



2011 | 2012 Legislative Priorities

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Education & Workforce Development

Education Reform & Efficiency

- Advocate for reducing barriers to the sharing and consolidating of business services and non-core functions (e.g. transportation/food service).
- Support efforts to consolidate the number of K-12 school districts in Michigan.
- Advocate for exempting school construction projects/consolidation from the “Prevailing Wage” Act.
- Ensure open and competitive bidding is achieved when evaluating public school employees’ health care insurance premiums. In addition, require a 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 (e.g. 401k).
- Support efforts to reform the tenure process.

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 on the *Consensus Principles for Education: A 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.

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Education & Workforce Development

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 employers and employees 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. By providing future focused training and lifelong learning opportunities, businesses and industries can better position themselves for an economic upswing. 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.
- Monitor implementation of the amended Part 201 program to ensure legislative intent is fulfilled.
- Support initiatives to streamline permit processes.
- Support performance-based management practices within the Department and metrics to track the Department's performance.
- Oppose any state regulation that is stricter than a corresponding federal standard.
- Oppose misuse of operational memoranda in lieu of properly promulgated regulations.
- Oppose federal or state rules that extend beyond statutory or constitutional authority, are inconsistent with a statute, or are otherwise unnecessarily burdensome on the regulated community.

Why? Michigan's regulatory burden negatively affects economic growth. Fees that exceed the cost of permit processing unfairly force permit applicants to pay for unrelated government programs. Improving the permit processes and regulatory environment will increase the competitiveness of Michigan's job providers.

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 ozone 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.

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Environmental Affairs

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.
- 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.”

Nearly \$200 million is cost-shifted by Medicaid to those with private health insurance in West Michigan every year. 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.

- Reduce health care costs for employer-provided health care.
 - Advocate for the Michigan Minimum Benefit Plan
 - Support the consolidation of public employee healthcare
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- Promote primary care, chronic disease management, prevention and education.
 - 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? Health care costs continue to escalate making it more difficult for businesses to offer coverage to their employees. True health care cost containment cannot be achieved if the focus is on price controls and government interference in employers’ health care decisions. Consideration should be given to methods which increase efficiencies and eliminate waste, overuse and misuse of the system. The Chamber demands quality, accountability and innovation in the health care system. 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.

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Health Care & Human Resources

Human Resources

- Oppose legislative initiatives that interfere with employers' ability to operate free of uncompetitive government regulations and workplace mandates.
- Oppose efforts to expand unemployment benefits.
- 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.
- Oppose increases to the current minimum wage and efforts to automatically link future increases to the rate of inflation or increased wages for tipped employees.
- Oppose increases in workers' compensation benefits.
- Oppose wage controls (e.g. 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. 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.

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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. 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.

U.S. 131 Extension to the Indiana Border

- The 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).

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.
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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 to 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 and 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.

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