

## DO YOUR CANDIDATES HAVE A PLAN TO TURN MICHIGAN AROUND?

### Turning Michigan around: 10 Questions for the Candidates

During the last ten years, Michigan has become poorer, smaller, and less competitive. 50 percent of all the jobs lost in the U.S. between 2000 and 2010 were in Michigan. Michigan's business climate is ranked near the bottom by major job providers. The leaders we elect in November will enter office in January facing a deficit of over \$1 billion and continued high unemployment.

To stop this trend, Michigan must do what any business facing these conditions would do – adopt a “turnaround plan.” Do your candidates have or embrace a comprehensive, holistic plan to turn Michigan around?

Below are 10 questions you can ask gubernatorial and legislative candidates to help you decide.

- 1 During the last few years Michigan has twice failed to pass a budget on time and has postponed making difficult budget decisions by using federal stimulus money to fill enormous gaps, making it difficult for schools and local governments to plan their own budgets. Will you support timely, multi-year budgeting and long-term financial planning to help provide more predictability to the budget process?
- 2 Will you support a pay as you go policy that would prevent the state from adopting new programs without being able to pay for them?
- 3 Michigan is a smaller, poorer state than it was ten years ago; yet total compensation for state employees is 13.8% above the median state<sup>1</sup> and health and retirement benefits for public school employees is far higher than that for state or private sector workers. Will you take the necessary steps to bring total compensation for state employees and school employees in line with the U.S. median?
- 4 Michigan has over 1800 units of local government and over 500 school districts, but our laws discourage them from sharing services to reduce costs. Will you remove barriers to service sharing, and will you incentivize schools and local governments to consolidate services?
- 5 Michigan's annual prisoner housing cost is \$32,000 per prisoner while the average for Midwest states is \$25,000 per prisoner<sup>2</sup>. Will you reduce Michigan's per prisoner spending to the average of Midwest states without jeopardizing public safety?
- 6 The cost of doing business in Michigan is 10-20% higher than in states we most often compete with for manufacturing and knowledge-based jobs<sup>3</sup>. Will you reform Michigan's tax structure to: reflect the changing economy; make it stable and predictable for business; and make it more competitive to grow jobs, without making the state's structural deficit worse?
- 7 Over the last ten years, Michigan has disinvested in areas necessary to sustain our long-term economic success, such as our colleges and universities, our roads, and our communities. After getting our budget and costs under control, will you prioritize the state's investments into these assets that are vital to training, attracting, and retaining the workers we will need to compete in the new economy?
- 8 Michigan ranks 41st in creating a climate that encourages entrepreneurship<sup>4</sup>, yet the majority of jobs are created by small businesses. Will you implement policies to grow the economy by accelerating innovation and entrepreneurship in Michigan?
- 9 Michigan lacks cohesion, having the 7th highest number of local jurisdictions<sup>1</sup>, 4 out of 15 major work stoppages in 2009<sup>5</sup>, and the 2nd most racially segregated city in the United States<sup>1</sup>. Will you work to bridge historical racial, political, geographical and labor divisions by incentivizing collaboration and dis-incentivizing parochialism through grant awards and funding formulas?
- 10 Only a comprehensive solution to the state's fiscal, budget, tax, and economic policies will be sufficient to grow the economy. Will you work across party lines and support a comprehensive plan to address Michigan's fiscal, budget and tax challenges and set priorities for investment, economic development and job growth?

These questions are taken from the **Michigan Turnaround Plan** – a fact-based, actionable plan developed by Business Leaders for Michigan to get our state back to being a Top Ten economic leader. For more information, go to [www.michiganturnaroundplan.com](http://www.michiganturnaroundplan.com).

1. United States Census Bureau
2. Pew Center on the States
3. Anderson Economic Group
4. Michigan Entrepreneurism Scorecard
5. Bureau of Labor Statistics