A. 51 and advocate that the West Michigan region receives its fair share for targeted projects.

### **State Transportation Funding**

- Support the recommendations of the state’s Transportation Funding Task Force to increase funding dedicated to transportation infrastructure, one of our state’s most critical economic assets. However, before funding increases are enacted, the Committee would first like to see spending reforms throughout the entire State Budget, Michigan Department of Transportation reforms and efficiencies and the reduction of inter-departmental grants. After these reforms are enacted, it would then be appropriate to consider the rest of the proposed options like aviation fuel tax increases and diesel tax parity before increasing registration fees.

### **U.S. 131 Extension to the Indiana Border**

- The Grand Rapids Area Chamber of Commerce will continue to advocate for the extension of U.S. 131 to the Indiana border. We will support the Michigan Department of Transportation and their efforts to construct a limited access highway, allowing West Michigan businesses a direct connection to the major east / west thoroughfare (80/90 toll road).

### **Bridge Improvement and highway expansion along I-196 and I-96**

- Support the improvement/widening of bridges along I-196 and I-96 from the Grand River to M-21. In addition, the Chamber will work with the Michigan Department of Transportation to keep traffic flow moving through and around the city for the duration of the improvement projects.

### **Public Transportation Funding**

- In recognition of the key role a sound, efficient public transportation system has in the economic health and vitality of our region, the Chamber will advocate for increased funding and a more stable allocation of public transportation dollars. Specifically, the Chamber supports the inclusion of performance standards into the state operating allocation formula; prohibiting the allocation of local bus operating line revenues to other projects. Public transportation remains a key element to the continuation of a solid economic development engine and a significant tool for growing businesses.

**Why?** Investment in our transportation & infrastructure systems is a job-generating investment everyone benefits from. It is vital to economic competitiveness and should remain a top priority for the business community. The Chamber supports the recommendations of the state's Transportation Funding Task Force to increase funding dedicated to transportation for some of our state's most critical assets as soon as possible or face more costly repairs in the future.

## Tax & Regulatory Affairs

### Michigan Business Tax (MBT)

- Advocate for a repeal of the MBT “surcharge” for all industries
  - Include government spending reforms to aid the repeal
    - In the alternative to total repeal, technical clarification by statute resulting in fair imposition of the tax across all industries.

**Why?** The MBT has some positive aspects, including: personal property tax relief for manufacturers, commercial, and telecommunications providers, incentives for hiring employees and equipment purchases. Despite the incentives built into the MBT, the tax has proven to be more complicated and burdensome than the Single Business Tax (SBT). The state’s projected revenue from the MBT is greater than that of the SBT and the addition of the “surcharge” has accelerated the overall tax liability increase for many job providers.

### Personal Property Tax (PPT)

- Support a full repeal of the PPT

**Why?** The PPT is a tax on businesses machinery and equipment, furnishings, and office equipment. The tax serves as an administrative burden to businesses and municipalities and has created a disincentive to capital investment, job retention and creation.

### Economic Development Incentives

- Support broad based tax relief
  - Eliminate or minimize the issuance of incentives

**Why?** The legislature continues to provide tax relief to specific sectors of the Michigan economy versus creating a competitive tax structure under which all business can operate, invest and succeed. Carving out specific industries or businesses can harm the competitiveness of the overall marketplace. However, Michigan must remain competitive in attracting and retaining businesses. Developing a process for determining the impact of incentives will help determine if individual incentives or broader changes to the tax code will be most beneficial.

**Oppose the imposition of new or increased taxes or fees on business prior to the implementation of structural reforms**

- Balancing of state budget
- Maintain legislative oversight
- Oppose automatic annual increases
- Oppose sales tax on services, unless substantial tax reform and cost cutting measures are in place prior to the implementation

**Pursue reduction and efficiencies in government at all levels**

**Why?** Balancing the state budget and controlling the cost of government must be achieved through improved government efficiency, cost-saving reform measures and reducing spending, versus the creation of new and/or increased taxes and fees.

## **Regional Policy Conference Directives**

### **Governance:**

**Eliminate the MBT with corresponding spending cuts**

### **Workforce of the Future:**

**Implement a right-to-work status for Michigan**

### **Health Care and Life Sciences:**

**Increase funding for providers with effective prevention practices**

### **Manufacturing and Design for the Future:**

**Streamline the permitting process within state government**

### **Attraction and Retention of Talent:**

**Update funding mechanisms for transportation infrastructure**

In 2008, the Grand Rapids Area Chamber of Commerce launched the Regional Policy Conference to unite the West Michigan business community, in a forum to create common regional policy goals that can be set in motion. The inaugural Conference brought together 650 business and civic leaders, legislators and local officials from throughout the state to engage in regional and state policy discussions.

The conference breakout sessions and speeches by various subject experts lead up to the closing session, where attendees participated in real-time voting that targeted specific issues and desired outcomes based around three themes:

- Economic Growth
- Attraction and Retention of Businesses
- Improve Government Functions

These themes were broken down into seven subject areas, and as attendees voted, the directives above emerged as the top ranked results. Accomplishing the directives falls under the oversight and responsibility of the Regional Policy Conference Co-Chairs and Steering Committee.



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