

September 16 – 17, 2010

Legislative Recommendations

Governance: Eliminate the MBT with corresponding spending cuts

Legislative Recommendations:

- Eliminate the MBT surcharge (Senate Bill 1 of 2009).
- Amend the Unitary portion of the MBT to reflect a manageable definition of Control by adopting the parent-subsidiary controlled group rules under Internal Revenue Code section 414 as a guide.
- Expand the materials and supplies deduction to include all businesses.
- Eliminate the phase-in provision of Senate Bill 1038 of 2008 and clarify the materials and supplies deduction applied to all materials and supplies used or consumed by a business.
- Allow for a negative gross receipts carryover or a deferral of the asset deduction until time of disposal
- Allow for a bad debt deduction equal to the bad debt deduction for federal income tax purposes.
- Allow cancellation of indebtedness to be deducted from Gross Receipts.
- Increase the compensation limit for the small business credit to provide needed relief to a large number of small businesses (Senate Bill 69 of 2009).

State Budget Reform Recommendations:

- Require all new teachers hired by a date certain in the future to have defined contribution, rather than defined benefit, retirement plans (\$87 million – Public Sector Consultants 2008)
- 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 (\$25 million – Michigan Auditor General 2008)
- Increase minimum retirement/years of service for all public employees to be eligible for retirement benefits
- Reduce the number of school districts
- Reduce mandatory minimum sentences, increase parole rates for all crimes, and enact release policies for the medically fragile
- 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.
- Cap School Superintendent Pay (\$6.1 million – The Center for Michigan)
- Eliminate undocumented and potentially fraudulent child care payments (\$231 million – Auditor General Report 2008)

Workforce of the Future: Implement a right-to-work status for Michigan

Legislative Recommendations:

- Pass a resolution placing a Right to Work referendum on a future ballot.
- Enact legislation enabling municipalities to create Right to Work Zones within their jurisdiction (Senate Bill 945 of 2009)

State Budget Reform Recommendations:

- 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
- Exempt government construction from prevailing wage statutes
- Require that school districts competitively bid all non-core functions, including transportation, food service, and custodial work. (\$50 million – Mackinac Center)

Health Care and Life Sciences: Increase funding for providers with effective prevention practices

Legislative Recommendations:

- Incent the use of prevention and primary care services by enacting legislation to increase funding for primary care providers through the development of a new Preferred Primary Care Provider designation.
- Standardize best practices for chronic disease management.
- Enact legislation that fosters a competitive health insurance market place, providing affordable options to consumers that increases preventive health care coverage and reduces the number of individuals without insurance.
- Subsidize the education cost for students who commit to a career in the field of primary care (Medical Doctor (MD), Doctor of Osteopathy (DO), Nurse Practitioner (NP), and Physician's Assistant (PA)) within the state of Michigan for a defined number of years.

State Budget Reform Recommendations:

- Pool all health care plans for public employees, with a focus on preventive care, up to 20% (\$900m – Speaker Dillon)
- Establish an Office of Medicaid Inspector General to specifically investigate Medicaid fraud
- Increase state employee and retiree health care premium co-pays
- School Employees Pay 25% of Health Insurance Costs (\$650m – Mackinac Center)
- Align State Worker Benefits to Nat'l Average (\$269m – Public Sector Consultants 2008)

Manufacturing and Design for the Future: Streamline the permitting process within state government

Legislative Recommendations:

- Prohibit all state departments from creating internal policy or “ad hoc” rules outside of the formal rules making process. This subverts the legislative intent of Michigan laws and creates roadblocks to business investment.
- Place clear timelines on the issuance of all state permits.
- Require state departments to promulgate rules through a transparent process that offers adequate time for public comment.
- Provide for vigilant legislative oversight of the rule making process.
- Cross-train state officials in both business and environmental permits licensing.

State Budget Reform Recommendations:

- Require lean government studies in all government programs and departments to eliminate waste
- Return oversight of the Michigan Wetlands Program to the US EPA/Army Corps of Engineers.

Attraction and Retention of Talent: Update funding mechanisms for transportation infrastructure

Legislative Recommendations:

- Adopt the recommendations of the Transportation Funding Task Force, created by Public Act 221 of 2007, raising the current level of funding to “good.”
- Continue to work toward developing a funding mechanism for transportation infrastructure systems that raise investment levels to “better.”
- Demand departmental efficiencies in the deployment of transportation infrastructure funding and eliminate inter-departmental grants.

State Budget Reform Recommendations:

- Create transparency within all state departments, including the Michigan Department of Transportation (MDOT) by placing all expenditures online.
- Expand authority of the State Transportation Commission to require management standards, benchmarks, reports and accountability for all recipients of state transportation funding as a condition of receiving funds.
- Relieve duplication of efforts and establish one human resources division for all MDOT employees.
- Statutorily prohibit the diversion of transportation funds away from transportation uses.
- Amend PA 51 of 1951 to allow the formation of regional road agencies.