

County Administrator's Digest

February 8, 2013

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ECONOMIC UPDATE

Wood TV 8 Story on Ottawa County Job Growth

Ottawa Co. job growth 'one of a kind'

Area leads the state, one of the US leaders

Updated: Thursday, 24 Jan 2013, 6:21 PM EST

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By Leon Hendrix

GRAND RAPIDS, Mich. (WOOD) - Recently released data shows that employment in Ottawa County is growing more than any other job market in Michigan -- more than 5,000 jobs were added in 2012 alone.

There is also the possibility of another 500 new jobs at a proposed new Perrigo plant in Holland Township, a plan announced Wednesday.

The Holland metropolitan area beat other Michigan job markets handily. Jackson employment grew just over 5%, Battle Creek 1.5%, and Grand Rapids, Muskegon and Kalamazoo all showed private sector employment growth of less than 1% in between 2010 and 2011.

Upjohn Institute analyst George Erickcek said the growth in the Holland area is astounding.

"It truly is one of a kind. Yes, we saw employment growth in Grand Rapids, it was good growth," he told 24 Hour News 8. "We've seen good growth statewide. Statewide in the past year, about 47,000 jobs were created statewide which is very good growth, but nothing compares what we've been seeing in Ottawa County."

"We've got experts in engineering and manufacturing and design and with such a very, very talented workforce, this is really allowing our companies to strive and grow over here on what we call Michigan's West Coast."

In 2012, manufacturing jobs in the Holland area grew at an 8% rate, and Upjohn



analysts expect manufacturing jobs to grow by more than 3% in 2013.

West Coast (formerly Holland and Zeeland) Chamber of Commerce Economic Outlook Breakfast (Keith Van Beek)

Several County staff (Commissioner Phil Kuyers, Bob Spaman, Bill Raymond and Keith Van Beek) attended the West Coast Chamber of Commerce breakfast featuring labor economist George Erickcek on Tuesday, January 8. This is an annual event featuring Erickcek of the Upjohn Institute for Employment Research. The overall report was positive for the State, but especially positive for the growth of Ottawa County in 2012 and projected for the next two years. Particular highlights for the County included addition of 3,500 jobs in 2012 ... although this is a number we are researching further with Erickcek as it included a net growth of 1,000 jobs in the government sector. This is obviously an error of some sorts in the reporting of the numbers, and something we suspect could involve GVSU and if some of their jobs were counted in Kent County in 2011 and were counted for Ottawa in 2012. Erickcek also highlighted an ongoing goal for obtaining a higher percentage of residents with college degrees, as this correlates with significantly higher earning potential. The entire PowerPoint presentation is included with the Digest for your review ([click here](#)).

Bi-Annual State Revenue Estimating Conference (GCSI)

Leaders from the House and Senate Fiscal Agency met with State Budget Director John Nixon at the annual State Revenue Estimating Conference on January 11th, 2013. Members heard testimony from top state economists about economic forecasts and revenue projections for the 2013-14 budget cycle. In the end, leaders agreed that revenues were holding relatively steady moving into the new budget cycle. A few highlights of the agreement made by the conference are summarized below.

- New revenue estimate of \$8.79 for the general fund for fiscal year 2012-2013, which amounts to a 5.1% reduction from the previous year.
- New School Aid Fund revenues are estimated at \$11.28 billion, an increase of 2.3%.
- Total General Fund Revenue will total \$9.26 billion and the School Aid Fund around \$11.43 billion.

The Governor has announced that his annual Executive Budget Recommendation will be presented to the legislature on February 7th. Shortly thereafter, the House and Senate Appropriations Subcommittees will work through the budget process based on the revenue projected above. Revenue estimates will be adjusted again in May. GCSI will be monitoring all budget activity and actively engaging members throughout this entire process.

Ottawa County Economic Development Office Six-Month Activity & Results Report (Mark Knudsen)

Please [click here](#) to view the report from Ken Rizzio, Executive Director, Ottawa County Economic Development Office.

BROWN BAG LUNCHES

We are nearing the end of the first series of Brown Bag Lunches for 2013. So far we have held lunches at the Ottawa County Courthouse in GH, District Court in Holland, CMH, Juvenile Services, Fillmore Administrative Office, and Sheriff's Office.

SURPLUS MANAGEMENT SYSTEM (Christine Miller)

The Ottawa County Purchasing Division is responsible for storage and disposal of surplus and obsolete County assets. Currently redeployment of surplus and communicating a need for or excess of desired goods or services between County departments is difficult as the existing approach is a manual, word of mouth system. With the assistance of Webtecs a new Surplus Management system has been developed. It is an intranet based system which will allow County departments to efficiently communicate surplus availability or desired goods or services from other departments for redeployment. This system will streamline the manual communication processes currently being used.

The system is similar to Craigslist with the ability to post items needed and items available for redistribution. The system will improve control over redeployment of County assets between department and surplus disposal. Some examples of items that are conducive for redeployment are toner from retired equipment, furniture no longer being utilized, office supplies, and office equipment.

This Surplus Management system will utilize the same login as the Employees Digital Paystub. It will open to show items currently available. Users will be able to add items they are no longer using as well as offer items to departments who have items listed as needed. The length of time an item will remain in the system will vary depending on the item. Items that are posted for the designated time that are not needed by another department will be tagged and stored for future use or sent to auction.

Testing should be completed this month and training offered in March.

DEER HUNT SUMMARY (John Scholtz)

North Ottawa Dunes Deer Management Program

2012 Summary

Ottawa County Parks and Recreation Commission (OCPRC) held two recreational hunts at North Ottawa Dunes

(NOD) concurrently with P.J. Hoffmaster State Park to expand the efforts to manage the deer population in the area. OCPRC determined that there was an overpopulation of deer at NOD through a scientific study of a deer exclosures installed in 2007. This study, and data from Hoffmaster's deer exclosure, demonstrated that an overpopulation of deer in the area was having a significant negative effect on the plants and wildlife in the area.

The main goal of OCPRC was to reintroduce hunting pressure on the deer herd, not reduce the deer herd by a determined percentage or number. Therefore, a recreational hunt served our goal while meeting OCPRC's mission of offering recreational opportunities to the community.

The results of the first NOD are as follows:

Shotgun Season, November 17 & 18

hunters: 17 hunters

of deer harvested: 13 (10 does, 3 bucks)

of hunters that observed deer: 15

Muzzleloader Season, December 8 & 9

hunters: 16 (many only hunted one day due to unfavorable weather conditions)

of deer harvested: 3 (2 does, 1 buck)

of hunters observed deer: only a few

Comments

After researching other organizations deer management programs, OCPRC adopted a few management techniques that we hoped would make for the most successful hunt. These strategies, along with the rules and overview of the hunt, were reviewed with the hunters in a mandatory meeting prior to the hunts.

1. The property was scouted and divided into 17 zones with evidence of significant deer activity. Each zone was assigned one hunter. This distributed the hunting pressure throughout the property, while keeping the number of hunters low. A survey of the hunters following the hunt showed 83% of the hunters strongly agreed that they liked having their own zone.
2. Reducing the doe population was the primary goal since this is the best technique to reduce the overall population. However, if a hunter was successful in taking a doe, they were permitted to return and harvest a buck. This policy was put in place with the intent of recruiting and retaining skilled hunters. The hunter survey showed 67% strongly agreed that this was a good incentive.
3. Another strategy to increase retention of skilled hunters was to automatically give successful hunters a zone in 2013. 83% of hunters surveyed felt this was a good incentive.

4. Of the hunters surveyed, 79% strongly disagreed that the terrain would be a reason for them to not participate in the hunt in the future.
5. Safety was a key concern voiced by neighbors and the public leading up to the hunt. The following steps were taken to ensure a safe hunt for the hunters, neighbors and general public.
 - a. Hunters were required to attend a pre-hunt meeting at which safety was stressed.
 - b. The number of hunters and their density was kept low.
 - c. Neighbors were notified of the hunts by letter and use of subdivision signs.
 - d. North Ottawa Dunes was closed during the hunt. Signage notifying visitors of the park closure was installed prior to and the day of the hunt. Also staff, with assistance from hunters, patrolled to keep the general public off the trails.

The 450' safety zone was clearly marked for hunters.

Conclusion

Although the number of deer taken was not equal to the number of deer that may have been taken in a deer cull, the Parks Commission considers the program a success because the deer population was reduced, the hunts were held without incident, and recreational opportunities were made available to area residents. It is important to note that this is a long-term project with similar hunts planned for 2013 and beyond. With continued pressure, the deer population will decrease, hopefully to healthy numbers. State officials have already reported anecdotal evidence supporting this after hunting Hoffmaster for six years.

OCPRC will continue to work with state officials to manage our adjoining properties. We will also continue to reach out to others within the community with hopes of making a comprehensive deer management program for the benefit of the health of the natural features of the area.

PRESENTATION AT SHAPE MICHIGAN EVENT (Keith Van Beek)

I was able to be part of a panel at the request of Priority Health on Friday, January 11 at the DeVos Place in Grand Rapids. This event was part of the weekend expo on healthy living and focused on the fight against obesity in West Michigan. Dan Gaydou, of the Mlive Media Group, moderated a panel discussion reacting to a HBO documentary entitled "The Weight of the Nation". Panelists included; Sheryl Lozicki, RD with Mercy Health, Linda Juarez with Muskegon County health initiative 1 in 21, Tom Peterson, MD with Helen DeVos Children's Hospital, Michael Shibler, PhD of Rockford Schools, Bob Van Eck of Priority Health, Lindsey DesArmo from GVSU and myself. Each panelist was asked to add insight from their perspective, and I was asked to provide an overview of our health management program as it is again being recognized as a progressive and successful example in the region.

EYE ON MUSKEGON INTERVIEW

I was recently interviewed by Jim Riley and Mark Molitor on the *Eye on Muskegon* program on WKBZ AM. Though this is a radio program the interview was also videoed. The interview highlighted positive features of Ottawa County including the recent upsurge in manufacturing job growth. The hosts were somewhat critical of Muskegon County and I was careful to note that outcomes in Ottawa County and Muskegon County result not only from many decades of different governance and management approaches but that the two counties have very different cultures among the general population and business sector, which yields very different results in the two counties. The type of organization and challenges that current elected and appointed officials face very much relates to the culture from which they come. The pre-taped interview will air on the radio station at 9:00 a.m. on Sunday, February 10 but was released earlier via social media. The link follows for those who are interested in viewing the interview: [eye on Muskegon 2-10-13](#)

GRAND RIVER RAVINES MASTER PLAN (John Scholtz)

Grand River Ravines Master Plan

The Parks Commission approved a master plan for the 187 acre Grand River Ravines Park at its February 6 meeting. Grand River Ravines is located in Georgetown Township on the Grand River adjacent to and south of Grand Valley State University. Approval of the plan culminates a six month public planning process led by park staff. The master plan recognizes the significance and fragility of the site's unique natural features, most notably the deep ravines that run through the property and adjoining lands.

Key aspects of the proposed master plan include:

- Entrances off of 42nd Avenue (north) and Fillmore Street (south). The north entrance drive will extend to the river and be constructed through the middle of the open farm fields which were recently planted with native grasses and wildflowers.
- The existing driveway at the north entrance will become part of the Grand River Greenway Trail (paved, multi-use trail) which is envisioned to eventually extend east to Grand Rapids and west to Grand Haven.
- Picnic sites will be developed in several locations – along the north entrance drive and near the river plus at the south entrance including a picnic shelter.
- The riverfront house will be renovated and used for park programs, public gathering place with interpretive displays, and public rentals.
- Hiking trails will extend through the site with the potential to link in the future to trails on adjoining GVSU land.
- An off-leash dog park with two large 4-7 acre fenced areas will be developed at the south entrance.

- Although further study is needed, the plan allows for a multiple station zip line running from the renovated barn at the south entrance to the riverfront.

The proposed master plan can be viewed on the parks website. Following approval of the plan, the Parks Commission intends to submit a grant proposal on April 1 to the Michigan Natural Resources Trust Fund for assistance in funding a first phase improvement project in 2014.

AUTOMATED EXTERNAL DEFIBRILLATOR (AED) (Rick VandeKerkhoff)

This past December we completed the purchase of enough AED's (Automated External Defibrillator) to insure that all county owned buildings now have at least one AED on the premise. While we sincerely hope there will never be a need for these, our goal to make available these life-saving devices has been realized. With input and assistance from Lt. Steve Kempker in the Sheriff's Office, the Medtronic "Lifepak" was selected to further standardize to one unit and alleviate any training challenges. This is the same unit our deputies carry in their vehicles and at our security checkpoints in our buildings. If you are interested in AED training, please connect with your supervisor. The current location of each unit is displayed below:

Hudsonville	Deputy station-front of courthouse
Ferris St - Grand Haven	Front Lobby
Fulton St - Grand Haven	Front Lobby
Grand Haven Courthouse	Deputy station-front of courthouse
A Bldg - James St. Holland	East Breakroom adjacent to fitness room
B Bldg - James St. Holland	Nurses Office
C Bldg - James St. Holland	Clinic side
DHS - Holland	Main floor reception
Holland District Court	Deputy station-front of courthouse
Fillmore - Jail	Juvenile Detention - behind control center
Fillmore - Jail	Probate Court - Peggy Hoisington's desk
Fillmore - Jail	Medical – north end Region 1-east side of hallway
Fillmore - Admin Annex	Front Lobby
Fillmore - Admin Annex	Fitness Room - lower level
Hemlock Crossing	Main floor reception

JAIL RE-ENTRY PROGRAM PILOT (Heath White)

Ottawa County is going to be the pilot site for a Jail Re-Entry Program that it is a partnership between the MDOC and the Ottawa County Sheriff's Office. The actual start date is still pending, because the MDOC is trying to co-ordinate some administrative issues with regards to releasing the offenders into the community from the jail. There should be no more than 6-8 parolees at any one time involved in the program. The plan is for prisoners who plan to parole to the Ottawa County area to be placed in the Ottawa County Jail 30 days or

more prior to their parole date. This will give an opportunity for the parolee to meet with various local community partners to address any needs for them prior to their release. Some of these partners will address risks and needs such as employment, substance abuse, housing, and mental health. The Ottawa County Re-Entry Program is a unique opportunity for parolees to re-engage family, support network(s), and community prior to parole. It is a time for the parolee to engage pre-release planning at a whole new level affording the opportunity to connect with community partners in the community in which they will be living and plan for a successful transition home.

97th LEGISLATURE FACTS (GCSI)

The 97th Michigan Legislature has:

- 28 new House members, although 2 of them, Sarah Roberts and Terry Brown, served previously
- 34 men and 4 women make up the Senate membership; 86 men and 24 women make up the House membership

The Senate has 8 members in their final term; the House has 28 members in their third and final term.

97th Michigan Legislature Leadership Election Results:

House Republicans:

Speaker of the House – Jase Bolger (Marshall)

Speaker Pro Tempore – John Walsh (Livonia)

Majority Floor Leader – Jim Stamas (Midland)

House Democrats:

House Democratic Leader – Tim Greimel (Pontiac)

House Democratic Floor Leader – Rudy Hobbs (Lathrup Village)

Senate Leadership remains unchanged.

Speaker Jase Bolger announces House committee structure for 97th Legislature

Four committees added to help focus attention on specific issue areas

Lansing – Speaker Jase Bolger today announced the committee structure for the 97th Legislature in the state House, noting a change in the number and focus of some of the committees.

“For the past two years, we have held fast to our commitment of having a robust committee structure to careful-

ly vet the issues and address public input. Today, I renew that commitment,” said Bolger, R-Marshall. “Michiganders work hard every day to literally make, build and grow our state. We must ensure we work so they can succeed. Our hard-working men and women won’t accept excuses and they deserve results. This committee structure is designed to allow members to focus on vital issues facing this state, continue to reinvent Michigan, and address the goals laid out before us for a dynamic and effective legislative session.”

The new committee structure is listed below. It includes four new committees, which are being created to help bring issues such as more jobs through Michigan’s economic competitiveness and a brighter future for our kids through the importance of eliminating the state’s debt load to the forefront.

Standing Committees

Agriculture; Appropriations; Commerce; Criminal Justice (new); Education; Elections and Ethics; Energy and Technology; Families, Children, and Seniors; Financial Liability Reform (new); Financial Services; Government Operations; Health Policy; Insurance; Judiciary; Local Government; Military and Veterans Affairs; Natural Resources; Oversight; Regulatory Reform; Tax Policy; Transportation & Infrastructure; Tourism (new); Michigan Competitiveness (new)

Statutory Standing Committees:

Joint Committee on Administrative Rules; House Fiscal Agency Governing Committee; Legislative Council; Michigan Capitol Committee

Appropriations Subcommittees:

Agriculture & Rural Development; Community Colleges; Community Health; **Corrections**; Education; Environmental Quality; Fiscal Oversight, Audit and Litigation; General Government; Higher Education; Human Services; Joint Capital Outlay; Judiciary; LARA; Military & Veterans Affairs; Natural Resources; School Aid; State Police; Supplementals; Transportation.

Individual committee assignments will be announced in the coming weeks. Rep. Joe Haveman, R-Holland, was named Appropriations chair in December.

House Republican Action Plan:

[Click here](#) to view the House Republican Action Plan.

GOVERNOR SNYDER’S STATE OF THE STATE ADDRESS AND EXECUTIVE BUDGET PROPOSAL

Click the link [Governor Snyder’s 2013 State of the State Address](#) to view or read the transcript of Governor Snyder’s State of the State Address. Please [click here](#) to read an overview of the Executive Budget Proposal for FY 2014-15 or click the following link to read the entire document [Executive Budget Fiscal Years 2014 and 2015](#). Transportation will obviously be “a” if not “THE” major focus of the Governor in 2013. Staff will

analyze the budget proposal to determine the impact on County finances.

JANUARY 2013 CENTRAL DISPATCH MEASURES (Tim Smith)

The call volume and incident numbers handled through Central Dispatch for January 2013 were:

- Total Incidents –** 9,320 up 4.8% over January 2012
- Fire Incidents –** 1,228 up 11.1% over January 2012
- Law Incidents –** 8,092 up 6.1% over January 2012
- 911 Calls –** 8,650 up 2.2% over January 2012
- 911 Hang Up calls -** 774 down 21.1% over January 2012
- Wireless 911 calls –** 83.3% of 911 calls for January 2013
- 911 calls answered in 10 seconds or less -** 94.3% for January 2013

(NENA recommended standard is 90% within 10 seconds)

GMVC WEEKLY UPDATE – JOHN WEISS

[Click here](#) for the most recent updates.

MICHIGAN LEAGUE FOR PUBLIC POLICY REPORT

The Kid's Count in Michigan Report, by the Michigan League for Public Policy was released last week and follows below. A new section of the report includes a child well-being ranking, consisting of 13 quality of life indicators. Ottawa County was the highest ranked County in Michigan for child well-being when considering these factors.



By [Brian McVicar | bmcvicar@mlive.com](mailto:bmcvicar@mlive.com) The Grand Rapids Press on January 31, 2013 at 8:15 AM, updated February 01, 2013 at 9:44 AM

The GRAND RAPIDS, MI -- The number of children in West Michigan living in poverty climbed sharply in recent years, and more youngsters are surviving on food assistance and suffering from neglect, according to a new report released Thursday.



In this 2009 photo, William Loonsfoot Jr., 12, of Grand Rapids helps organize boxes of food Saturday afternoon at St. Peter & Paul Church during the 13th annual ACCESS County Wide Food Drive. With over 1,700 volunteers made of congregations, schools and community groups, ACCESS collects, sorts, and distributes to food banks all over Kent County. MLive

Kids Count in Michigan, a report by the [Michigan League for Public Policy](#), shows children from low-income families struggled as Michigan's economy limped along during the Great Recession, although some quality-of-life indicators – such as infant mortality rates – showed signs of improvement.

In Kent County the child poverty rate grew from 16.3 percent in 2005-06 to 23.1 percent in 2010-11. In Ottawa, the number climbed to 13.2 percent in 2010-11, up from 7.4 percent in 2005-06, according to statistics released Jan. 31.

“The data is discouraging,” said Michelle Dann, a spokeswoman for First Steps, a Grand Rapids-based nonprofit that advocates for early childhood programming. “I think it’s indicative of the plight of kids in Kent County and the need for us to really look closely at the programs and services that are out there to support them and to make sure we’re supporting them.”

Related: [Read the full report](#)

Child poverty rates also went up in Allegan and Montcalm counties, the figures reveal.

The report, which examined child well-being in health, education and economic security, shows that although all counties of the state were hit by Michigan's slumping economy, some places suffered more than others.

“We clearly see a connection between higher-income communities and better outcomes for kids,” said Jane Zehnder-Merrell, Kids Count in Michigan project director at the Michigan League for Public Policy. “No area of the state escaped worsening conditions for children when it comes to economic security.”

While many economic indicators worsened, some quality-of-life measures in health and education improved, according to the report.

For example, the teen pregnancy rate fell in Kent, Ottawa, Allegan and Montcalm during the reporting period.

And statewide, the infant mortality rate fell by 8 percent between 2005-10, while the death rate for children – between the ages of 1-19 – dropped by 11 percent.

In Kent County, programs that provide resources and education for expectant mothers have helped drive down the coun-

ty's infant mortality rate from 8.2 per 1,000 births to 6.7, said Kent County Health Department spokeswoman Lisa LaPlante.

The rate of low birth weight babies remained relatively flat, falling one-tenth of a percentage point to 7.4 percent, according to the study.

"A lot of the teenage births result in women not being able to complete a high school education or a college education," LaPlante said, "and we all know that a person who is college-educated is going to earn more money in their lifetime on average than someone who's not college-educated."

New to this year's Michigan Kids Count report is an overall child well-being ranking, which takes into account 13 quality-of-life indicators. Of Michigan's 82 counties, Kent ranked 29th; Montcalm ranked 58th; Allegan ranked 11th. Ottawa County was the highest ranked county in the state.

That ranking is worth acknowledging, but it doesn't change the fact that a lot of children in the county are struggling, said Veronica Pechumer, coordinator of the Ottawa Area Intermediate School District's Great Start Collaborative.

"Things are good, but there's still work to be done," she said. "When you're working in early childhood the work is really just never done because you always have new kids coming through. Every parent, every child can use a little help in getting ready for school."

Improvements needed ?

The report lays out a series of recommendations to improve conditions.

Among them: restoring state unemployment benefits from 20 weeks to 26 weeks; restoring Michigan's Earned Income tax credit from 6 percent to 20 percent of the federal credit; and raising eligibility standards for child care subsidies, a move that would enable more parents to collect assistance.

It also calls for reducing school class sizes, addressing health inequities that exist among low-income and minority children, and investing in programs aimed at preventing teen pregnancies.

One Kent County advocate would add investing in programs to reduce abuse and neglect to the list.

Lucy Joswick, development director of Family Futures, said programs at her organization to help families overcome abuse and neglect have shrunk because of a reduction in state and federal grant dollars.

"It's just an underinvestment in our early childhood system," Joswick said, adding that a budget cuts in October resulted in one prevention program reducing its caseload by 180 families.

In Kent County, confirmed victims of abuse and neglect rose from a rate of 11.1 in 2005-06 to 16.6 in 2010-11, according to the report.

Some neighboring counties saw sharper increases.

Allegan County saw its rate of confirmed victims grow from a rate grow to 14.3 in 2010-11. In Montcalm County, the rate increased to 18.8. Ottawa County, however, remained relatively flat, rising two-tenths of a percentage point to 5.4.

"If we're not focusing on the first years of a child's life, and if we're not focusing on the foundation of building families, we're going to create a cycle where we will see abuse and neglect increase," Joswick said.

2013–2014 Forecast for Ottawa County

2012 was a great year!

George A. Erickcek

Brian Pittelko

W.E. Upjohn Institute for Employment Research

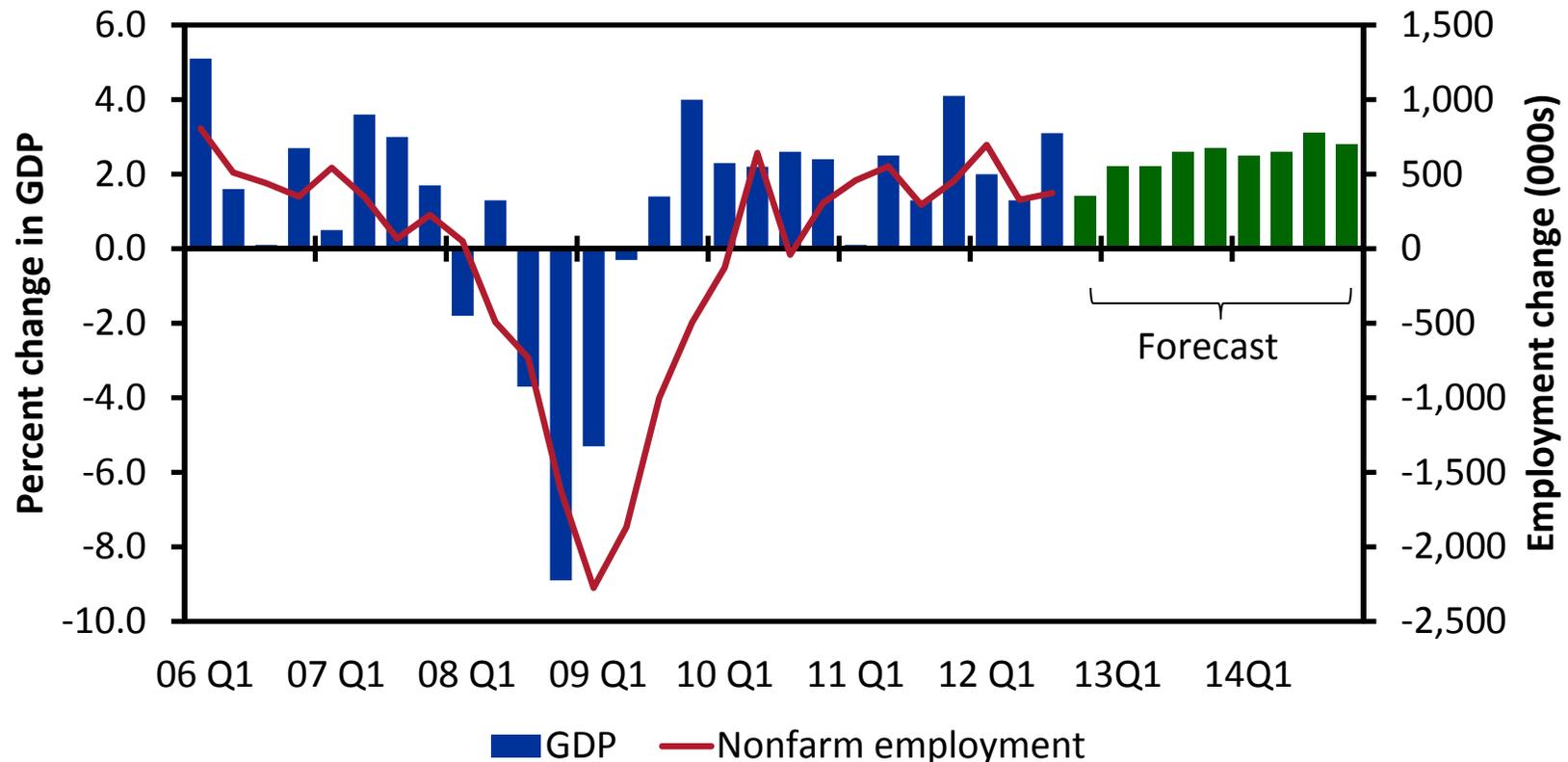
January 8, 2013

Outline

- Looking at the usual suspects for economic growth
- The state economy continues to be driven by the car industry.
- The Holland-Grand Haven MSA had a great year. *An estimated 5,000 net jobs were created.*
- Stepping into the skill gap v. wage gap fight.
- Why is Ottawa County growing – *job creation or job retention?*
- Review of last year's forecast—*a quick review*
- Forecast for 2013 and 2014

Nationwide, GDP grew at a strong 3.1% rate during the third quarter. *However, the forecast is pretty boring.*

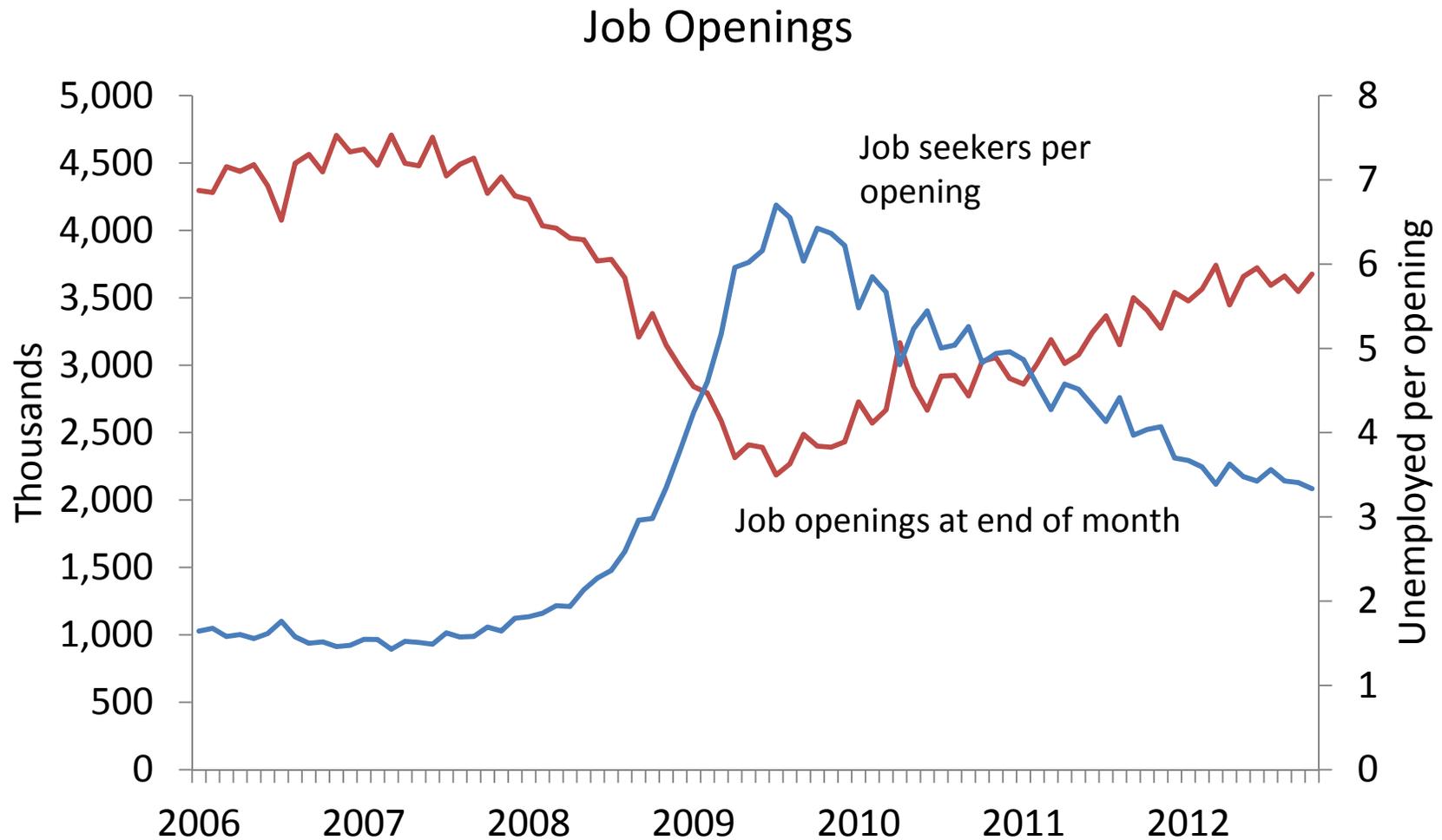
Gross Domestic Product and Nonfarm Employment



If this forecast holds, productivity will generate much of the nation's output.

Source: BEA, University of Michigan RSQE forecast.

There are still three job seekers for every job opening, up from less than two before the recession.



Looking for a power source: *the usual suspects*

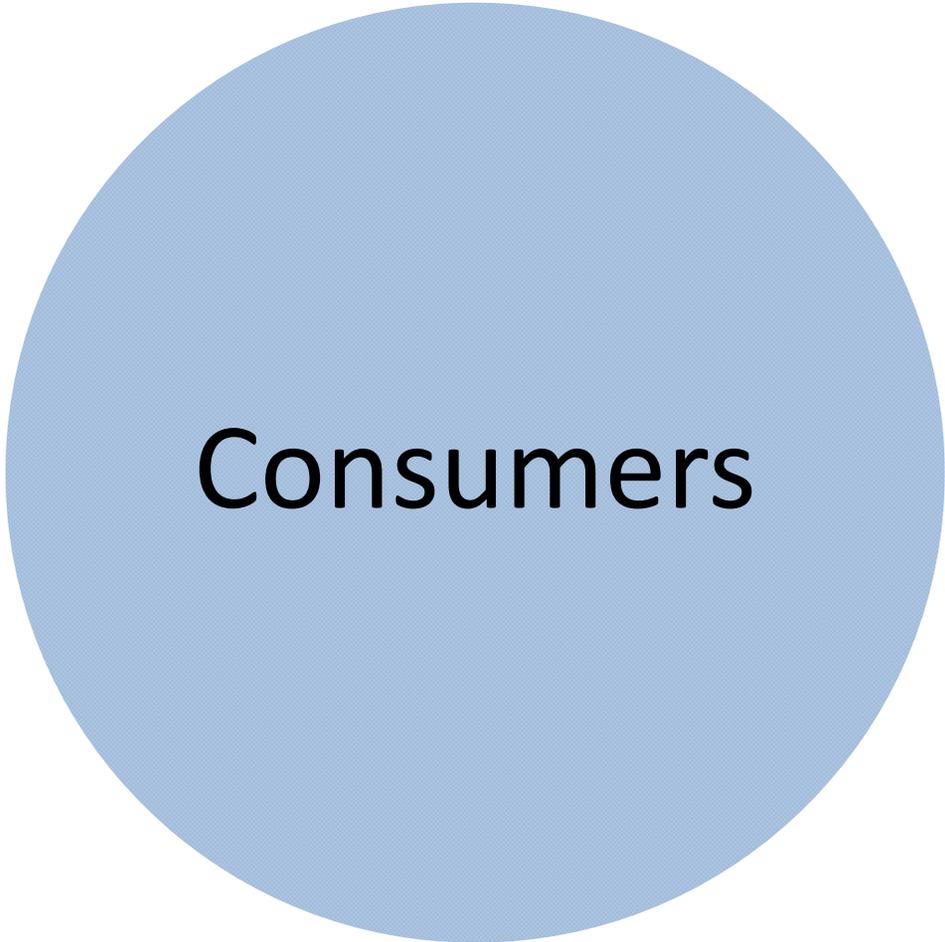
Consumers

Export
Market

Business
Investment

Government

Looking for a power source



Consumers

Consumer confidence is at a low level.

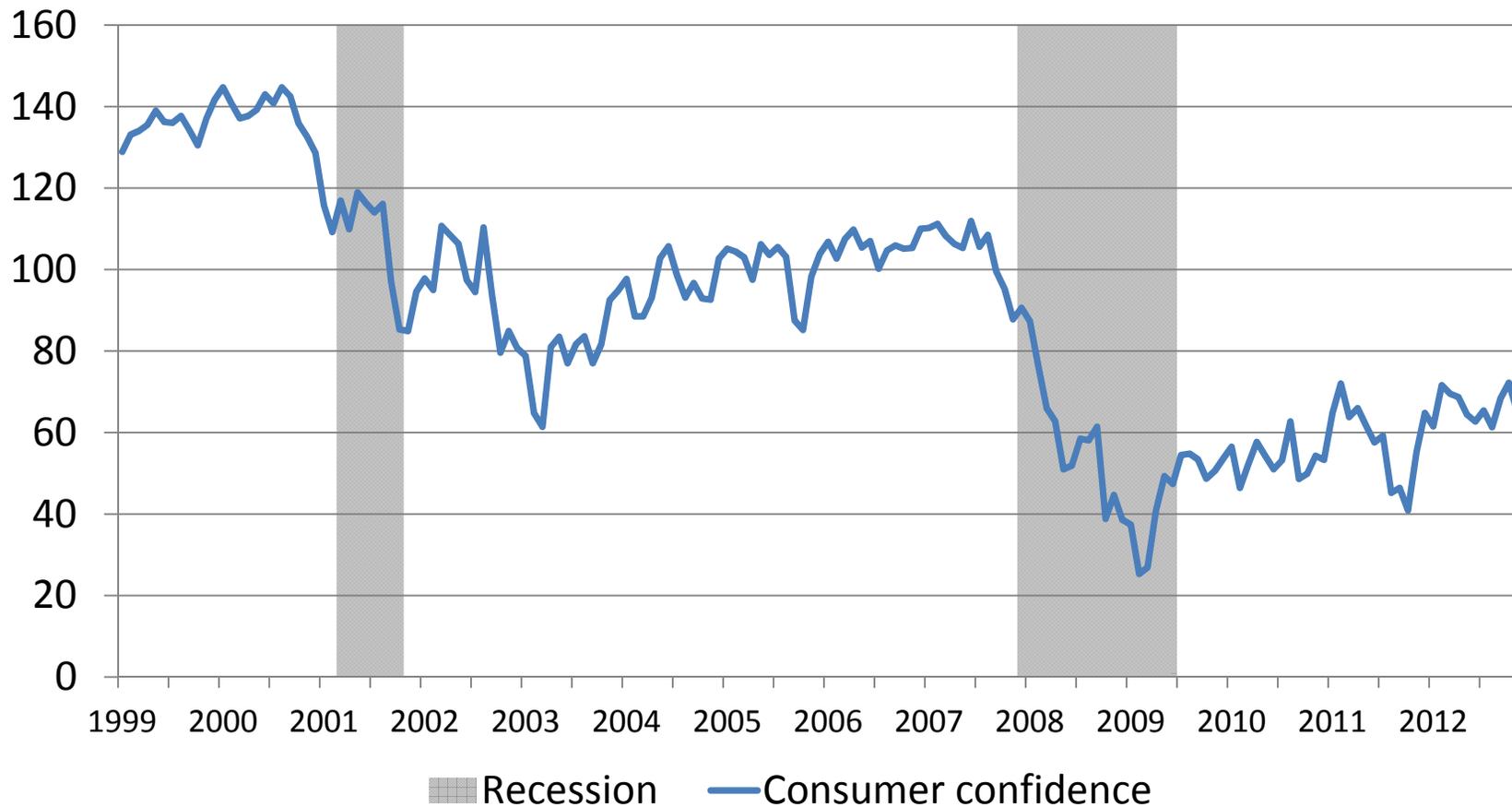
Debt levels have increased.

Employment growth is improving.

The housing market is improving but prices are still low.

Consumer confidence is growing but still weak.

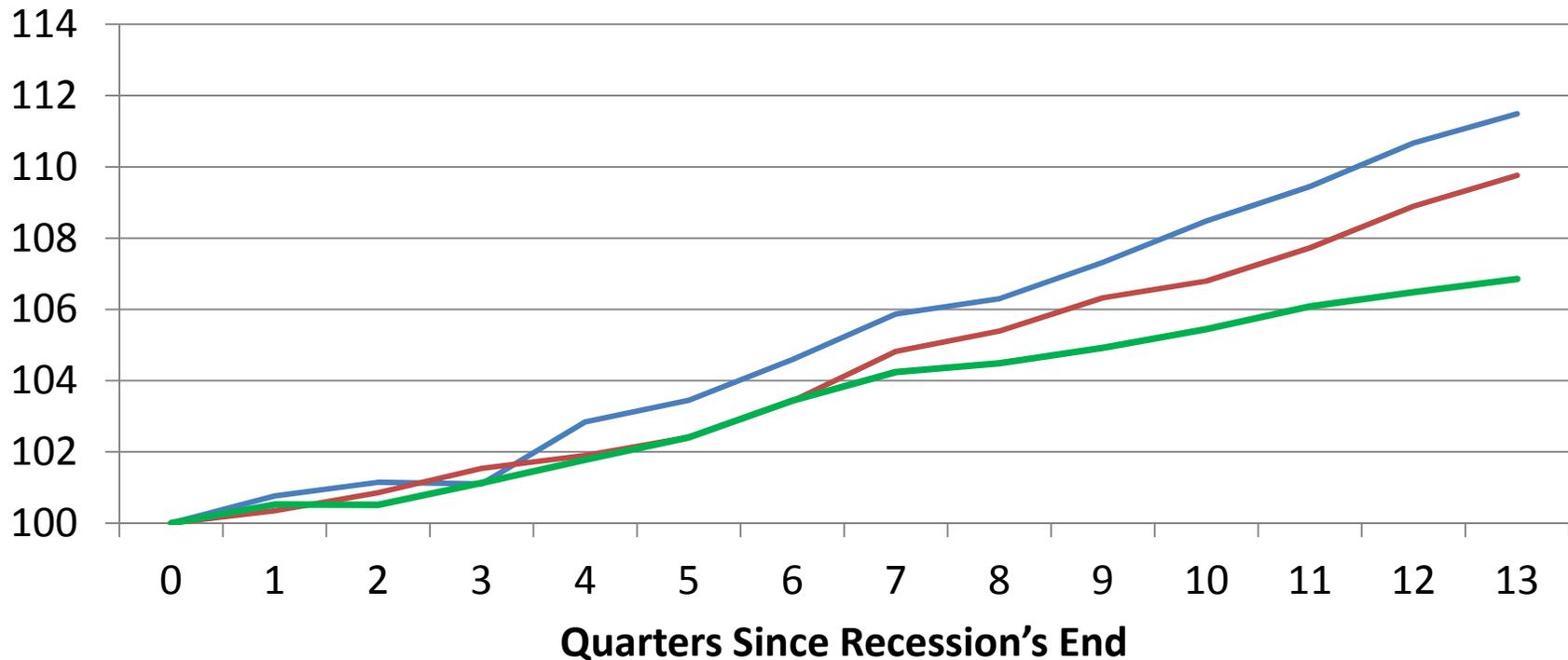
Consumer Confidence 1999 to Present



Source: Conference Board and NBER.

Consumer spending is not as robust.

**Post Recession Index, Last Quarter of Recession = 100:
Consumer Expenditures**

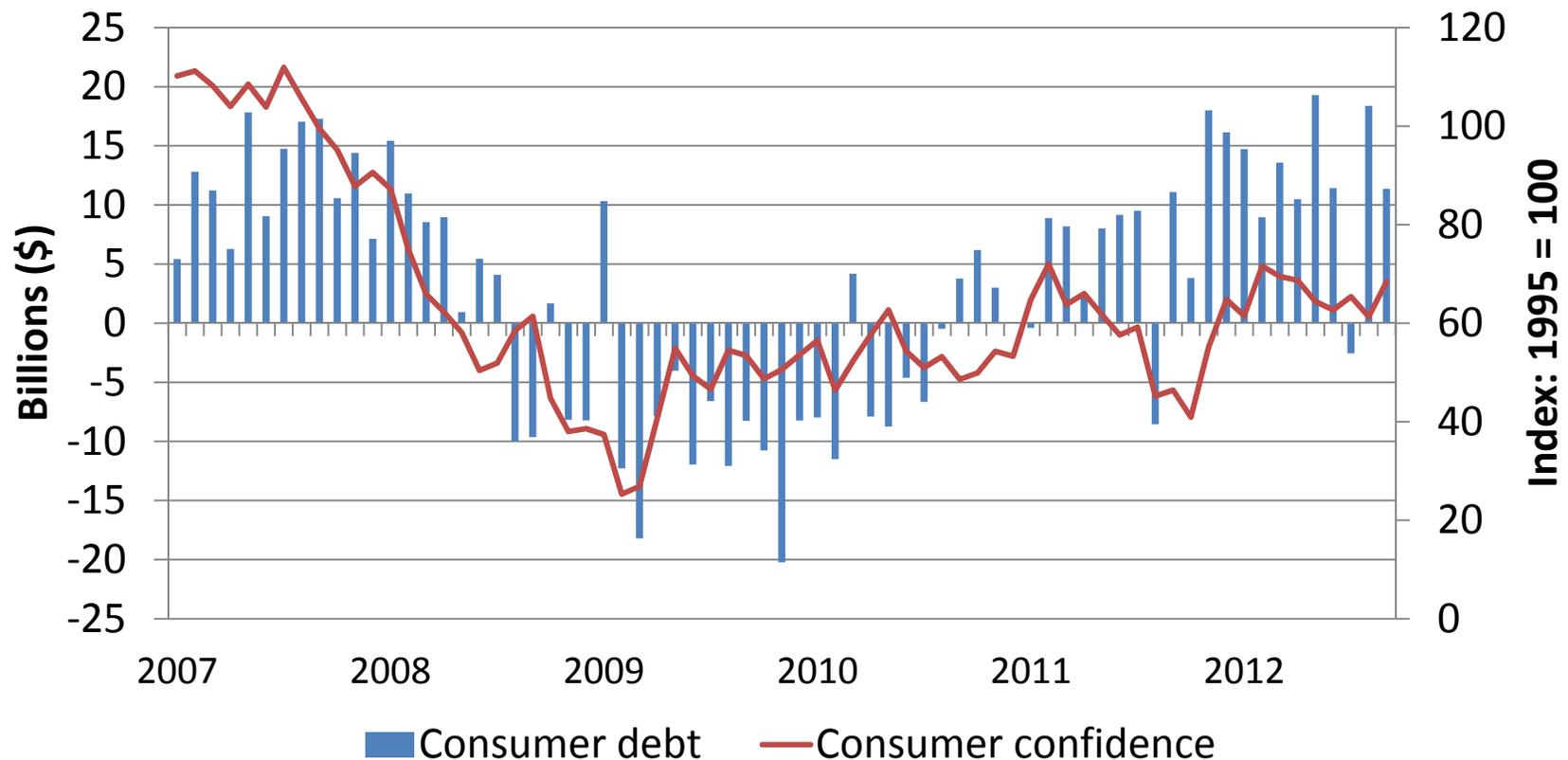


— 1991 Recession — 2001 Recession — Great Recession

Source: BEA and NBER.

Consumers appear to be unhappily in debt.

Consumer Confidence and Change in Consumer Debt

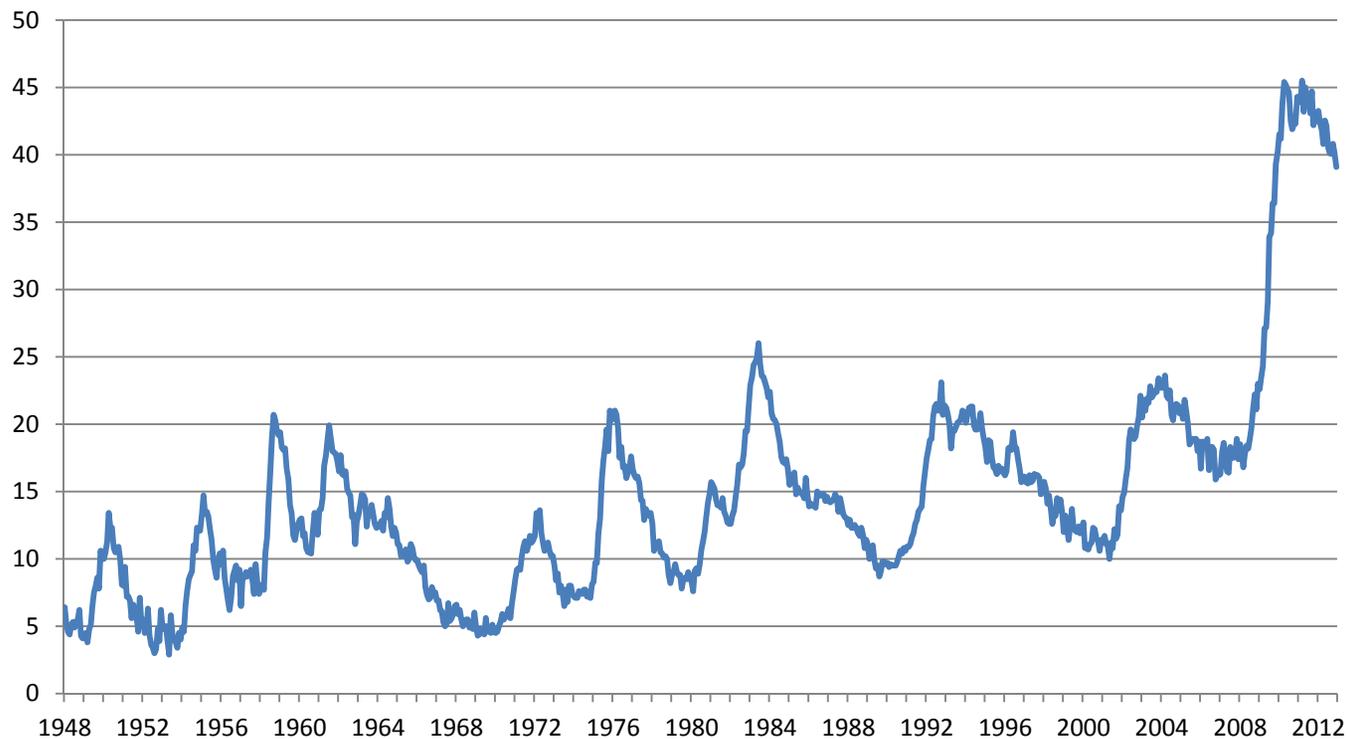


Conditions appear to be improving: employment is on the rise.

- Employment– *In December 155,000 net jobs were created, and we need 150,000 jobs per month just to break even.*
- In 2012, employment gains have averaged 157,000 per month, compared with an average monthly gain of 153,000 in 2011.
- Nationwide, the unemployment rate is now 7.8. *However, the labor participation rate is down to 63.6% from a low of 64.1% last year.*

Being unemployed for more than six months is bad for your health. *The good news is that it is going down.*

Percent Unemployed for More Than 27 Weeks



Looking for a power source



Business Investment

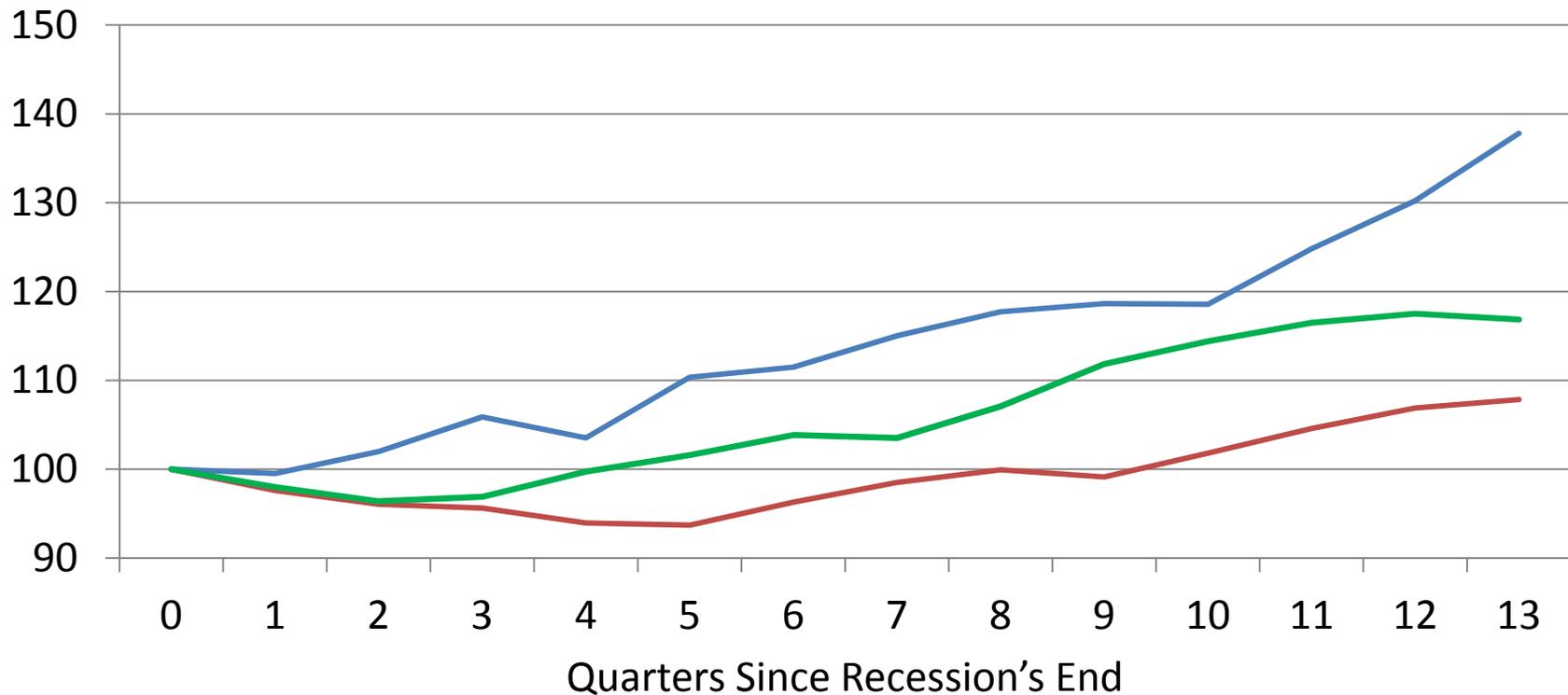
Depends upon consumer spending

The Fed has been extremely aggressive lowering interest rates and increasing liquidity.

Loan activity appears to be “normal.”

Business investment is up.

Post Recession Index, Last Quarter of Recession = 100:
Nonresidential Private Investment



— 1991 Recession* — 2001 Recession — Great Recession

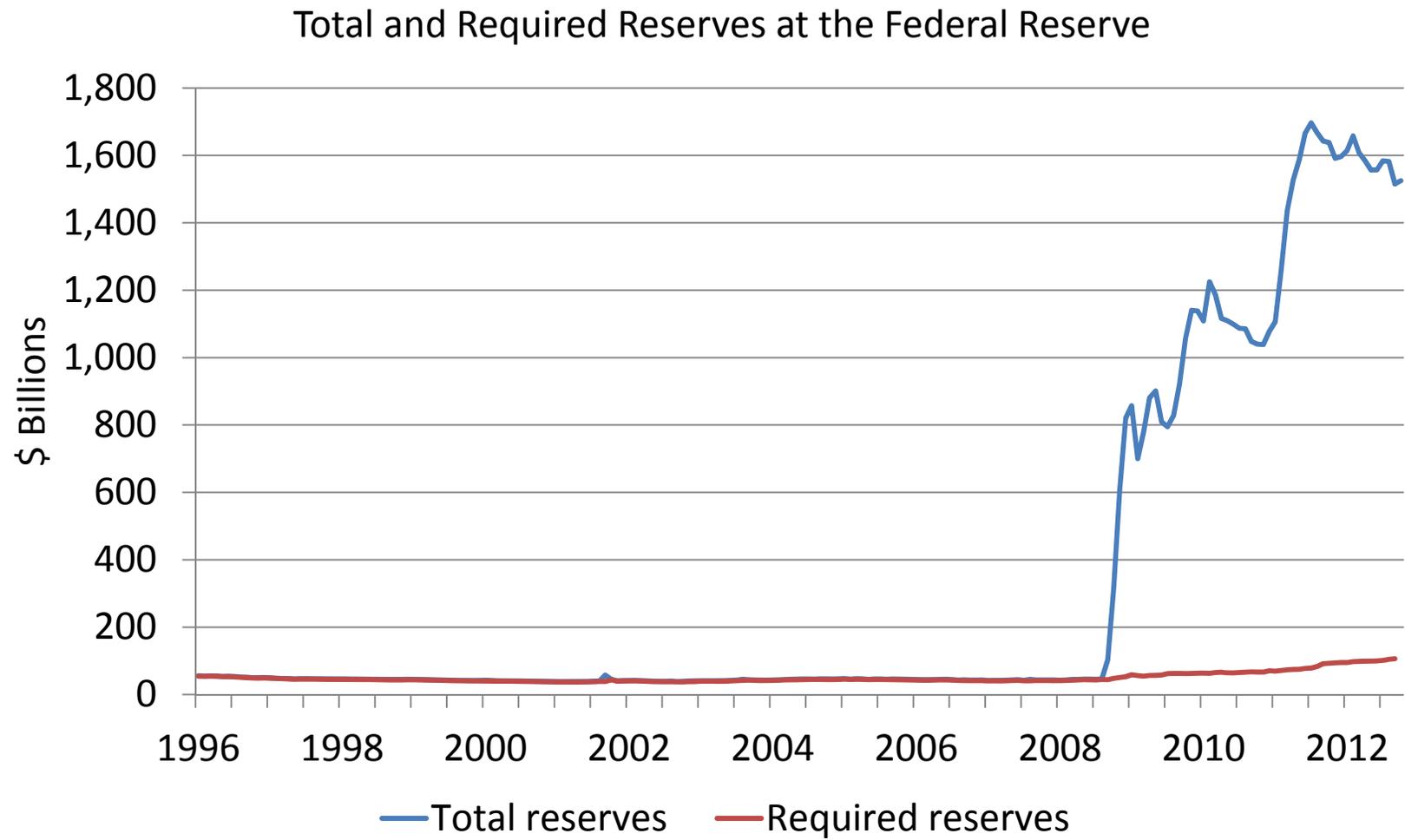
Source: BEA and NBER.

W.E. UPJOHN INSTITUTE
for Employment Research

*Includes residential

THE BANK OF holland

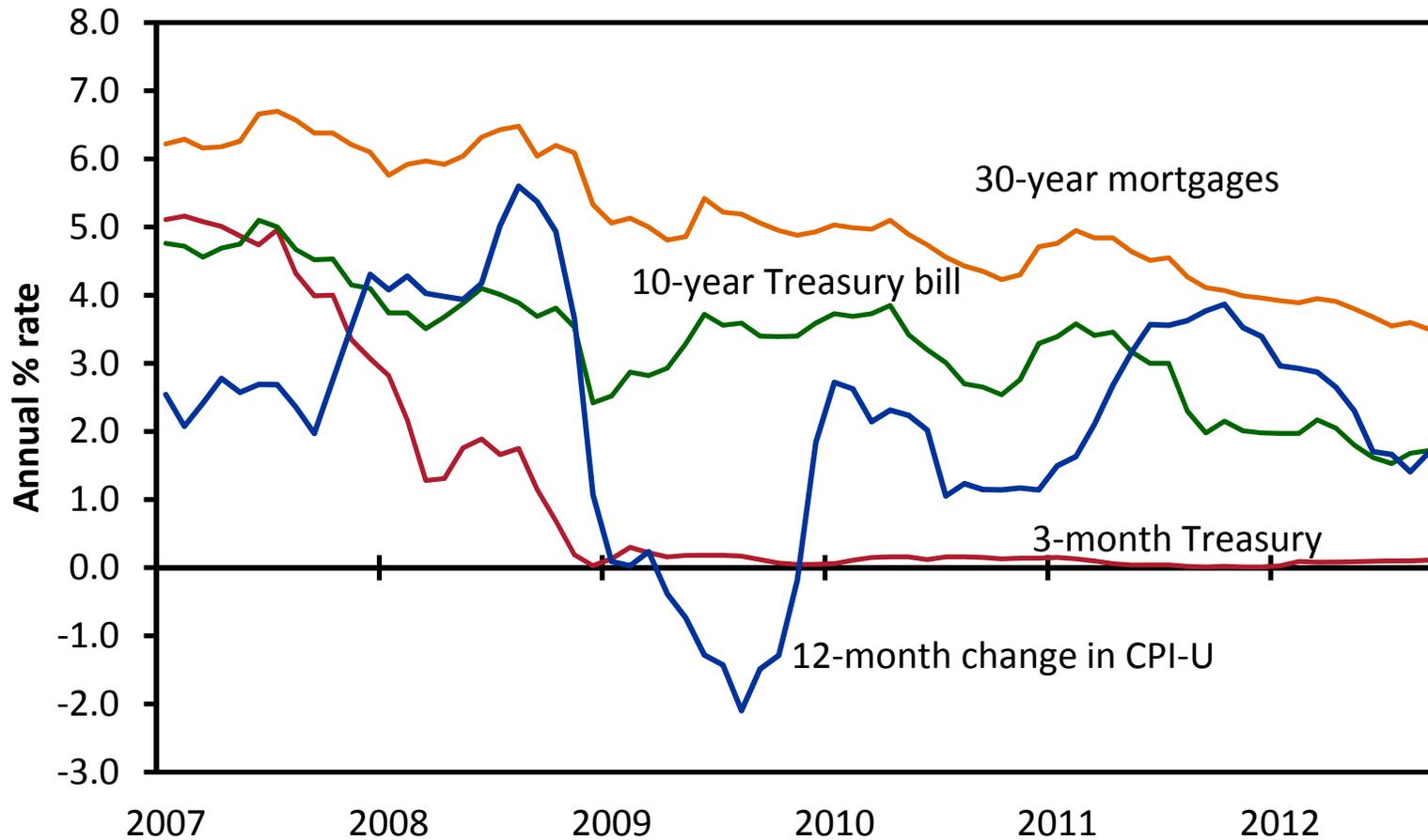
Credit: Banks are still holding more than a trillion dollars in excess reserves—*but it is going down.*



Source: Federal Reserve.

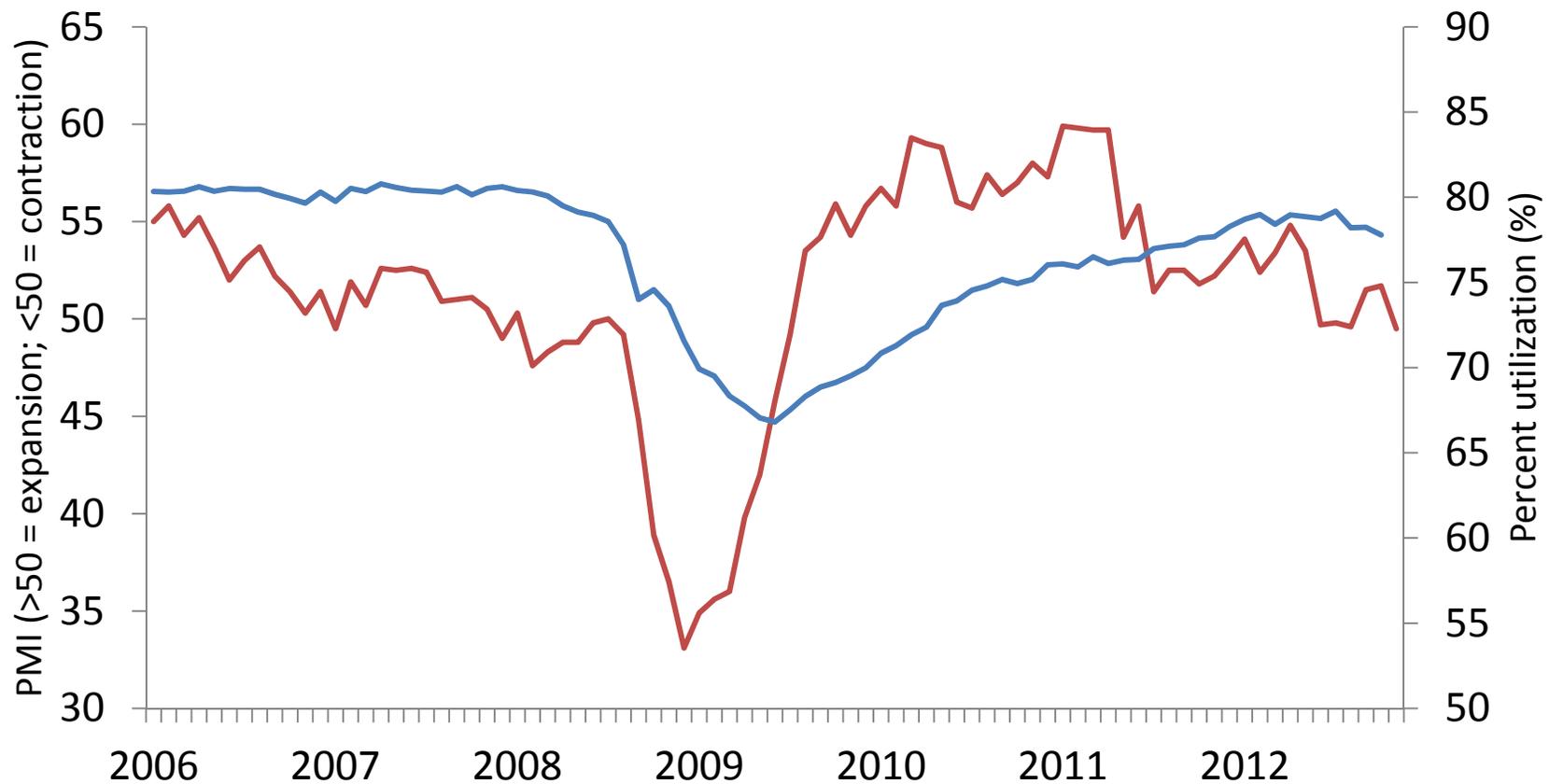
Interest rates must matter

Interest Rates and Inflation



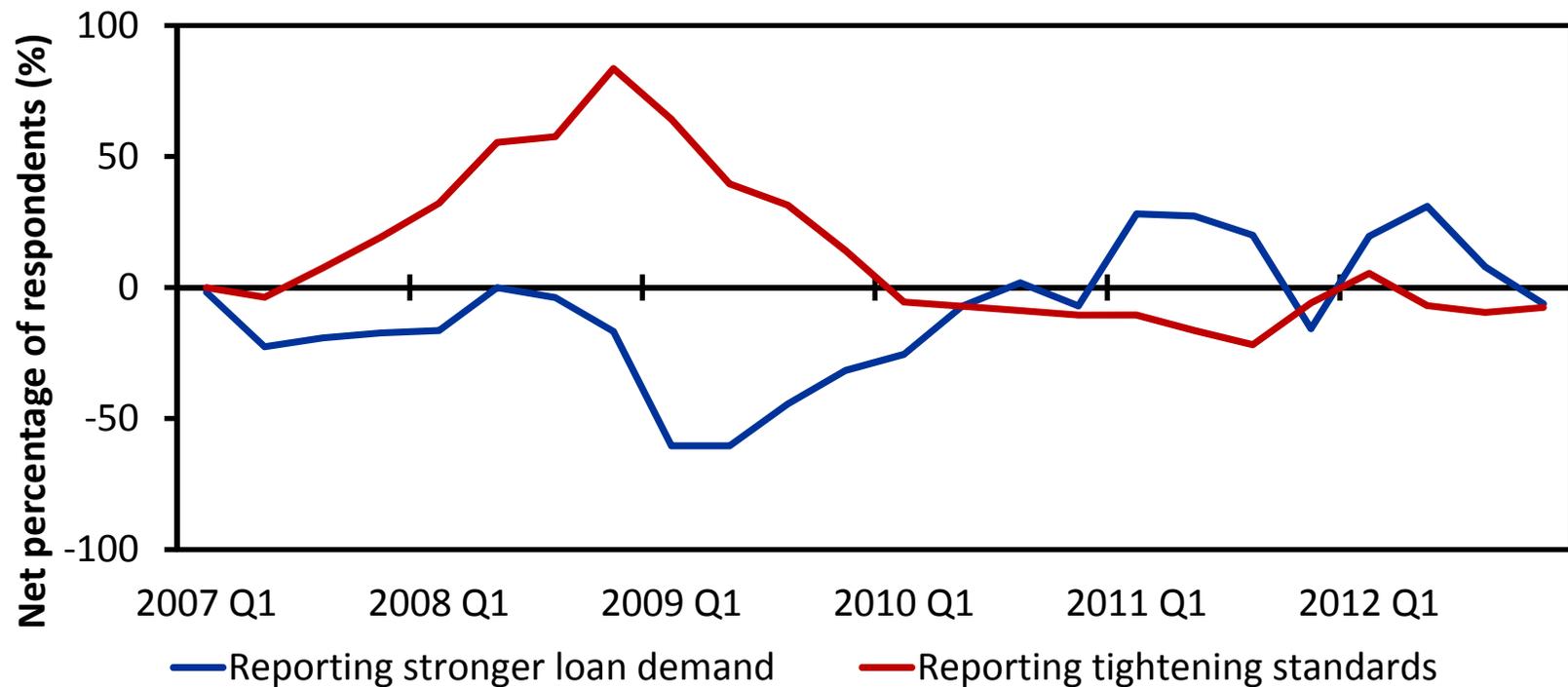
Manufacturing activity has slowed but capacity utilization rates are tightening.

Purchasing Managers' Index for Manufacturing and Industrial Capacity Utilization



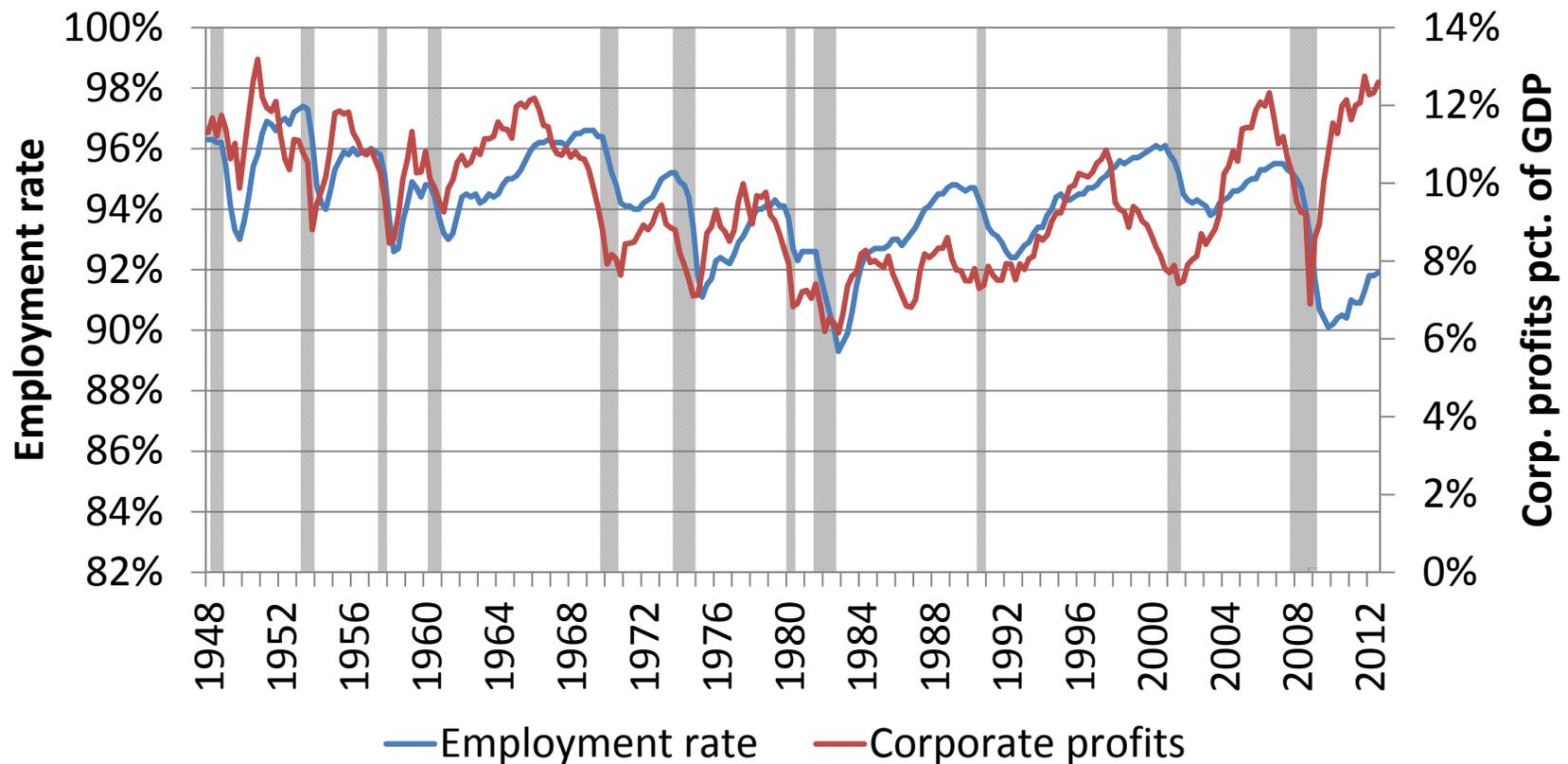
Loan activity appears soft.

**Federal Reserve Senior Loan Officers Survey
Demand and Lending Standards for Commercial and Industrial
Loans by Medium-to-Large Firms**



Corporations are making money
without hiring *workers*—*a clear break*
from past years.

Employment Rate and Corporate Profits



Looking for a power source

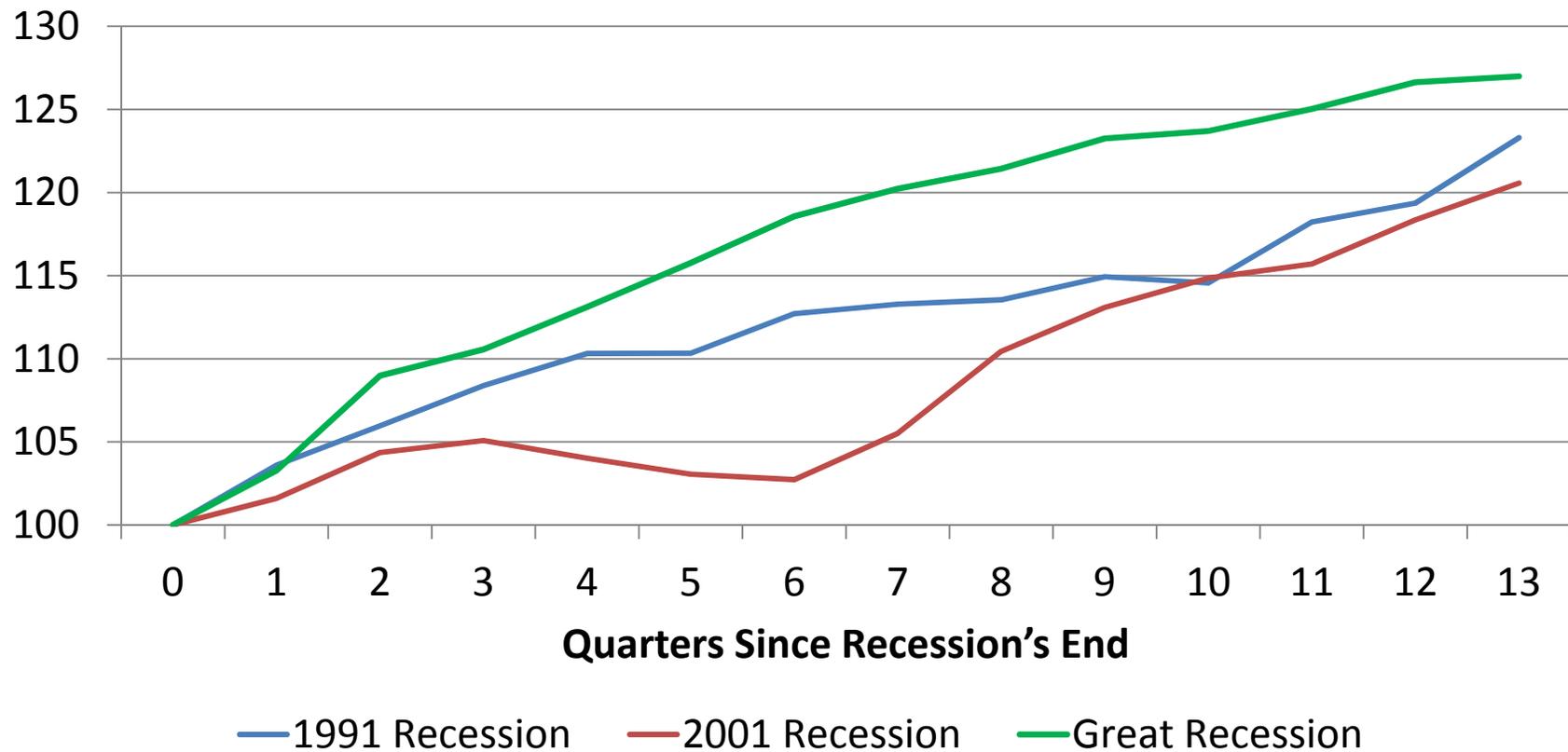


Export
Market

Questions about the
health and stability of
the Eurozone

Export growth is strong.

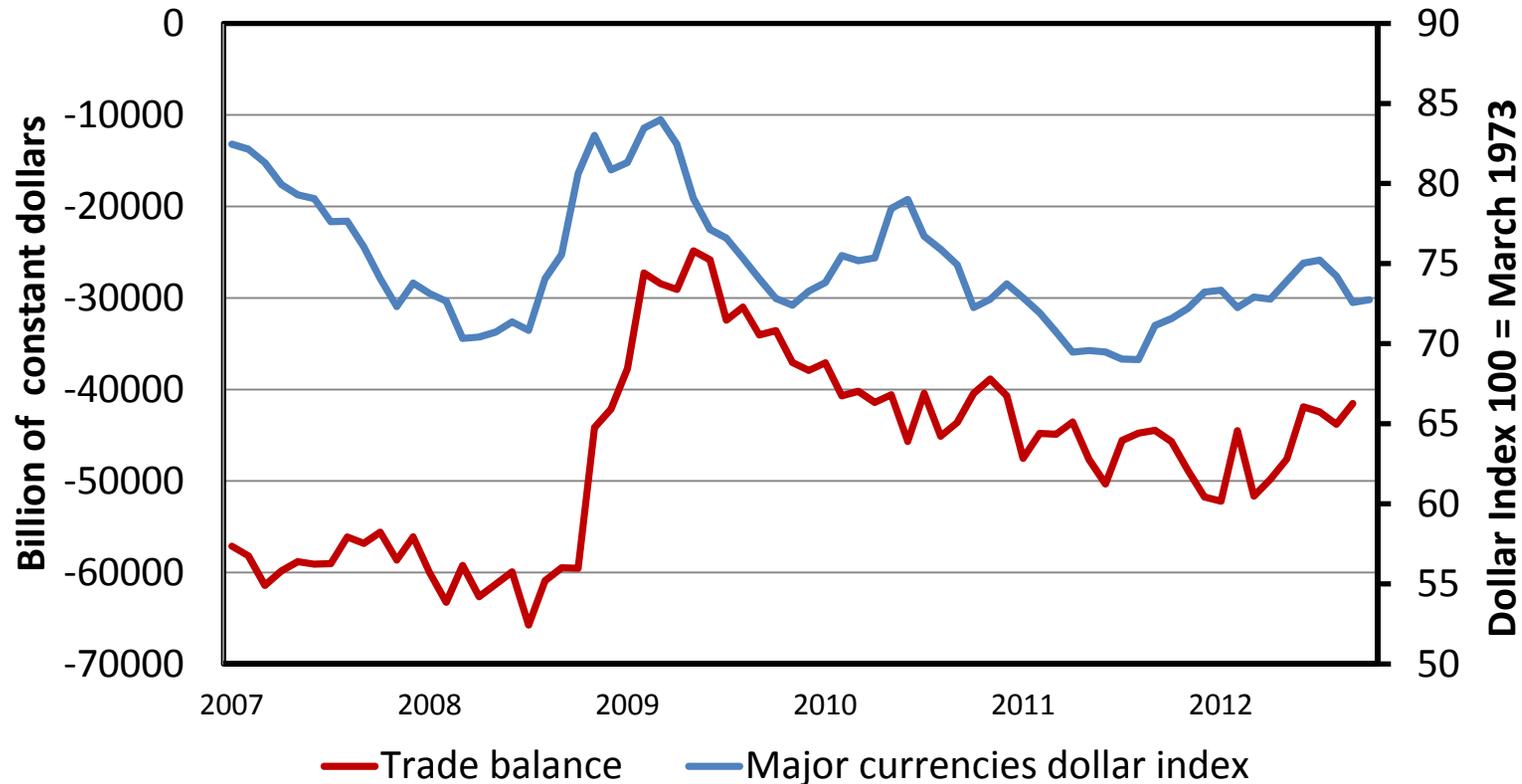
**Post Recession-Index, Last Quarter of Recession = 100:
Exports**



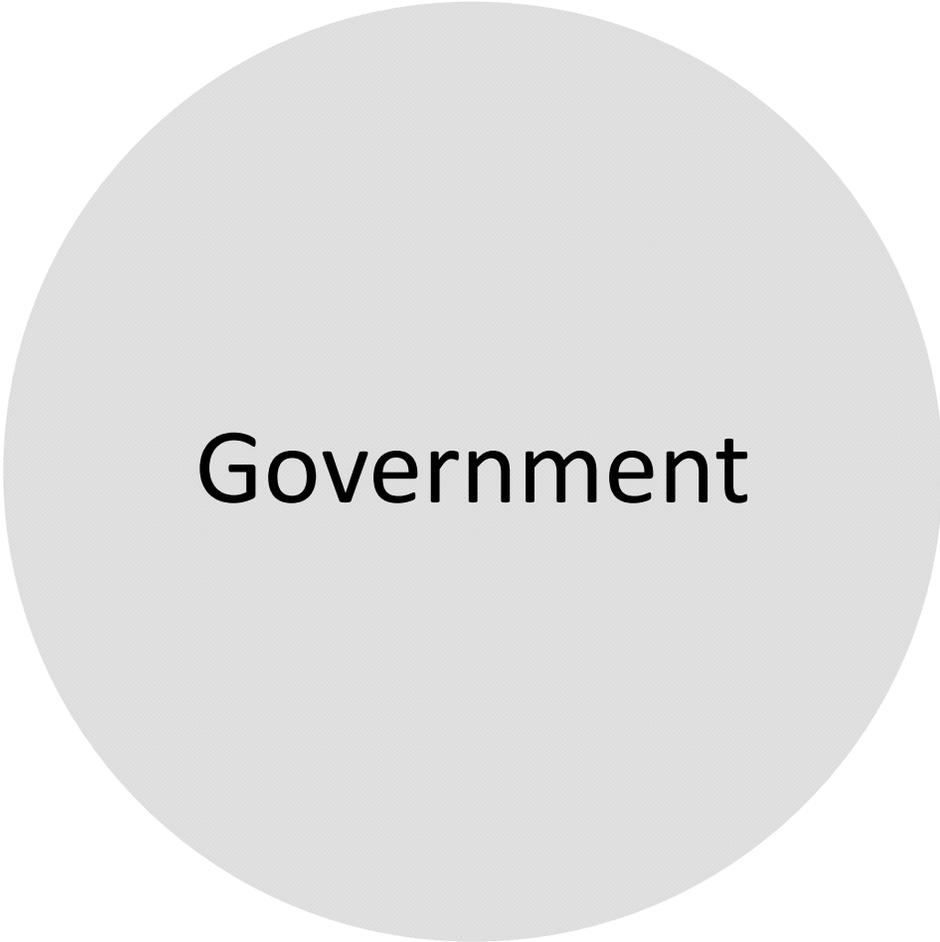
Source: BEA and NBER.

Both the value of the dollar and the U.S. trade balance are holding steady.

U.S. Trade Balance and Nominal Index of the Value of the Dollar against Seven Major Currencies



Looking for a power source



Government

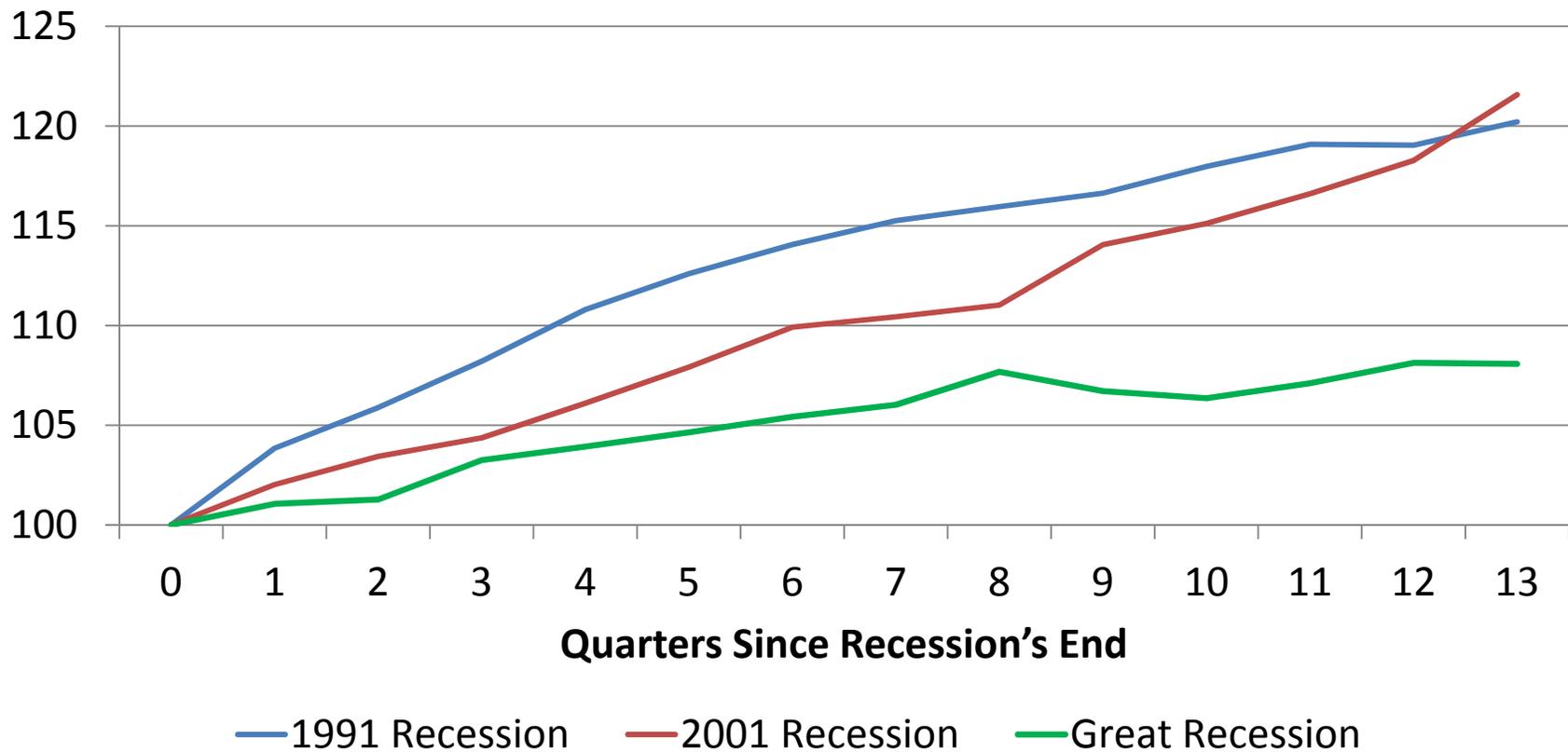
Are you joking?

The Federal Government is at an impasse.

State governments are still struggling.

Government spending is down from past recoveries.

**Post Recession Index, Last Quarter of Recession = 100:
Government Expenditures and Investment**



Source: BEA and NBER.

Clouds on the horizon

- In Washington, only one side of the coin has been addressed: revenues. *Now comes that hard part.*
- Europe is a never-ending story of struggle, China is slowing down, *and international uncertainty reigns.*
- We remain in unknown territory.
 - *Too many people have been unemployed for too long.*
 - *National banks are holding too much cash.*
 - *Corporate profits are no longer tied to employment growth.*

What about the other stuff?

- However, housing may be climbing out of the basement. *Home prices went up 4.3% in October from a year earlier according to S&P/Case-Shiller.*
- Prices are up by only 1.8 percent from a year ago. *Still quiet.*
- Few, if any, forecasters are calling for a recessionary slowdown.
- The Fed launched the QE3. *It is buying \$40 billion in mortgage-backed securities every month and keeping low-term rates near zero until mid 2015.*

Turning to Michigan

- Employment continues to grow.

Year to Date (up to Nov):

49,950 total jobs created, up 1.3%

19,670 manufacturing jobs, up 3.9%

- U of M's Forecast is ***positive***.

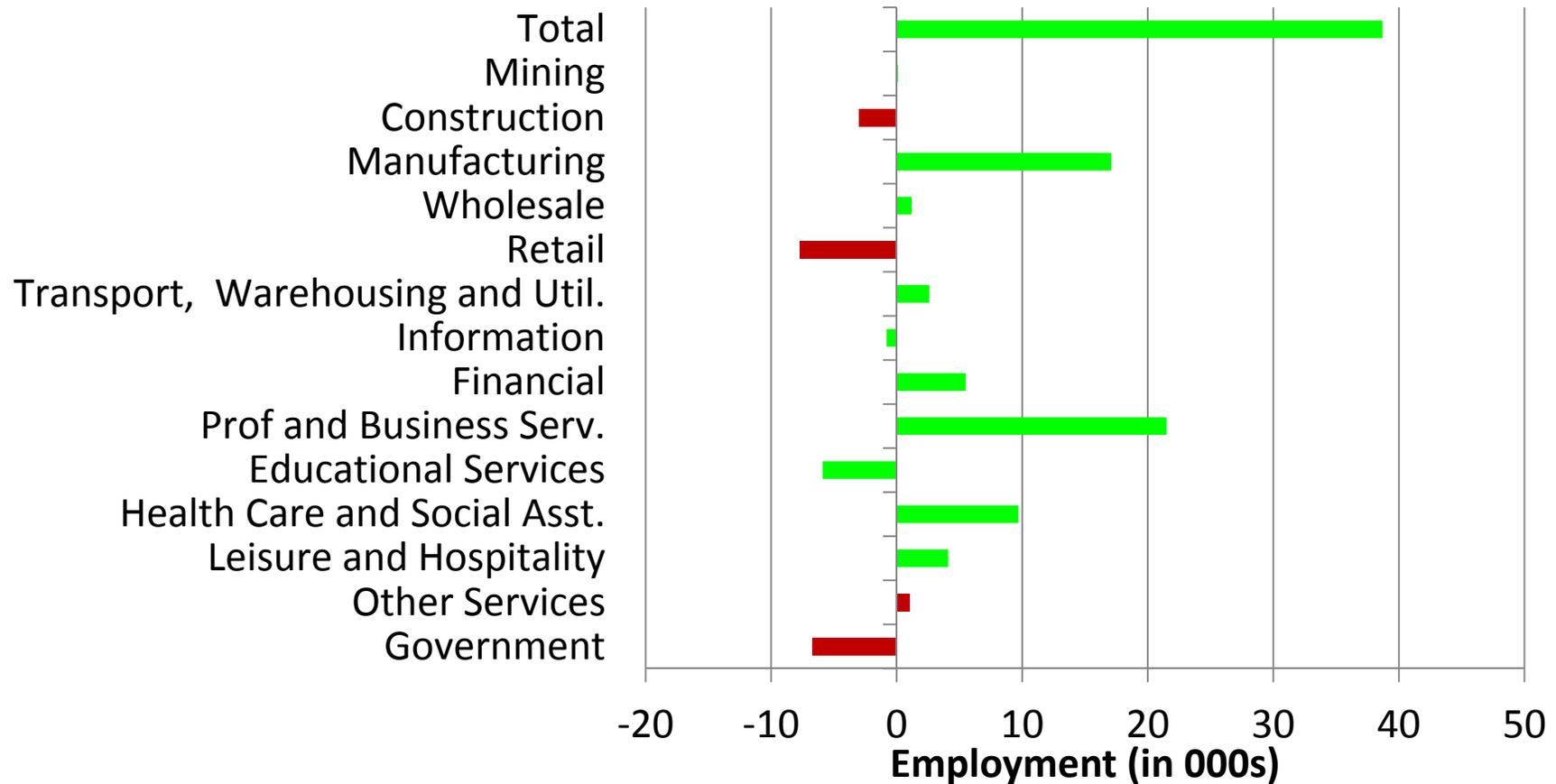
37,500 additional jobs in 2013

57,600 additional jobs in 2014

Source: University of Michigan.

Manufacturing is powering the state economy, through its multiplier effect.

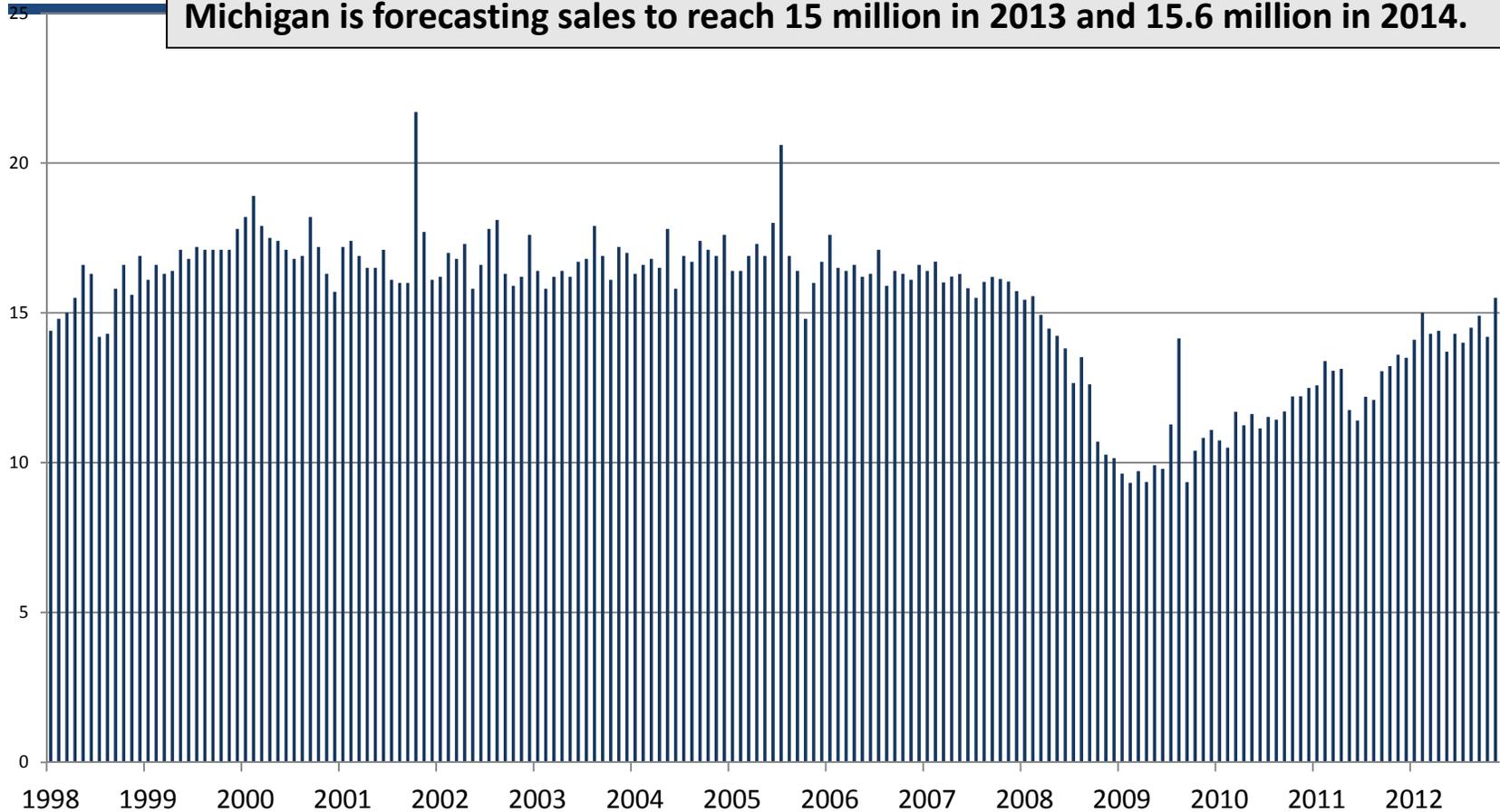
Employment Change Sept 2011 to Sept 2012



Source: Michigan Labor Market Information, CES.

Auto sales continue to pick up.

Car and light truck sales reached 14.3 million units in 2012. The University of Michigan is forecasting sales to reach 15 million in 2013 and 15.6 million in 2014.



Source: BEA.

How about buying a car?

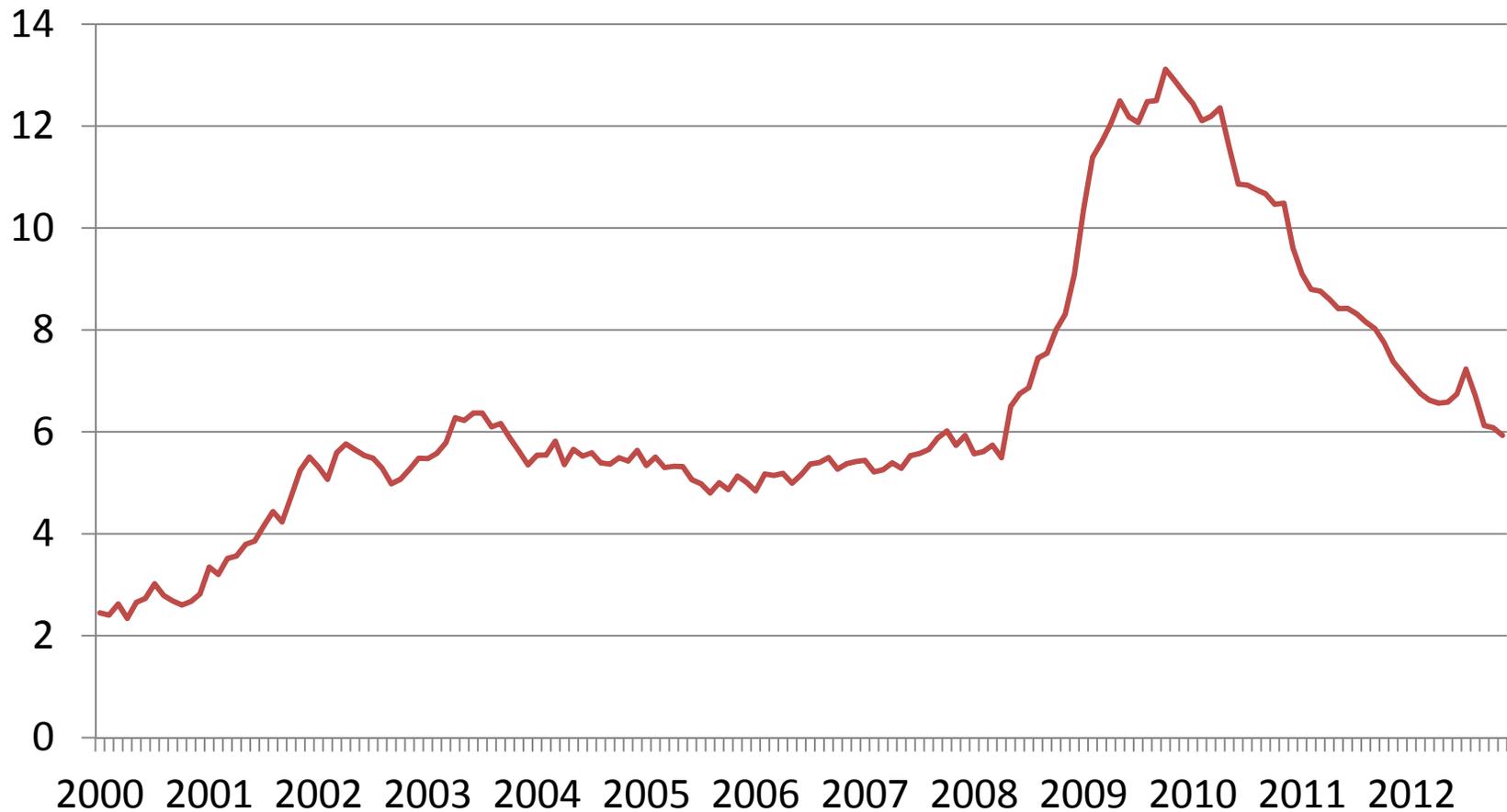
- Comerica Auto Affordability Index – *rising slightly*
- Auto interest rates – *remain low*
- Average age of cars on the road – *more than 11 years, older than ever*
- Average price of used car – *rising*

Turning to Ottawa County

- Simply a great year
- Unemployment continues to drop
- The area's economy is being powered by a strong manufacturing sector.
- Conflicting labor market statistics on wages and skills
- Residential construction is showing some signs of life.

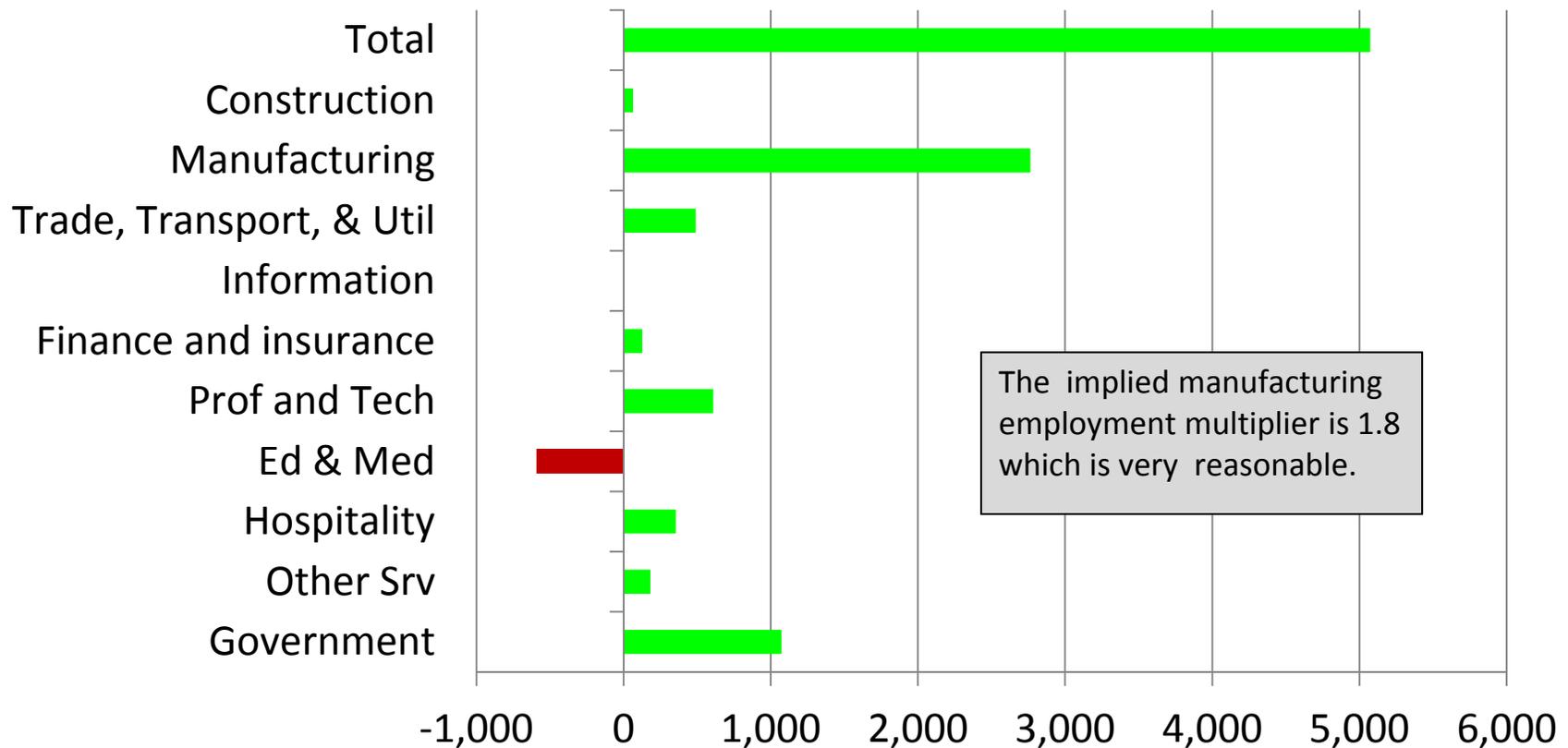
The county's unemployment rate has fallen just below 6 percent in November.

Unemployment Rate for Ottawa County



Manufacturing is clearly powering the Ottawa County economy.

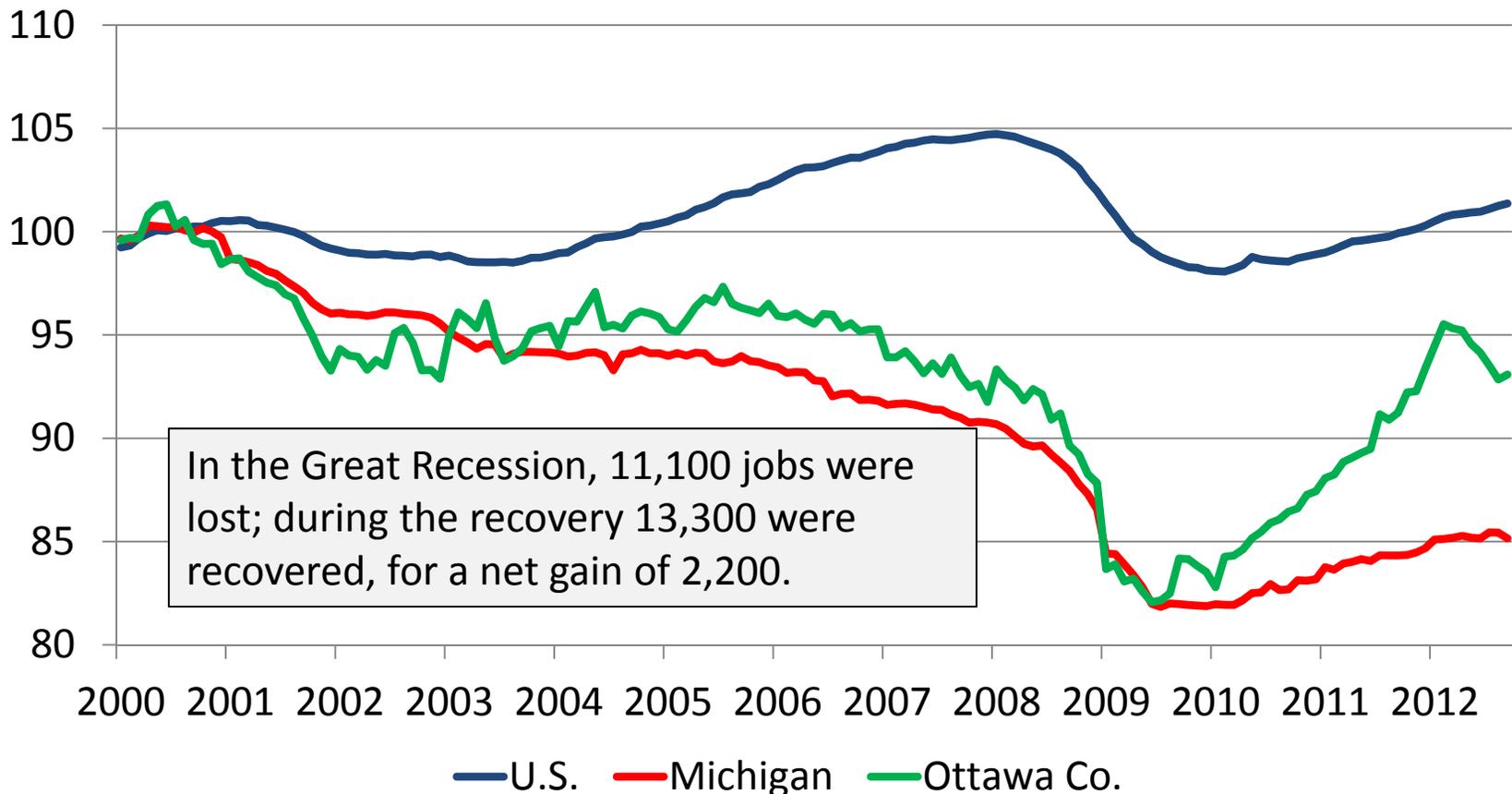
Employment Change, Jan-Nov 2011 to Jan-Nov 2012



Source: BLS – CES.

The county's employment levels have fully recovered from the recession. *But what about the recent dip?*

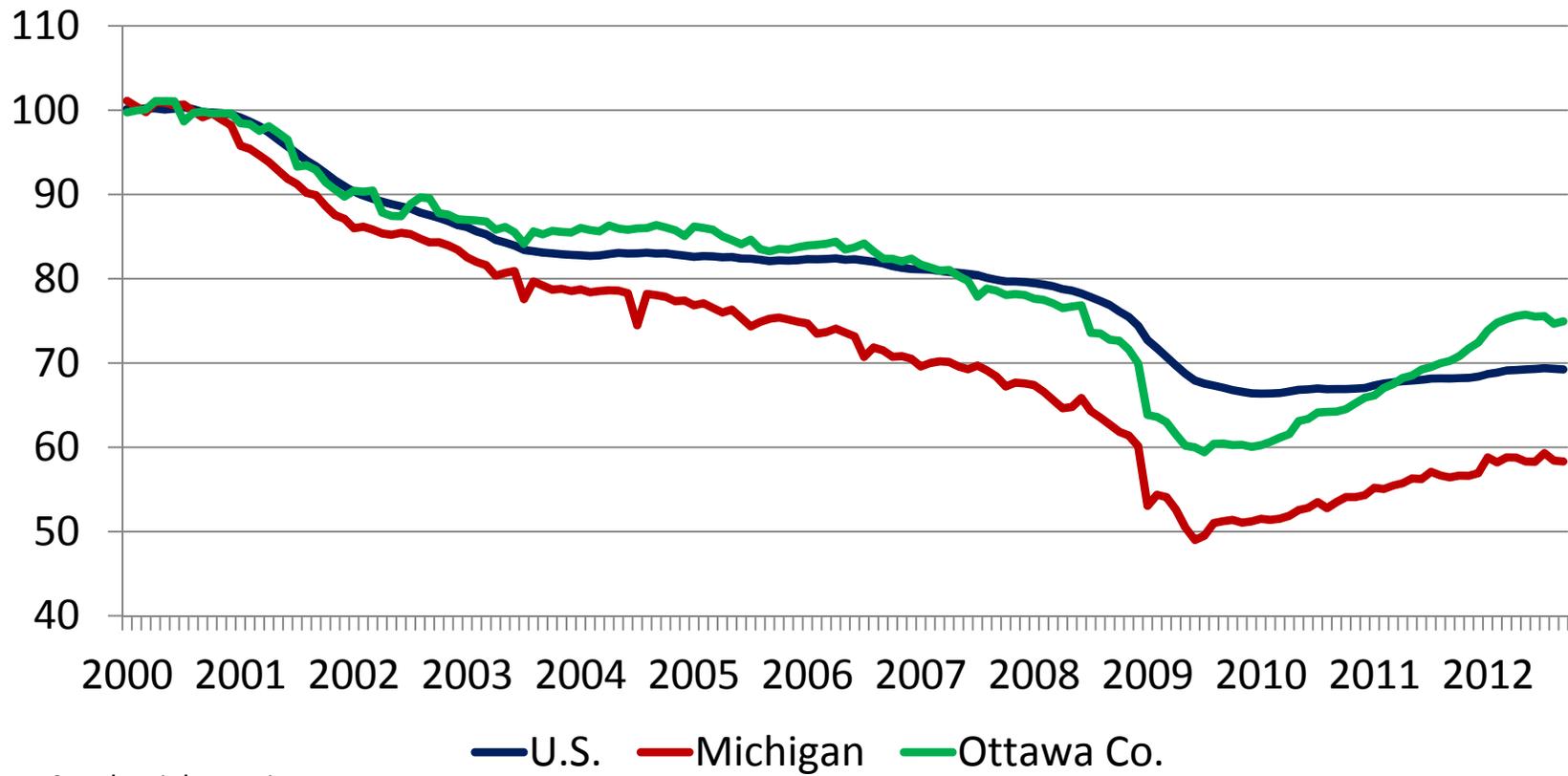
Total Employment Index (2001 = 100)



Source: BLS and Upjohn Institute.

The dip is not seen in the county's manufacturing sector which is extremely healthy.

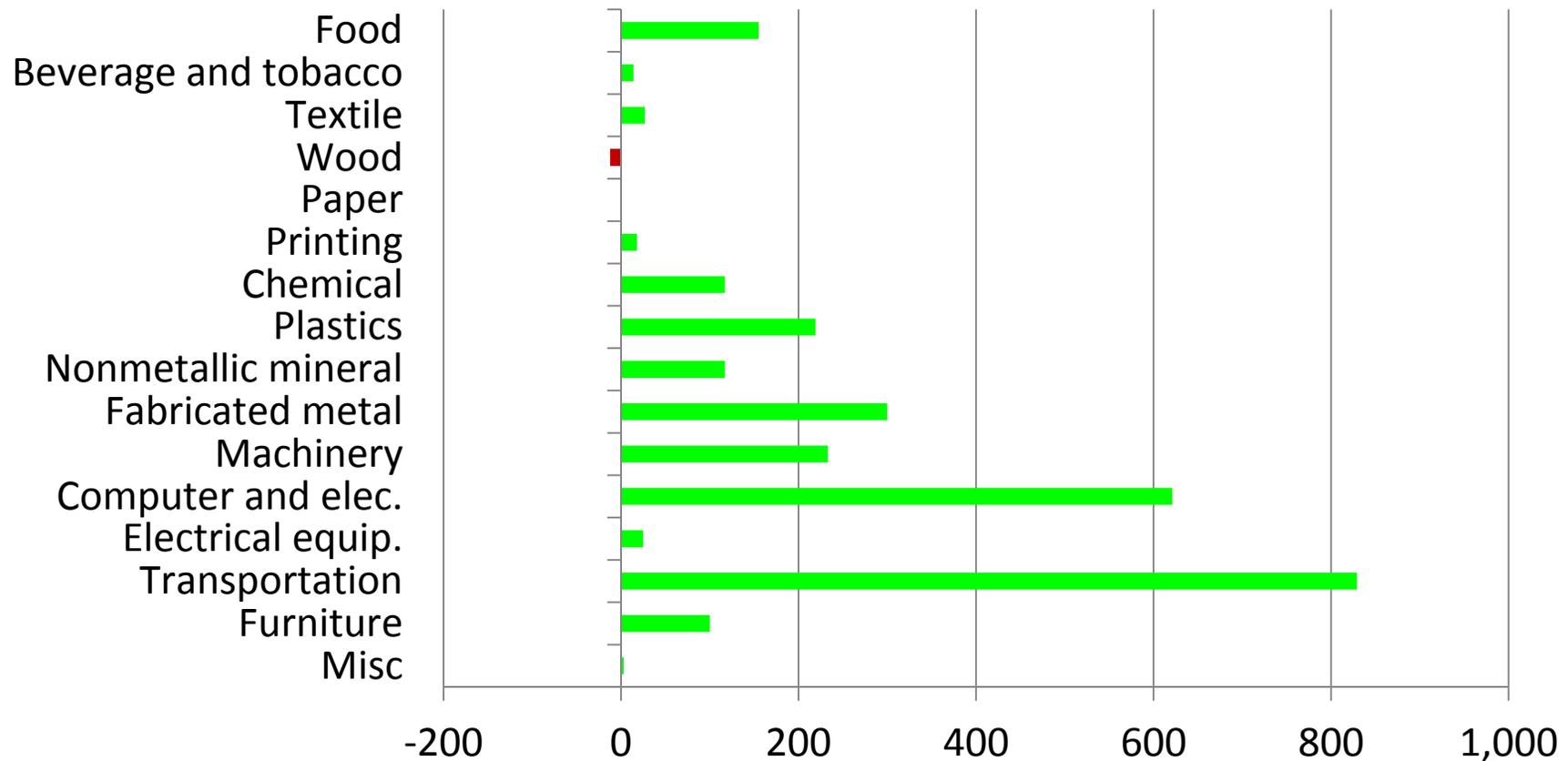
Index of Manufacturing Employment
(100 = 2000 average)



Source: BLS and Upjohn Institute.

Solid growth across a wide range of industries

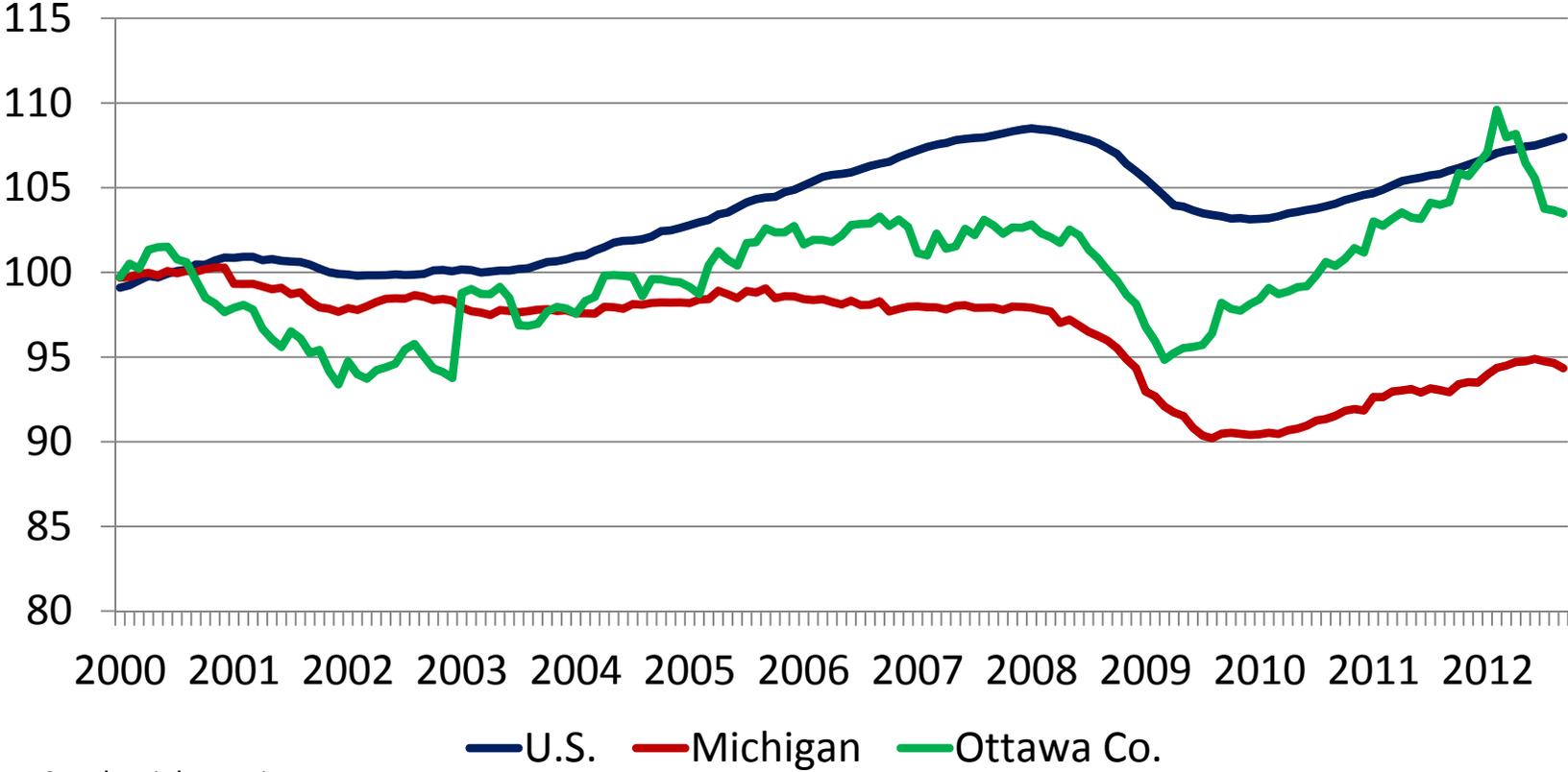
Manufacturing Employment Change Q1 2011 to Q1 2012



Source: BLS QCEW.

The dip occurred in the county's private service sectors and it was very broad based.

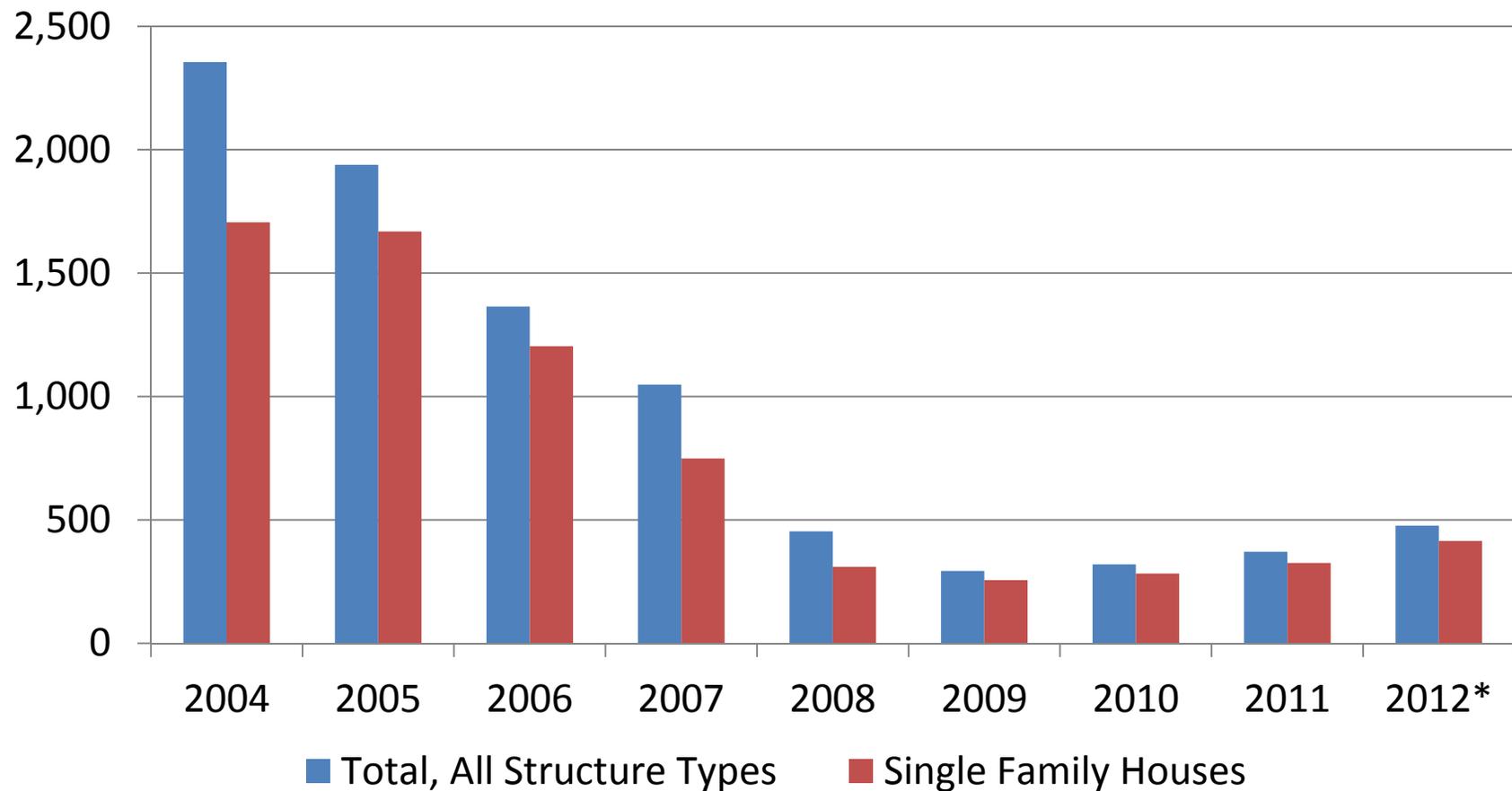
**Private Service-providing Employment Index
(100 = 2000 average)**



Source: BLS and Upjohn Institute.

A modest comeback at best

Construction Permits Issued, Ottawa Co.

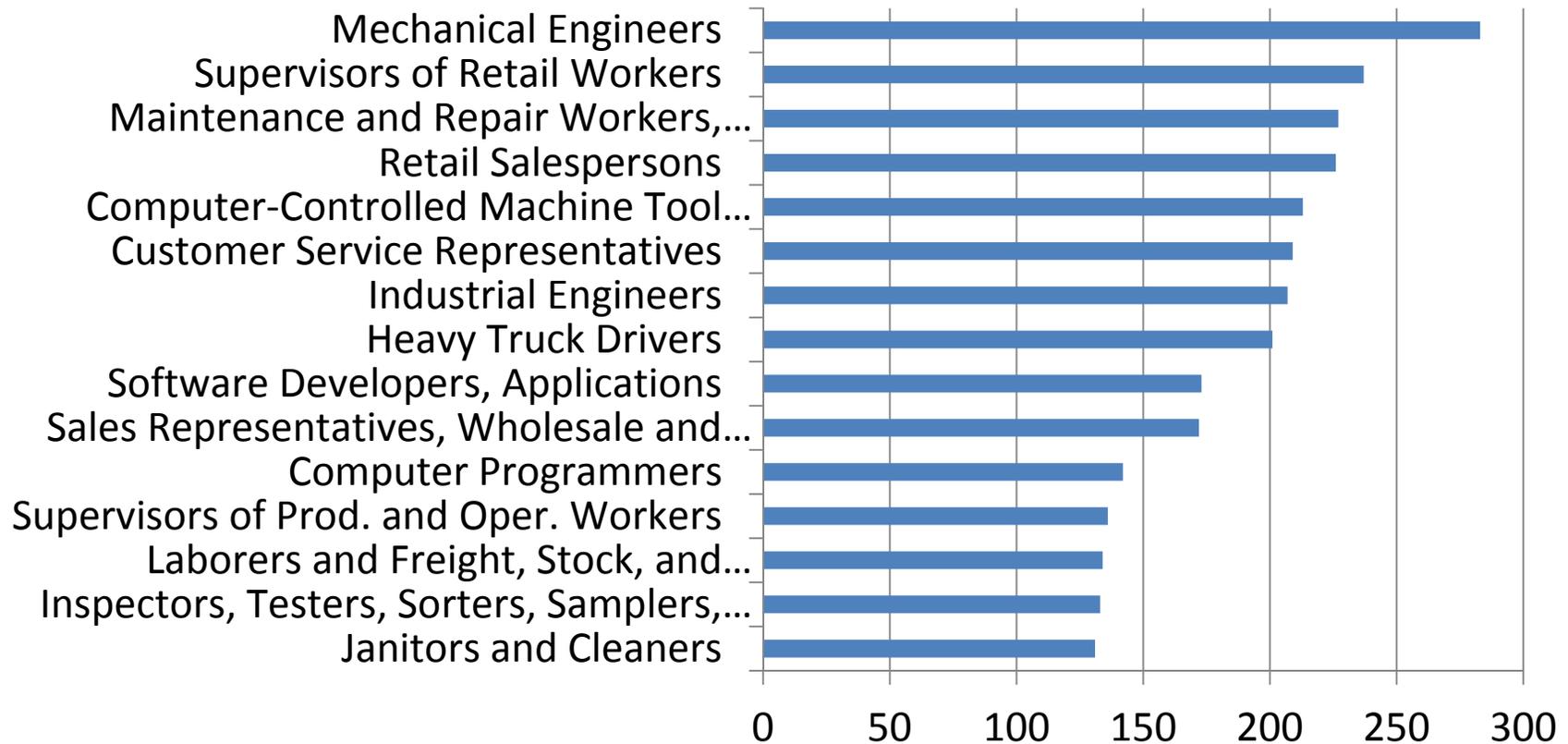


Source: U.S. Census.

Conflicting labor market statistics—*is*
there a skills gap or a wage gap?

During the last 12 months, 10,251 job openings have been posted on the web.

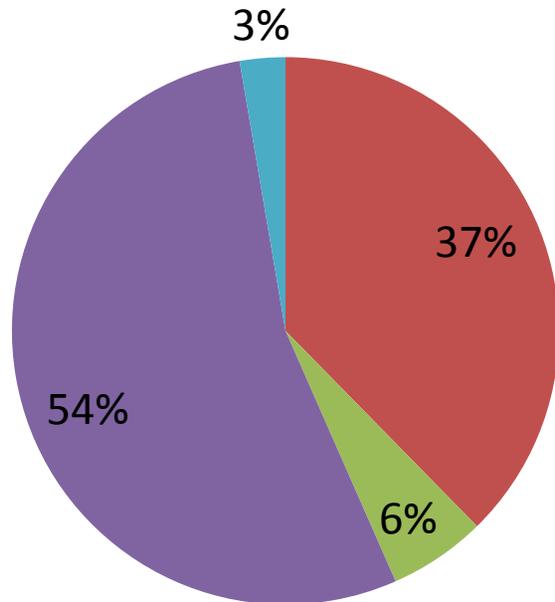
Top 15 occupations posted in the last 12 months



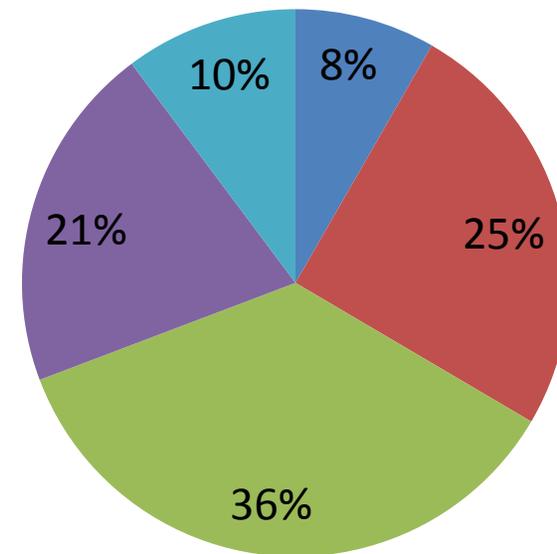
Source: BurningGlass.

More than 50 percent of the posted positions require a BA, while only 31 percent of the county holds a BA or higher.

Educational Requirements of Postings



Educational Attainment of Workforce

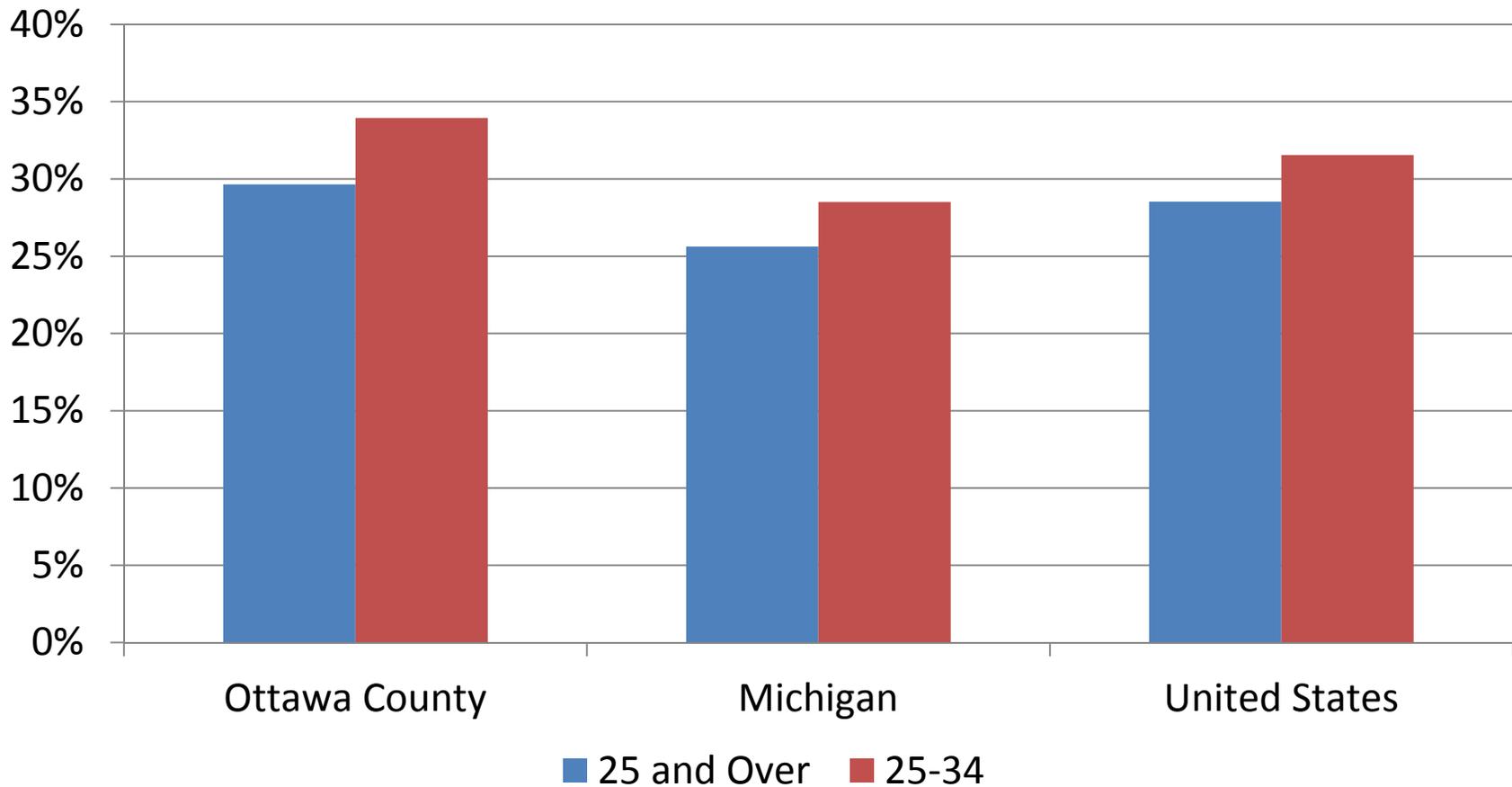


■ Dropout ■ High school ■ Post-sec. or assoc ■ Bach. ■ Grad.

Source: IPUMS USA and BurningGlass.

Good news: Ottawa is doing better than the nation. *Bad news: no one is doing great.*

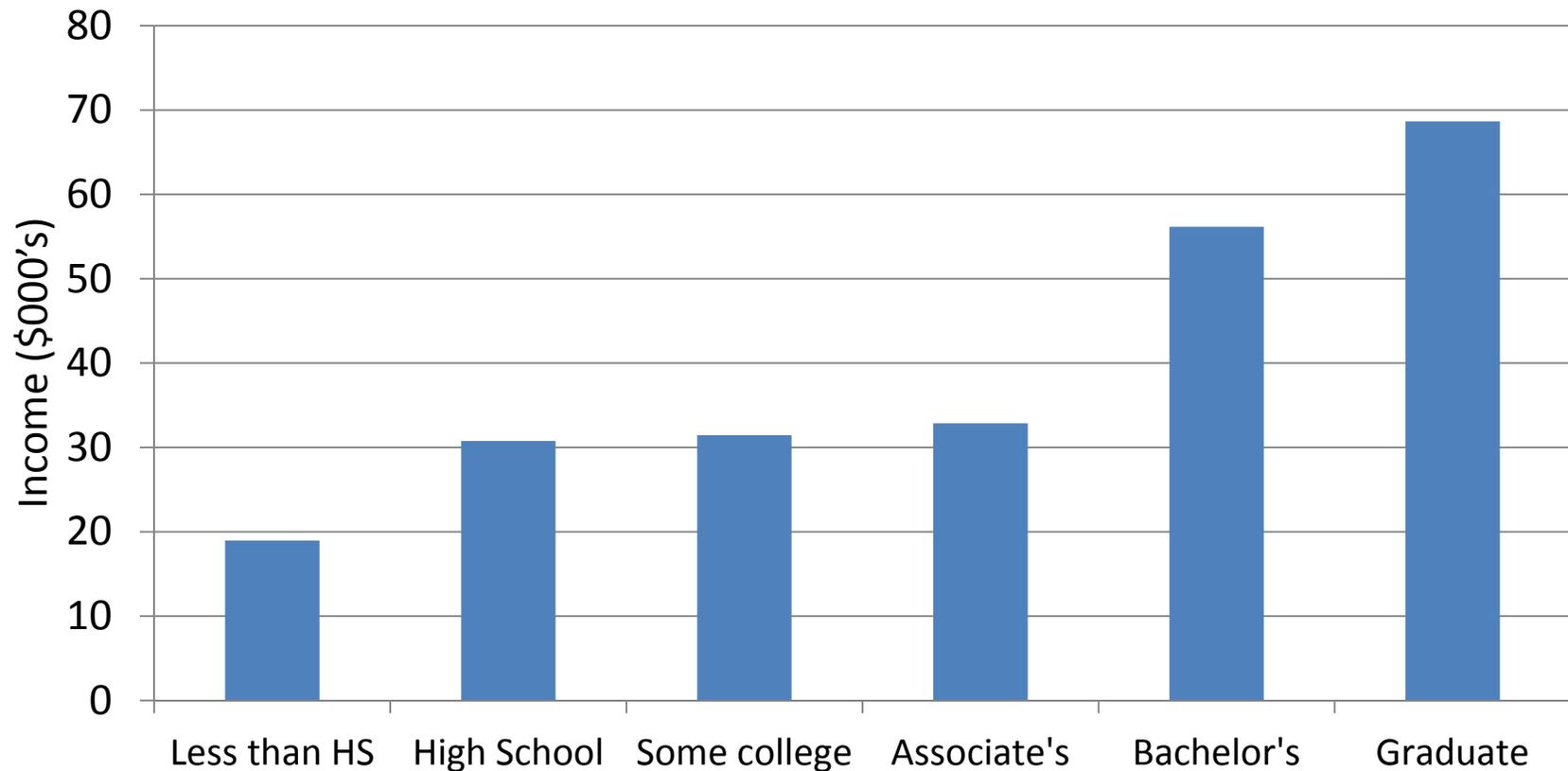
Bachelor's Degree or Higher



Source: Census ACS.

The returns to education are still strong.

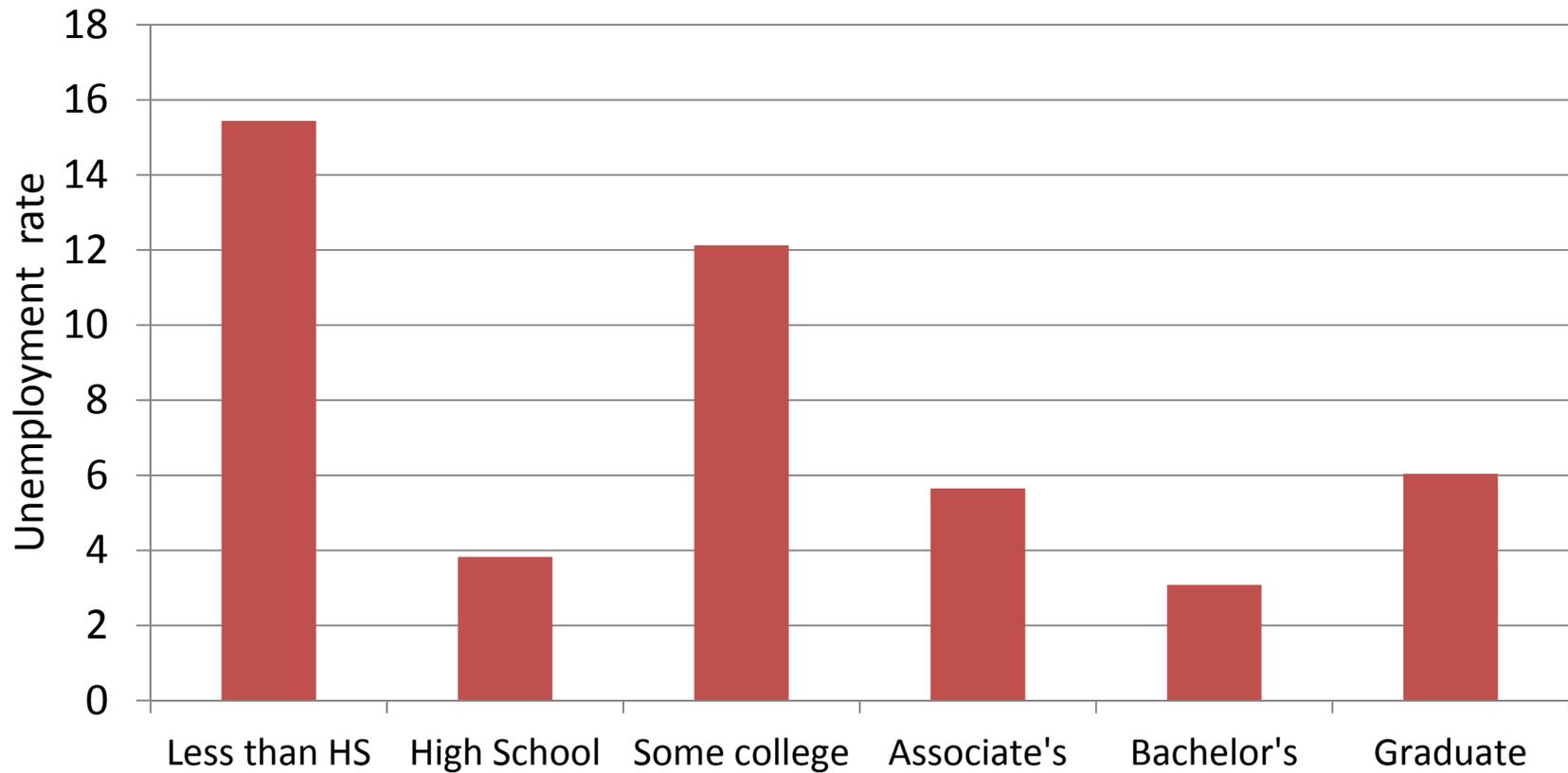
Annual Income by Educational Attainment, 2011



Source: IPUMS USA.

Don't quit college!

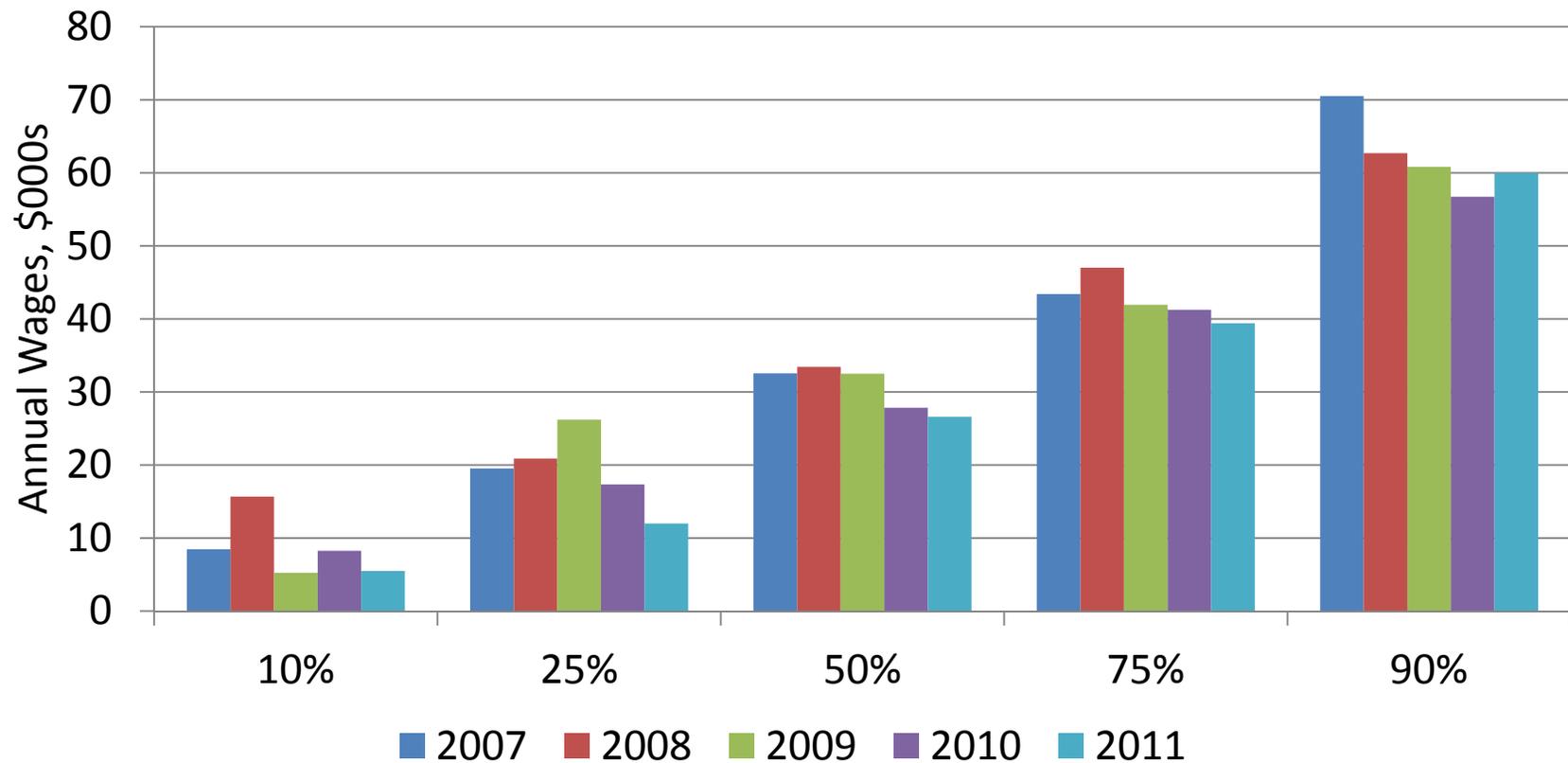
Unemployment by Educational Attainment 2011



Source: IPUMS USA.

While many manufacturers say that they are facing severe labor shortages, wages remain stagnate.

Real Wages for Production Workers in Ottawa Co.
(2011 Dollars)



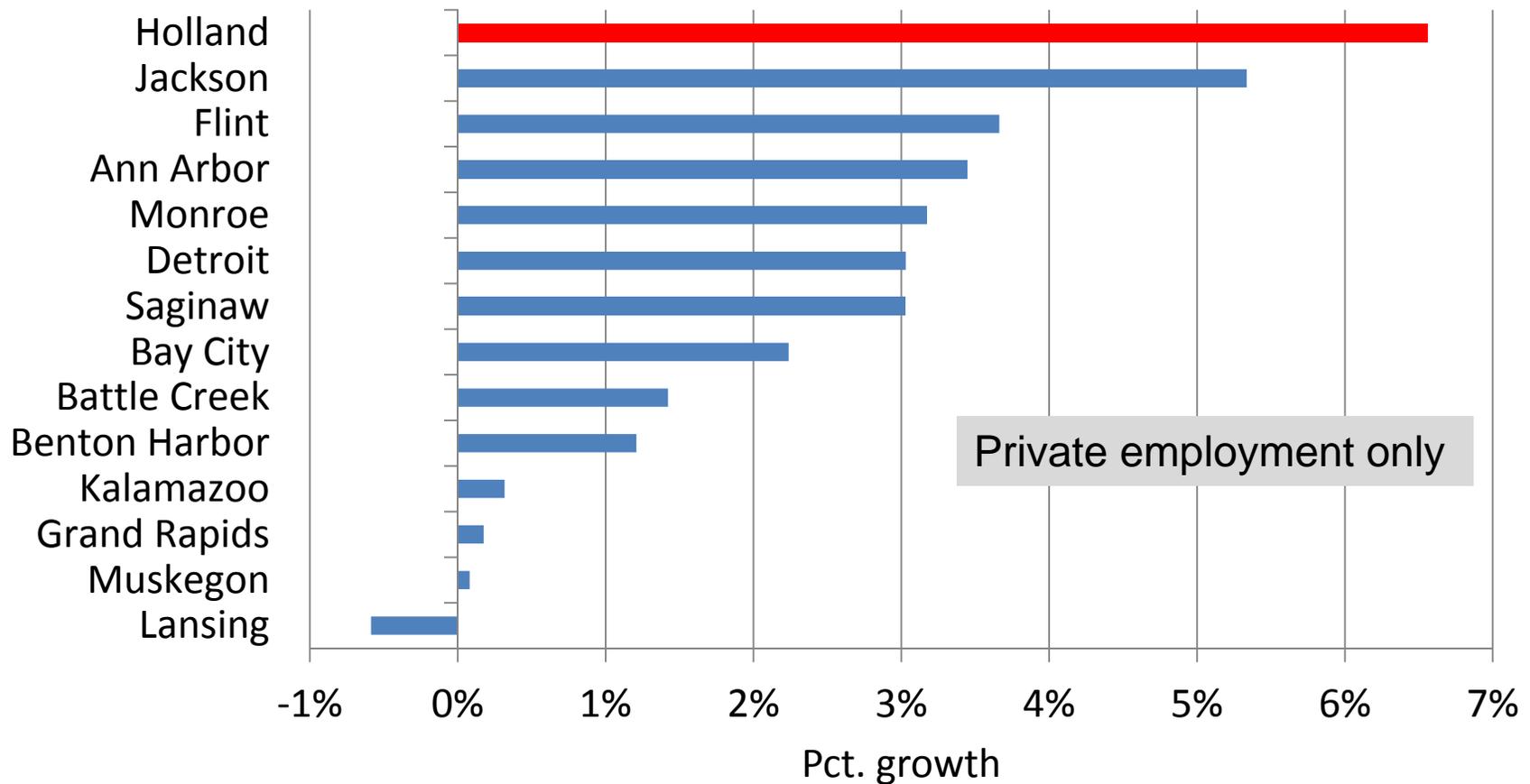
Source: IPUMS USA.

Breaking down the components of Ottawa County's economic performance

- Is it due to job creation or retention?
- The answer in 2011: *Yes.*

In 2011, Ottawa lead all of the state's MSAs in employment growth.

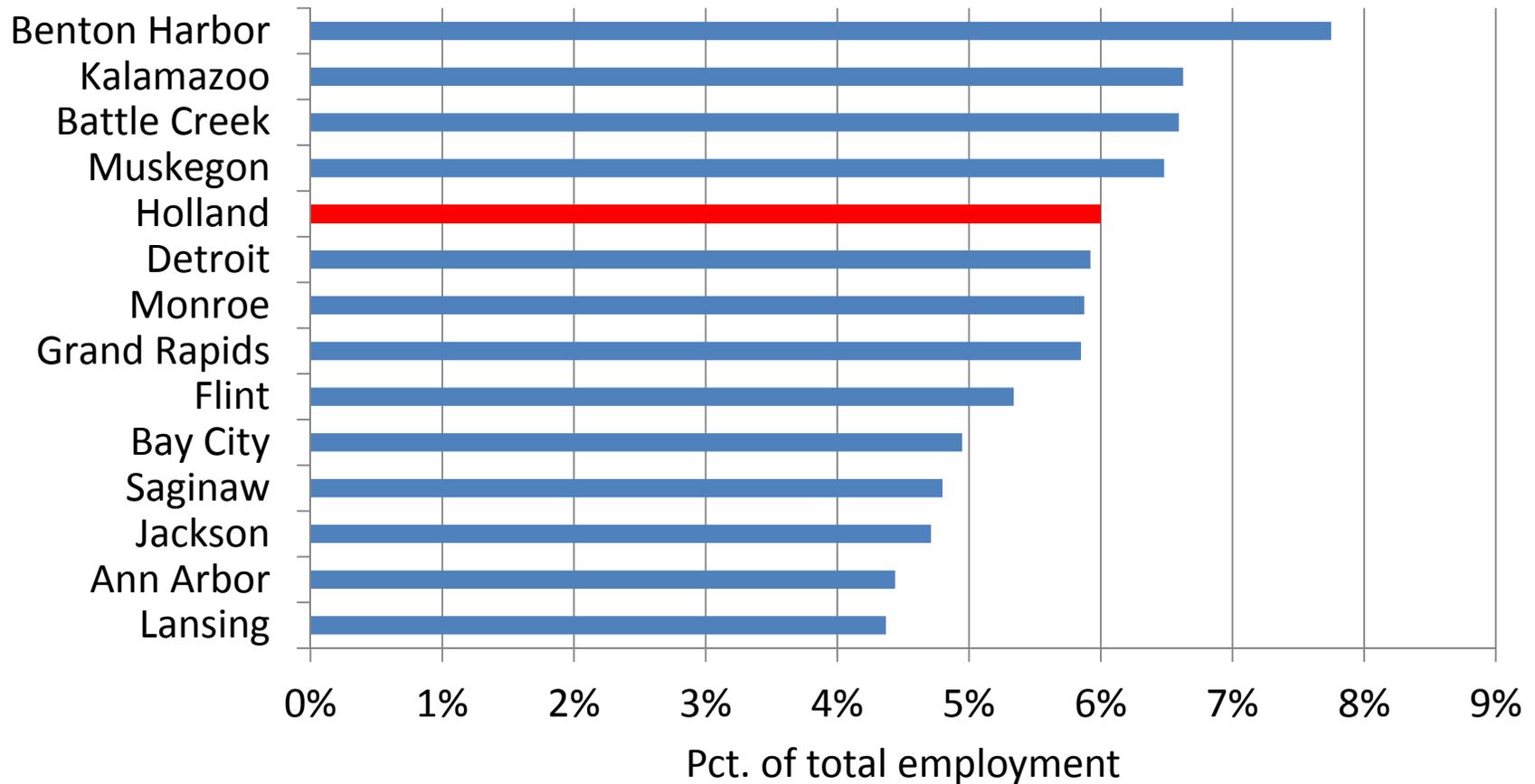
Employment Growth in 2010-2011



Source: Census QWI.

Job creation has been strong but still below other west Michigan MSAs.

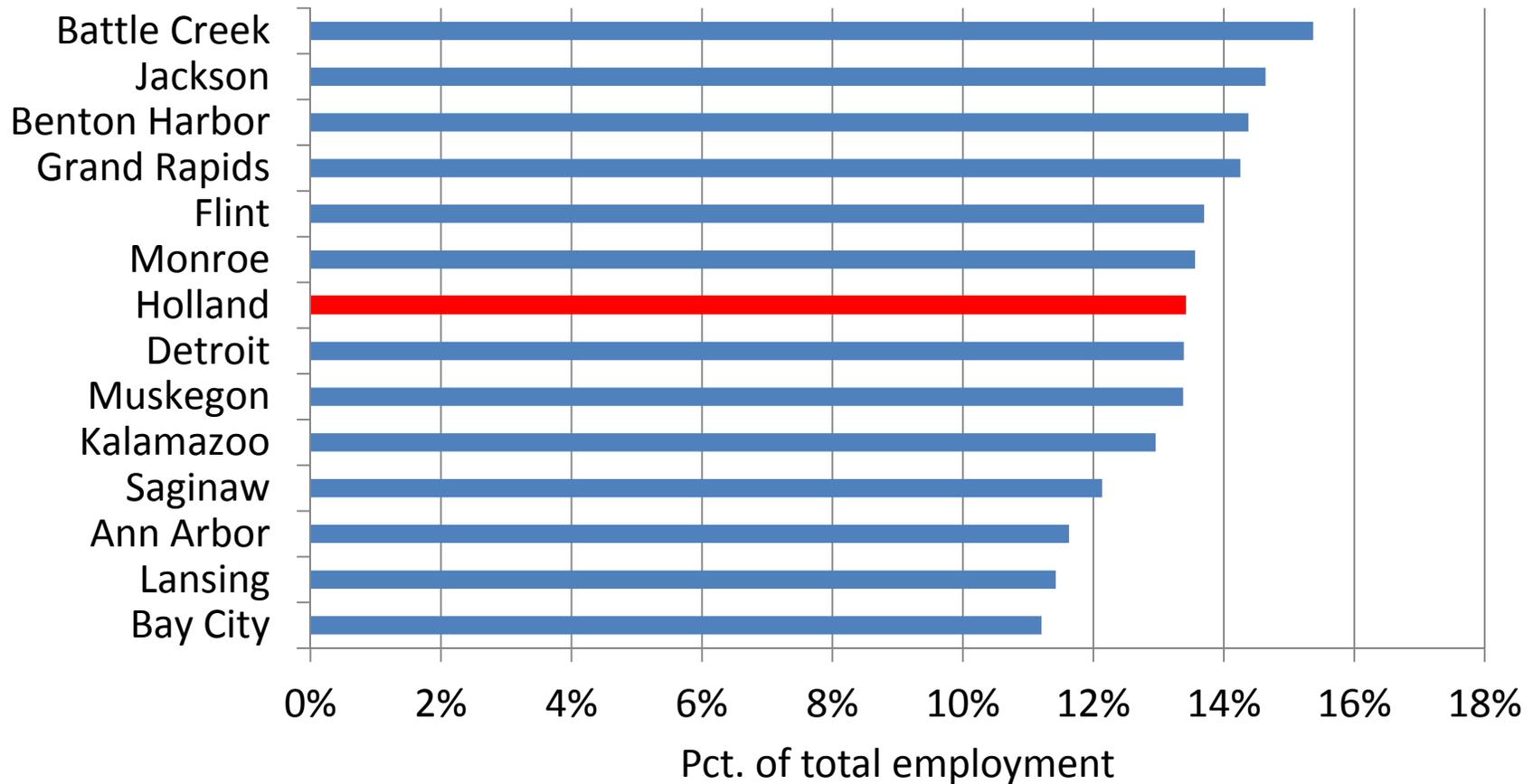
Job Creation in 2011



Source: Census QWI.

Holland is in the middle of the pack for hiring.

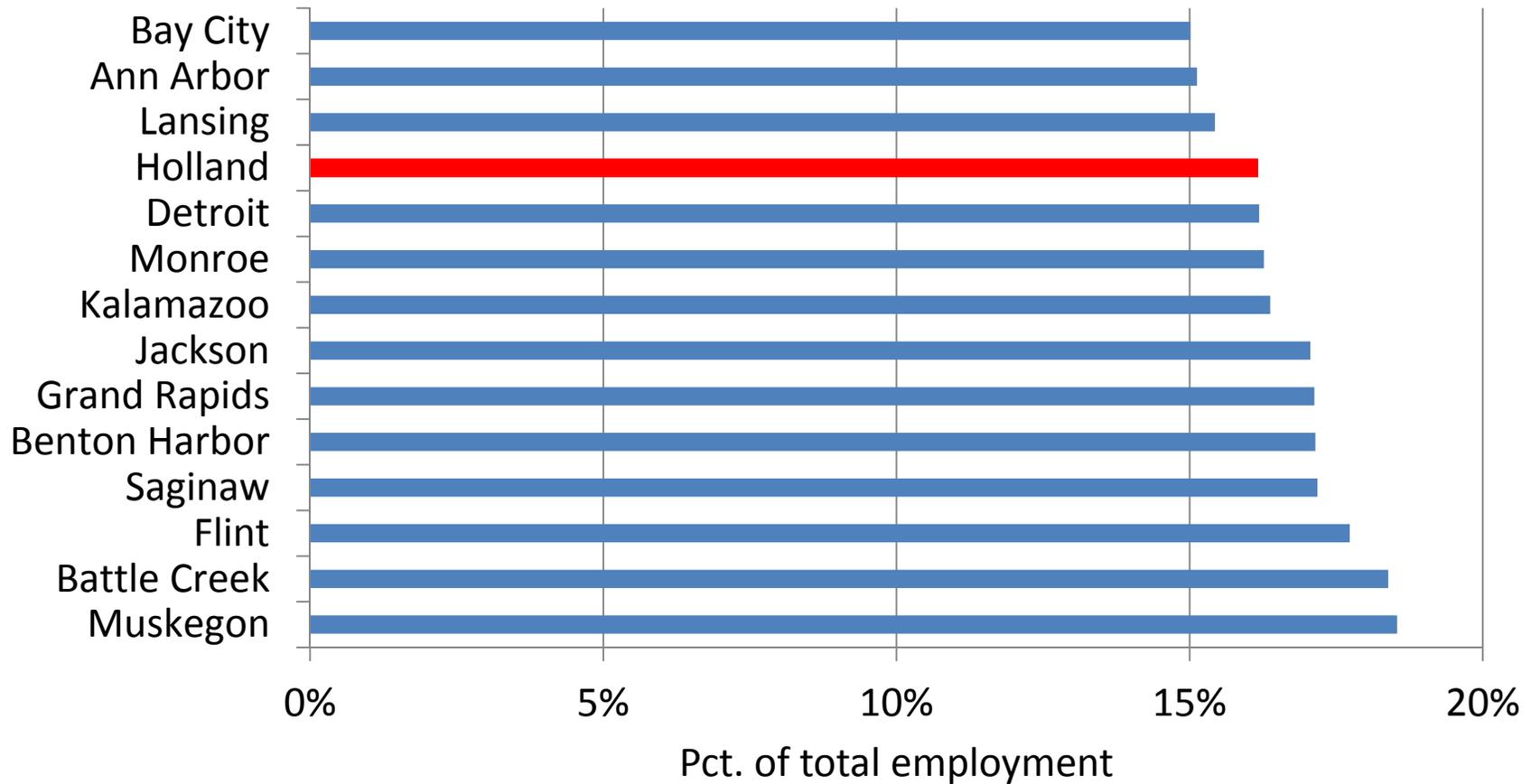
New Hires in 2011



Source: Census QWI.

Holland is on the low end in terms of separations.

Separations 2011



Source: Census QWI.

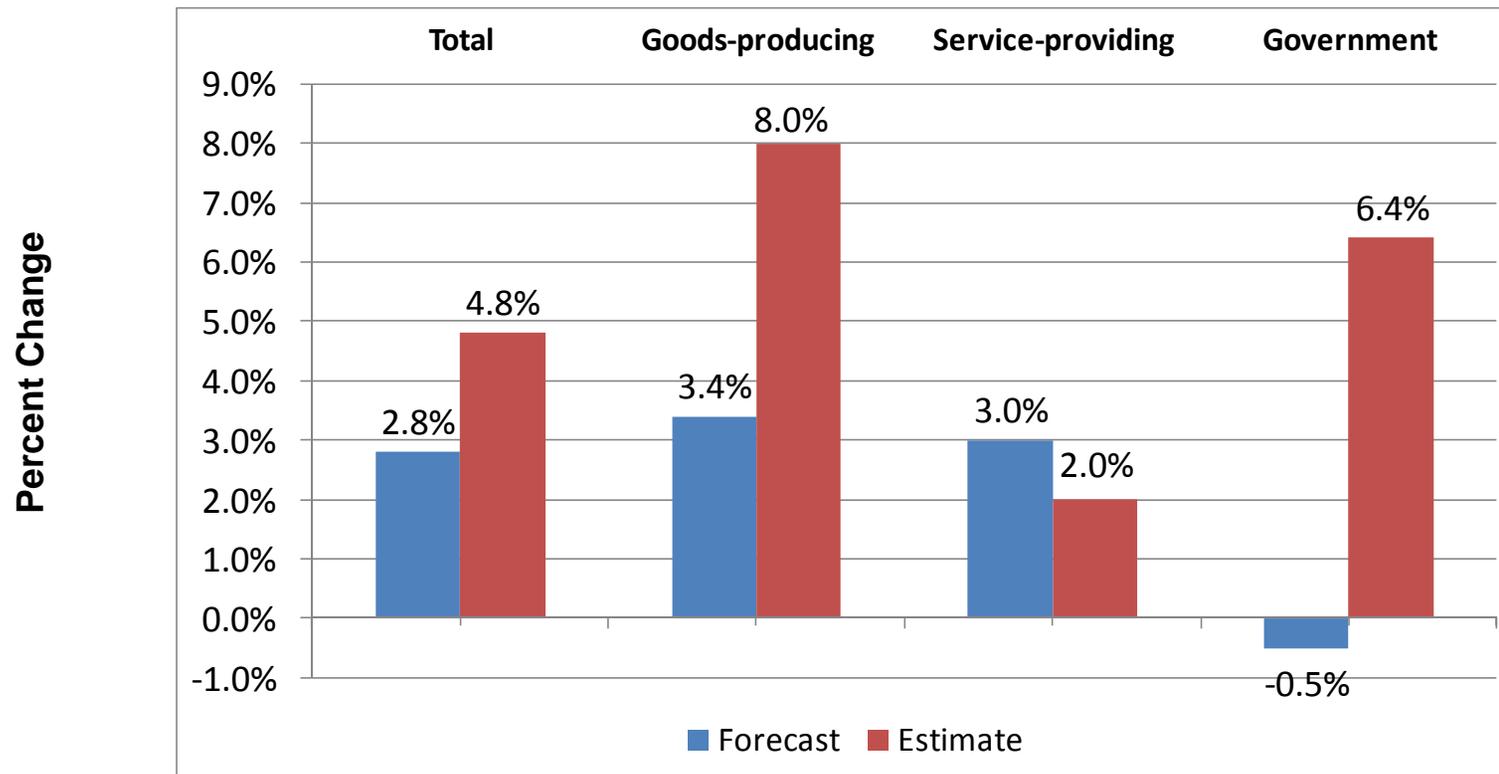
Let's make sure that we check last
year's forecast!

*To be honest, if we had presented
the correct forecast for the county's
growth last year, you would have
laughed at us.*

So, how did we do last year?

We missed the robust gain in manufacturing and government. Employment grew by 5,000 during the year.

Ottawa County Estimated and Forecasted Employment Growth for 2012



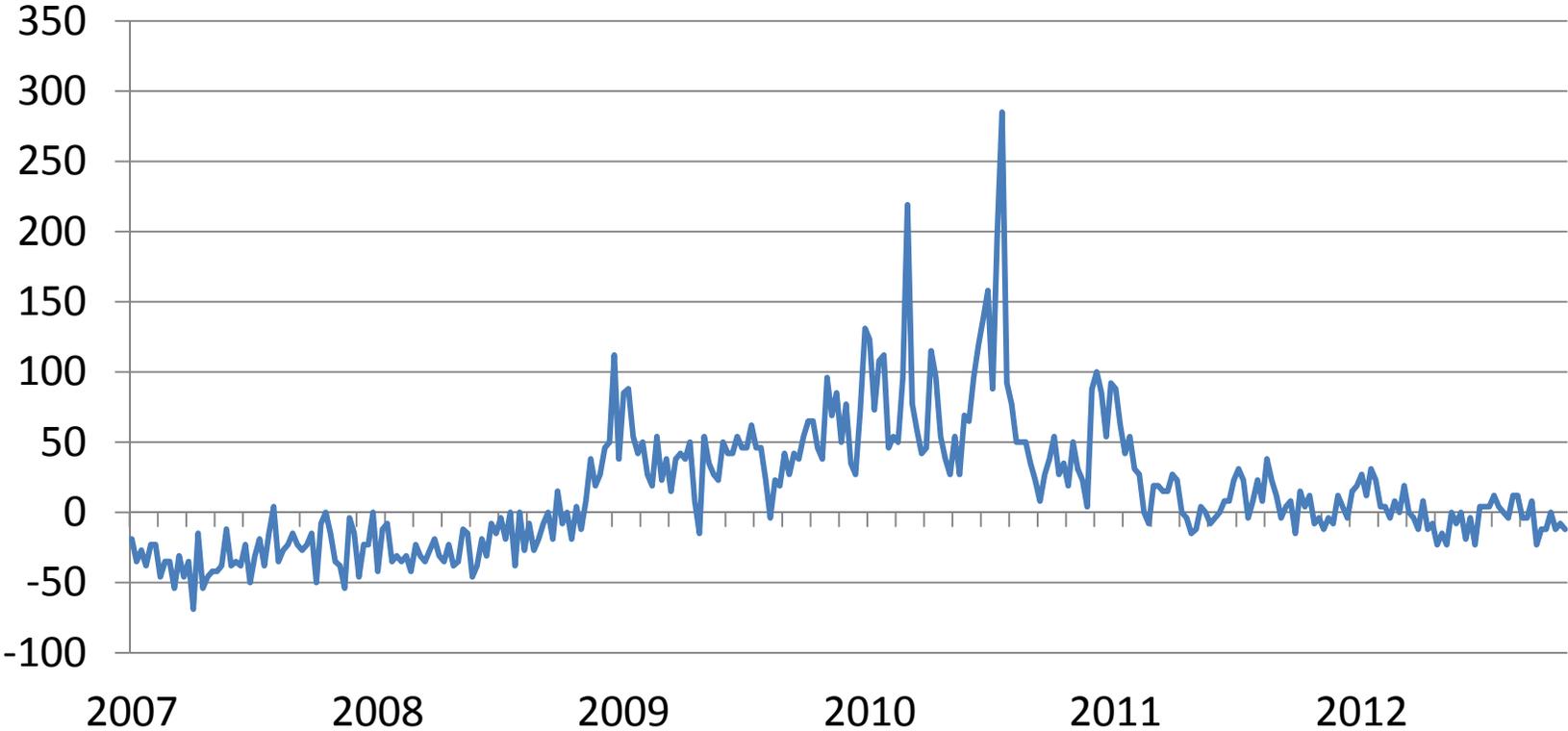
Source: Upjohn Institute.

Indicators of future activity

- Business reports are upbeat.
- Google search requests for employment and public assistance is down.
- BIFMA has revised its forecast for 2013 downward. *Production in 2013 is expected to be up by 3.4%.*
- The Dunlap Manufacturing Index is still steady.

Computer searches for assistance are down to pre-recession levels.

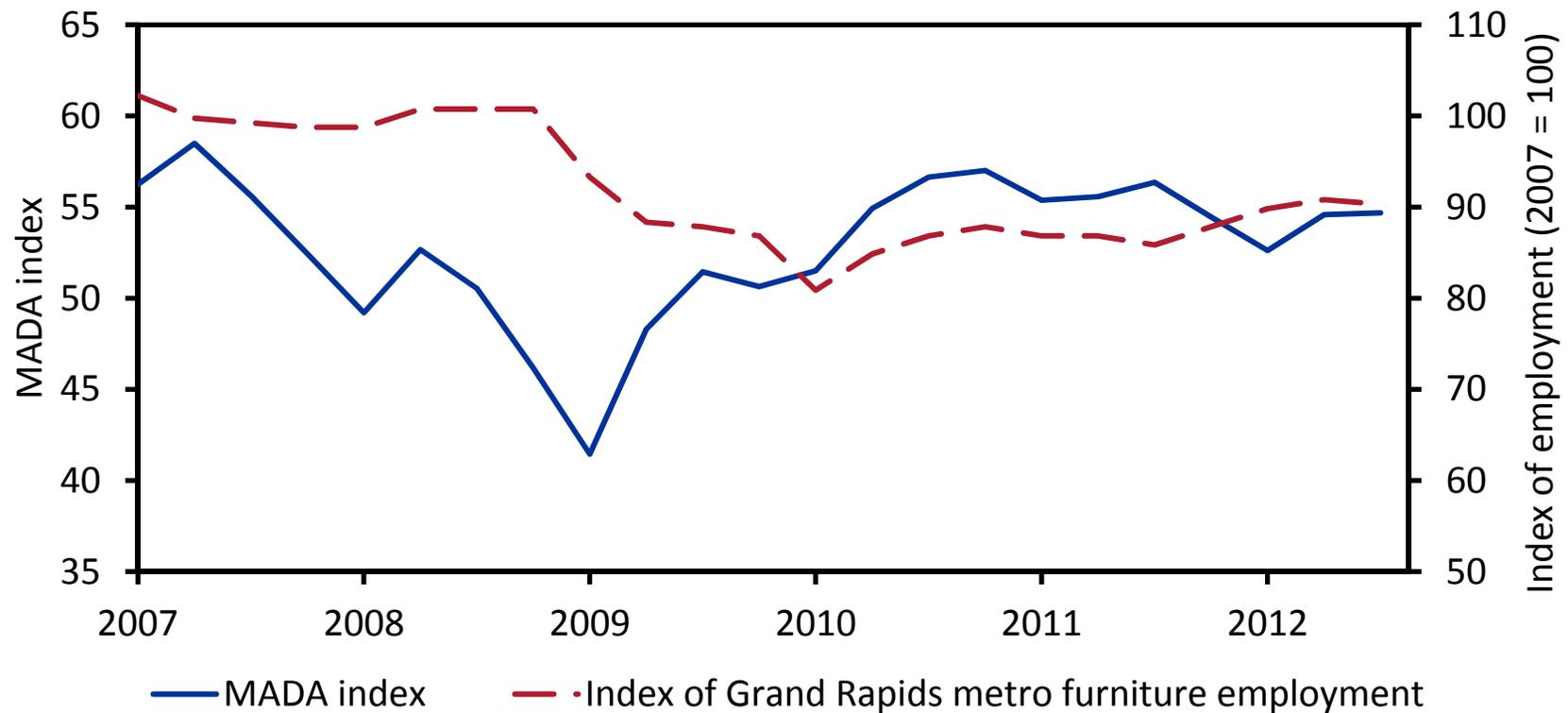
Relative Percentage Change in Interest in the Google Search Topic "Welfare and Unemployment" in West Michigan



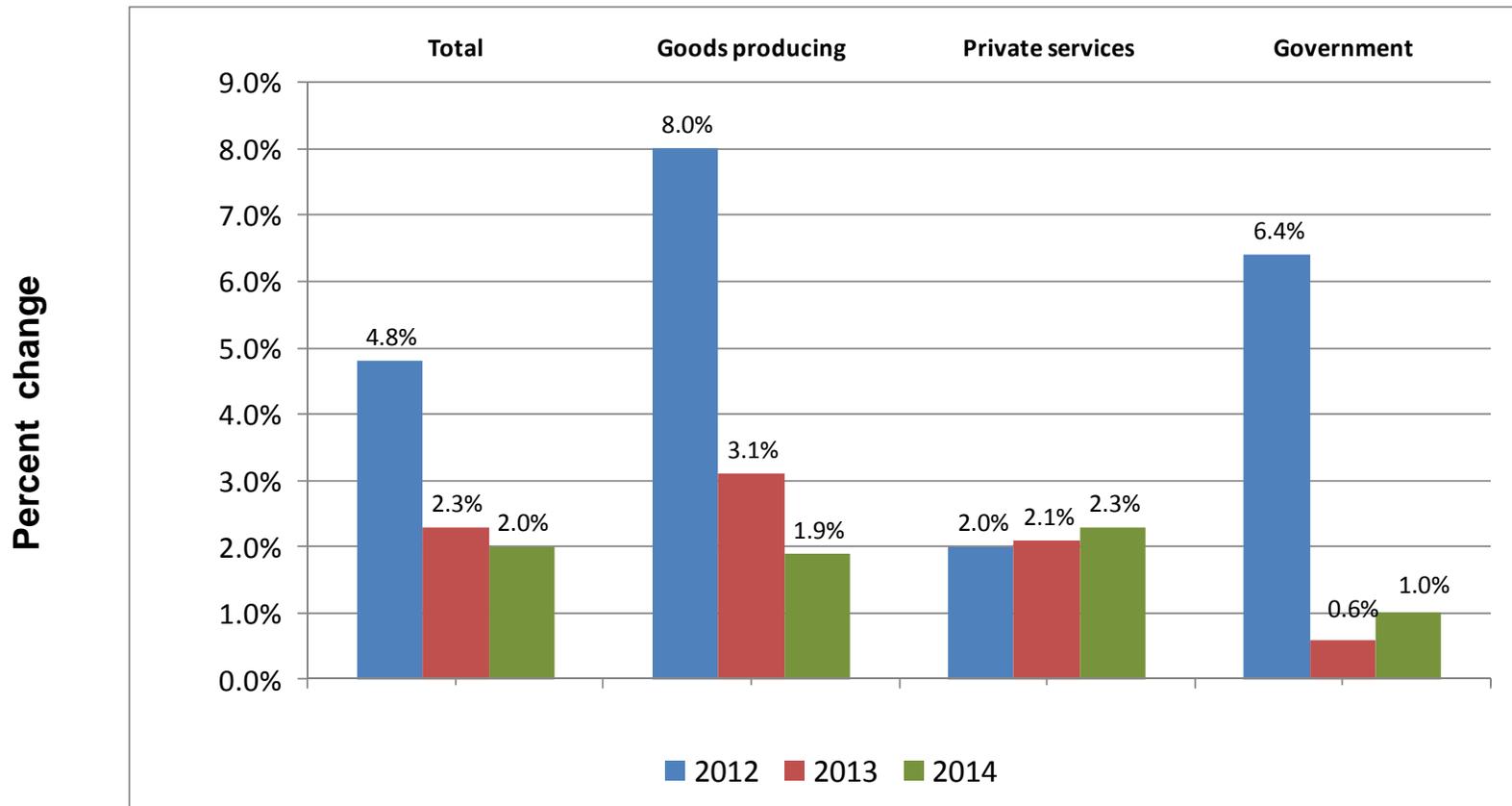
Source: Google Trends.

According to Michael Dunlap's polling of industry stakeholders, conditions are holding steady.

**MADA Office Furniture Industry Index
and Index of West Michigan Furniture Industry Employment**



2013 and 2014 Employment Forecast for the Holland-Grand Haven MSA



2013–2014 Forecast for Ottawa County

2012 was a great year!

George A. Erickcek

Brian Pittelko

W.E. Upjohn Institute for Employment Research

January 8, 2013

Ottawa County Economic Development Office, Inc.

6676 LAKE MICHIGAN DRIVE • P.O. BOX 539 • ALLENDALE, MICHIGAN 49401 • PHONE 616 892-4120 • FAX 616 895-6670

DATE: January 4, 2013

TO: OCEDO Board of Directors
Ottawa County Board of Commissioners
Financial Contributors to OCEDO

FROM: Kenneth J. Rizzio, Executive Director



RE: **OCEDO's Work Activities & Results for July through December 2012**

For your information, this memo provides a summary of the major work activities & results that occurred during the 2nd half of 2012. Please feel free to share this memo with your Board/Commission/Council members. If you have any questions or would like additional information on most of these items, please call me at 892-4120 or e-mail to: krizzio@altelco.net Thank you.

I. Industrial Retention & Expansion Activities:

Industrial retention visits were made to 9 manufacturing firms. Most of these visits were made jointly with Bill Kratz, Business Development Manager with the MEDC. The firms visited are located in the cities of Coopersville, Hudsonville & Zeeland; and the townships of Jamestown, Olive and Tallmadge.

Continued to assist in administering the Holland Charter Township/Request Foods' Wastewater Pre-treatment System Upgrade, which was funded with a CDBG infrastructure grant of \$ 5.4 million

Assisted with the close-out of four CDBG grant funded projects: City of Coopersville/Continental Dairy Products/CS Facilities' Wastewater System Upgrade; City of Coopersville/Saturn Electronics & Engineering Machinery & Equipment Acquisition; Holland Charter Township/Quincy Street Wastewater Pretreatment Phase II; and Holland Charter Township Lakeshore Vision & Robotics CDBG Business Loan

Prepared an MDOT Category A grant application in the amount of \$ 904,000 for the Randall Street Improvements Project (Segments # 2 & 3) to support the proposed new Fair Oaks Farms Brands/Select Milk Producers' milk bottling plant. FOFB/SMPs' investment is expected to be \$ 127 million. An estimated 133 direct jobs will be created

over the next 2 years. Upgrades to the municipal water system are also anticipated, which will prompt the City to seek Small Cities CDBG infrastructure grant funds from the MEDC.

Prepared, edited and/or helped process P.A. 198 Industrial Facilities Tax Abatement Applications for the following manufacturers:

<u>Manufacturers</u>	<u>Communities</u>	<u>Investments</u>	<u>Jobs</u>	
			<u>Existing</u>	<u>New</u>
Active Tooling*	Zeeland Twp	\$ 143,339	0	0
Active Tooling	Zeeland Twp	1,122,596	0	14
Conveyor Concepts	Coopersville	380,000	16	5
ESPEC North America	Jamestown Twp	1,984,741	154	10
Allied Engineering	Zeeland Twp	243,175	11	3
J & B Metal Fab	Crockery Twp	438,454	10	3
Superior Cutting**	Holland Twp	490,000	13	3
Ventura Mfg	Zeeland City	755,000	90	30
Zeeland Farm Services	Zeeland Twp	<u>725,000</u>	<u>222</u>	<u>3</u>
	TOTALS	\$ 6,282,305	516	71

* Tranfer Application

** Plus, established the Industrial Development District

II. Industrial Attraction Activities:

-NA-

III. Small Business Counseling Activities:

As a Satellite Office of the West Michigan Region of the Michigan Small Business & Technology Development Center (MI-SBTDC) Program at Grand Valley State University, OCEDO assisted at least 10 short-term clients located throughout Ottawa County with information, including how to start a business, obtaining financing, identify required licenses & permits, write a business plan and research available local, State and federal business assistance programs.

OCEDO also assisted 7 long-term clients in collectively providing approximately 17 hours of one-on-one counseling. Those clients were located in the City of Grand Haven; and townships of Allendale, Chester, Olive and Wright.

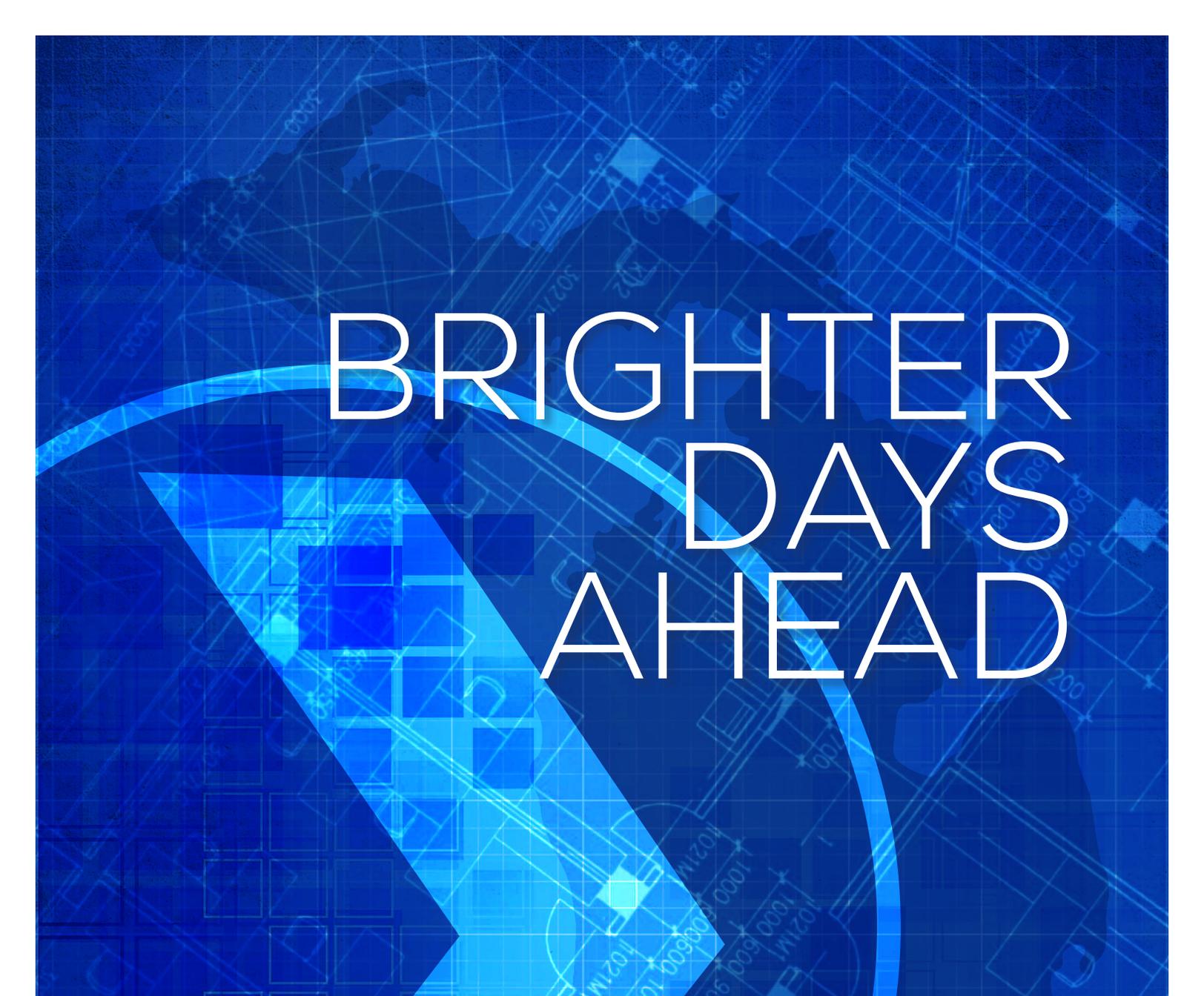
IV. Other Activities:

Participated in a Work Session held by the Ottawa County Board of Commissioners, which addressed the several economic development agencies' efforts & results in Ottawa County

Met with the Consultant retained by Ottawa County to prepare a feasibility study on the proposed establishment of an Agricultural Technology Incubator; and attended an Ottawa County sponsored seminar on SBIR grants

Held a special OCEDO Board of Directors meeting which featured a discussion with Birgit Klohs & Twayne Howard from The Right Place, Inc. as guests

Participated in meetings of the Kent-Ottawa-Muskegon Foreign Trade Zone (KOM-FTZ) Authority Board (currently serving as Chairman); Ottawa County Land Bank Authority; and Ottawa County Brownfield Redevelopment Authority

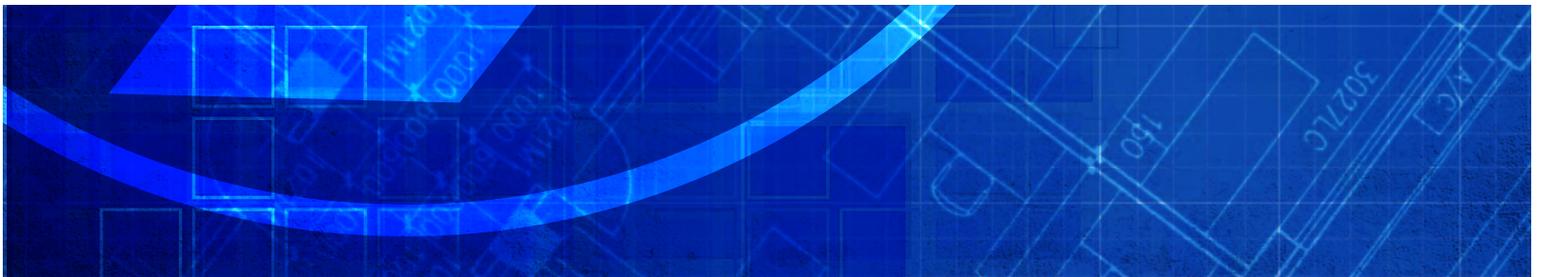


BRIGHTER
DAYS
AHEAD

2013-14 HOUSE REPUBLICAN

ACTION PLAN

FOR HARD-WORKING MICHIGAN TAXPAYERS



2013-14 HOUSE REPUBLICAN

ACTION PLAN

FOR HARD-WORKING MICHIGAN TAXPAYERS

- 2 Executive Summary
- 10 Get Michigan Working
- 13 A Brighter Future for All
- 16 Get Michigan Moving
- 18 A Government of the People
- 20 A Government for the People

BRIGHTER DAYS AHEAD



BRIGHTER DAYS AHEAD

2013-14 HOUSE REPUBLICAN ACTION PLAN FOR HARD-WORKING MICHIGAN TAXPAYERS

For the third year, House Republicans will directly address the challenges facing the hard-working people of Michigan.

Because people have the right to know where their elected leaders stand, we are laying out our policy goals and objectives for this legislative term, so that the same level of common-sense, accountability, and success can be expected of us by Michigan taxpayers.

There is no such thing as “good enough” when it comes to fighting for the hard-working families of this state. We believe in better. So let’s look at our track record over the past two years.

The economy is improving, jobs are steadily increasing, and positive change is happening all around us.

Looking ahead, we will continue to focus on solutions, deliver results and prioritize the quality of life of the people we serve.

As our state government becomes more efficient and effective, as personal incomes rise, and as families are reunited by kids and grandkids coming home, people will once again have the confidence to say Michigan’s brightest days are still to come.

Each of the five action areas below represents our commitment to the hard-working taxpayers, families and children of our great state.



Get Michigan Working

The House Republican Caucus' first priority for the 2013-14 legislative term is to continue policy reforms that foster job growth and a healthy economy.

In order to make Michigan a better place to create careers, we need to make it a better place to provide a job—now.

At the same time, we have to make sure Michigan's incredible workforce—the best in America—is prepared for the job opportunities that will develop.

We will work to improve the job climate by:

- Reforming Michigan's workforce development programs to adapt to our state's changing marketplace
- Promoting Michigan's Natural Resources to attract job providers and skilled workers to our state
- Removing barriers to employment and assisting our veterans with job placement
- Enhancing vocational educational opportunities and preparing our workforce to match employment demands
- Identifying ways to make Michigan more competitive to maintain and strengthen the health, vitality and vibrancy of our economy



A Brighter Future for All

More than 13,000 children in Michigan are in foster care and don't have neither a mother or father nor a place to call home. Adoption rates in Michigan have been stagnant for decades. Michigan's infant mortality rate is nearly the highest in the country and our state's rising mental illness plight must be addressed. We will look to improve the quality of life for our most precious generation by:

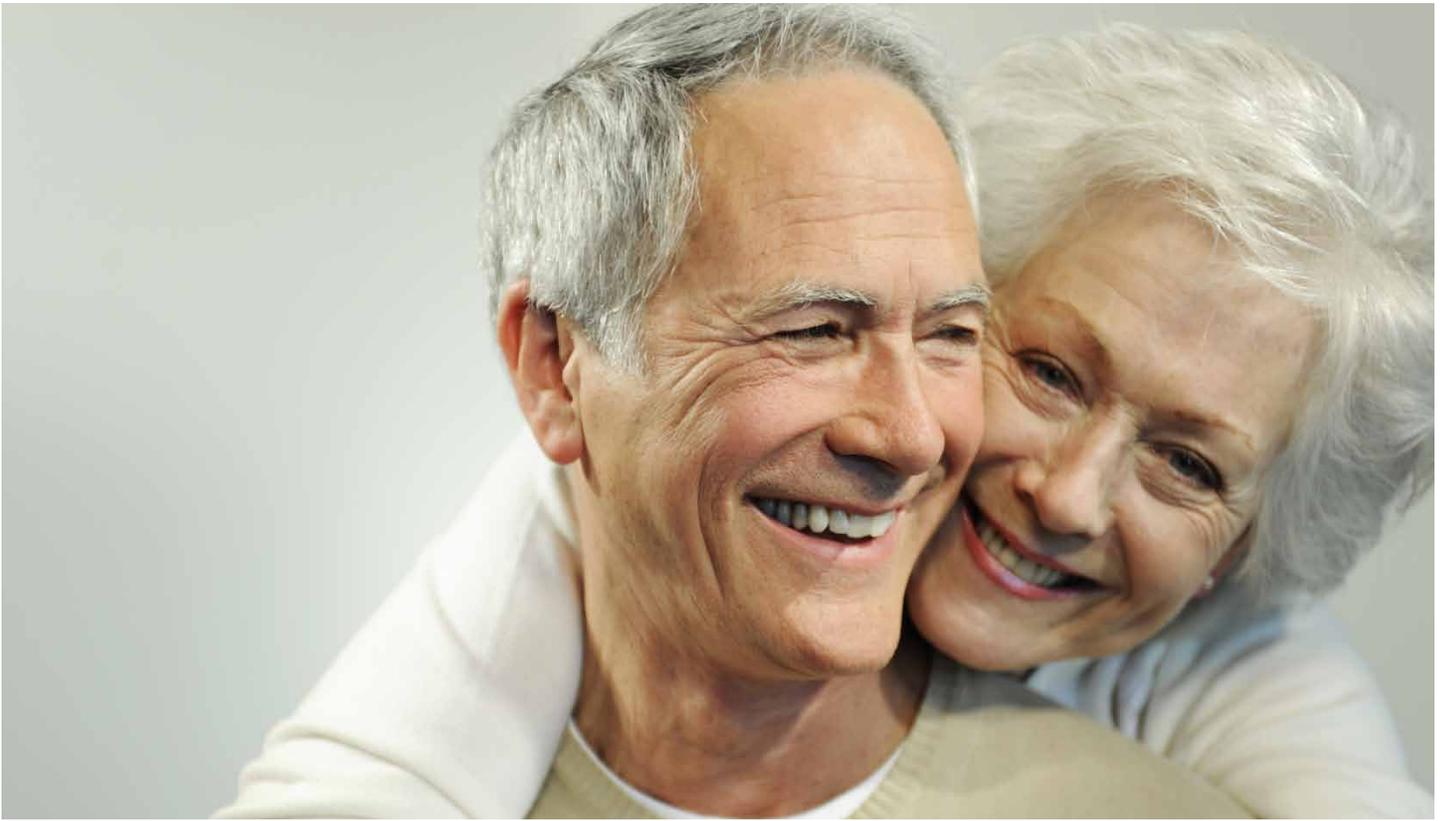
- Developing early childhood education opportunities to help kids succeed
- Expediting judicial proceedings for adoptions and enacting other measures to increase Michigan's adoption rate
- Provide solutions to address barriers to accessing mental health systems
- Expanding prenatal care options to help create healthier Michigan families
- Reevaluating the level and types of assistance for daycare services to help working moms and dads
- Enhancing vocational educational programs to prepare our young workers for high-skill job opportunities



Get Michigan Moving

Time is precious and wasted time because of an inadequate transportation system is unacceptable. Facing the highest energy rates and some of the worst road conditions in the Midwest, our state has suffered from years of inadequate investment. This year, we will address the infrastructure issues that are plaguing our state and undermining our quality of life by:

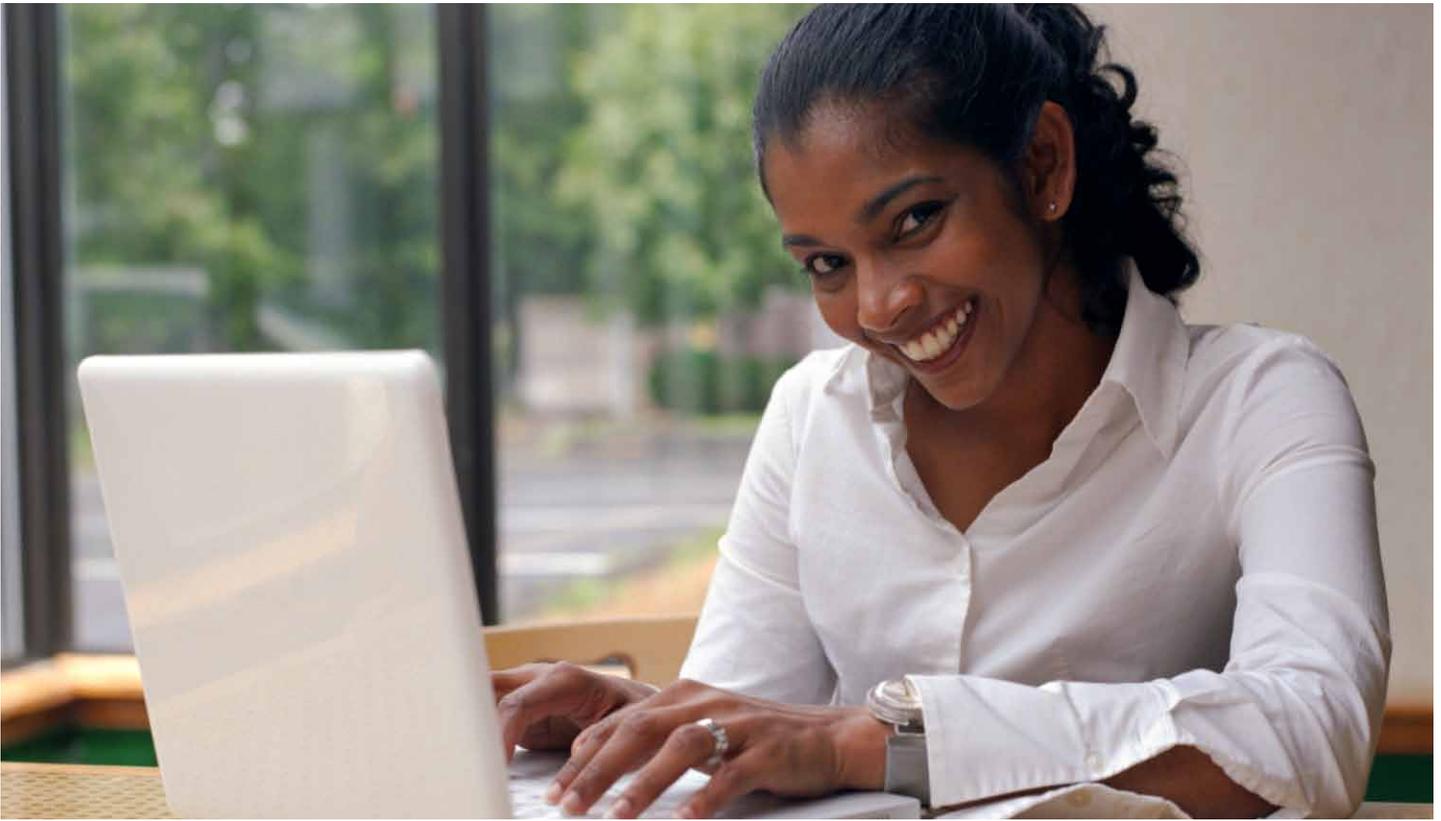
- Investing effectively in Michigan’s transportation infrastructure by identifying the specific shortcomings, creating priorities for improvement and holding every project accountable for real results
- Enacting long-term cost-saving reforms to give taxpayers the biggest return on their investment
- Finding ways to reduce long-term energy costs for ratepayers by modernizing the energy grid and rewarding energy efficiency



A Government of the People

Simplifying and streamlining state government by removing unnecessary and duplicative rules, and making tax structures more uniform and fair will lead to greater accountability and predictability for all taxpayers. We will make Michigan a more attractive place for residents and visitors alike by:

- Reducing or eliminating unnecessary state occupational licensure and certifications, so that businesses can start, expand, grow, and focus on the consumers they serve
- Evaluating and eliminating tax loopholes that are creating unfair economic conditions among Michigan businesses
- Eliminating state rules that are even more convoluted and burdensome than federal regulations
- Simplifying the tax code to make it fairer and reducing the overall tax burden
- Encouraging competition instead of playing favorites



A Government for the People

Our continuing mission is to make government more efficient and effective, and that means improving what the government does and how it does it. We will expand on previous efforts at streamlining government by:

- Ensuring the state's budget is completed and structurally balanced by June 1 to offer local governments, schools and job providers measurable stability
- Reducing Michigan's debt burden for our children and grandchildren
- Reforming the corrections budget to find savings.
- Enhancing, preserving and consolidating elections, to safeguard the rights of Michigan voters



FOCUSING ON HOPES, DREAMS AND SUCCESS FOR MICHIGAN

As we steer Michigan's future toward prosperity, we must continue to focus on doing what's right for the people we represent, regardless of political consequences. House Republicans will be accomplishing a lot over the next two years in order to position Michigan for continued success, never losing sight of the fact that it is the hopes, dreams and success of Michigan's residents whom we represent that must drive us all forward together.



2011-12 Guiding Principles: **RESULTS DELIVERED**

In the two years since Republicans took majority in the Michigan House of Representatives, we have kept our commitments by delivering results for a state in recovery from crisis. We stayed true to the guiding principles that we announced shortly after being elected. We laid out specific, measurable goals for jobs, reform and responsible leadership. We then focused on delivering solutions for hard-working taxpayers and holding ourselves accountable. After two years, here's our record:

- ✓ Delivered a transparent and accountable government that produced real results. For example, the state's budget moved from a \$1.5 billion deficit at the beginning of 2011 to a \$500 million surplus in 2012
- ✓ Reformed government operations to eliminate more than \$20 billion in debt, and simplified the state's tax code while making it more fair and efficient
- ✓ Raised education standards and provided more job security for Michigan's best teachers through nation-leading teacher tenure reform
- ✓ Provided real choices for students and parents by lifting the charter school cap and expanding cyber schools
- ✓ Restored government responsibility by cutting lawmaker office staff and budgets in addition to reducing taxpayer-funded benefits for legislators and staff and eliminating legislator retiree health-care benefits.
- ✓ Encouraged personal responsibility by putting an end to unlimited lifetime welfare for able-bodied workers, prisoners receiving food stamps, fugitives on the run receiving food stamps, and food stamp abuse by college students
- ✓ Provided a safer place for Michigan's children to learn by requiring school districts to address bullying
- ✓ Provided insurance coverage for children with autism to assist countless families
- ✓ Reduced the income tax rate for every taxpayer in the state
- ✓ Provided freedom for Michigan's hard-working men and women by giving them control over their decision to join a union



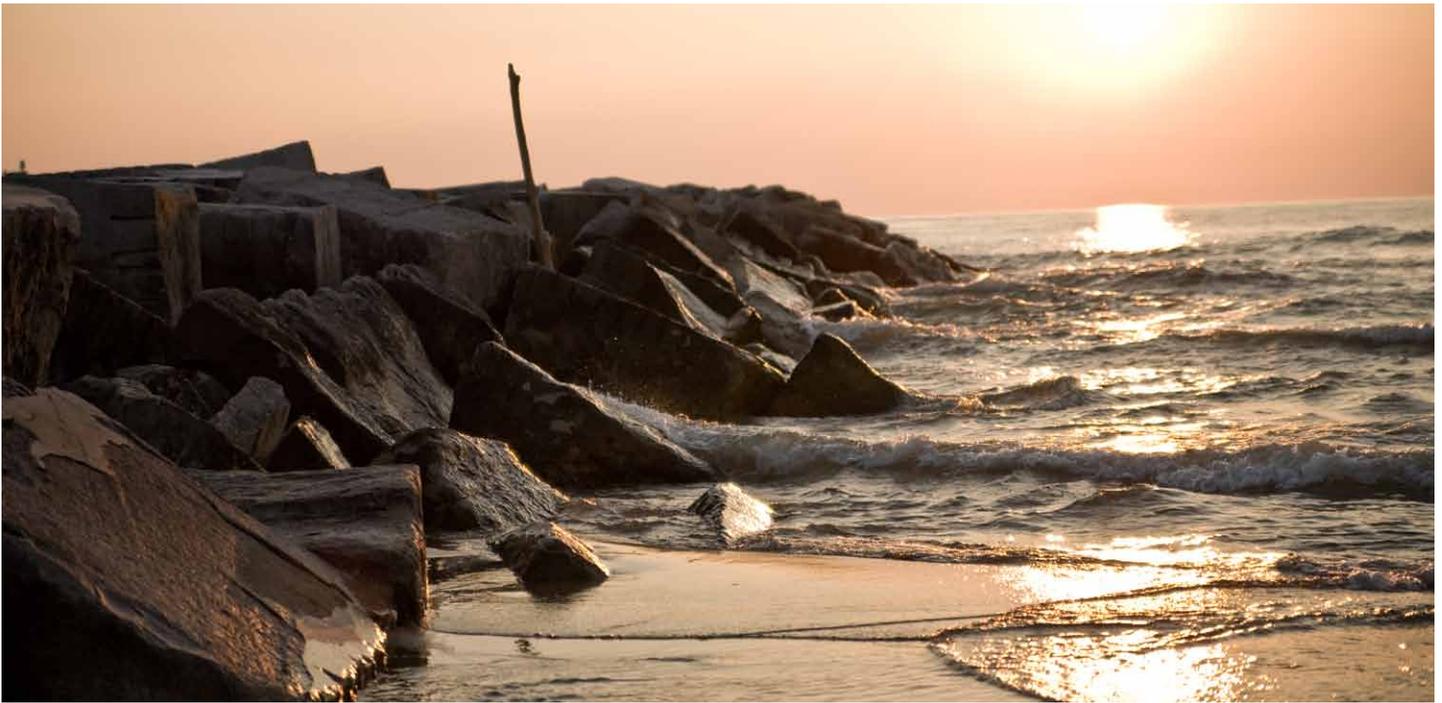
ACTION PLAN

GET MICHIGAN WORKING

REFORM MICHIGAN'S WORKFORCE DEVELOPMENT PROGRAMS TO ADAPT TO OUR STATE'S CHANGING MARKETPLACE

1. Focus on advancing Michigan's workforce development: In the past two years, we have reinvented Michigan's business climate with a major overhaul of the tax system, passage of Freedom to Work, elimination of overly burdensome regulations, and reform of the worker's compensation and unemployment systems. In order to become competitive with neighboring states, now it's time to focus on creating an educated and trained workforce that can meet the demands of businesses looking to expand in or relocate to Michigan to help create more jobs
2. Inventory economic development programs for reform: We will reassess our economic development programs and eliminate or phase out those that are duplicative or unsuccessful. We will consider greater transparency requirements and claw-back provisions to deliver results on job creation





PROMOTE MICHIGAN'S NATURAL RESOURCES TO ATTRACT BUSINESS AND SKILLED WORKERS TO OUR STATE

1. Continue funding for Pure Michigan: Hailed as a national success story as a top promotional tourism tool, Pure Michigan has promoted our state and helped spur economic development. Efforts to advance tourism promotion through Pure Michigan will continue as well as efforts to expand the Pure Michigan branding to other pursuits.
2. Improve Michigan natural resources infrastructure to increase access and opportunity: We will pursue a five-year plan to improve existing trails and expand the current trail system to serve non-motorized and motorized uses. We can also ensure long-term access to Michigan's beautiful lakes by improving the aging harbor infrastructure. These efforts will make our state more attractive to visitors and those who are considering relocating for employment opportunities, as well as increasing the quality of life in Michigan for all.
3. Explore a Natural Resources Trust Fund constitutional amendment: State government already owns four and a half million acres of land in Michigan, which is more than enough. We will focus future spending from the Natural Resources Trust Fund on improving what the state already has. This will give Michigan residents better parks, more accessible waterways and a more beautiful state.
4. Invest in state parks: We will explore new ways to enhance our state park system to deliver the services and amenities that will improve the experience for our visitors and families by identifying locations for rustic experiences, providing more marketing and technology advances for state park campgrounds and exploring options for private commercial enterprises in state parks, similar to efforts in some national park facilities.
5. Expand beneficial re-use materials for economic purposes: We will pursue statutory amendments to expand the list of inert non-hazardous materials that can be re-used as fill for various projects—such as road construction and others—to divert away from landfills. Such changes will greatly benefit the quality of life for all.

REMOVE BARRIERS TO EMPLOYMENT AND ASSIST OUR VETERANS WITH JOB PLACEMENT

1. Reduce and expedite state occupational licensing requirements for veterans and their spouses: With a startling veteran unemployment rate of 16%, 30% for our veterans returning from Iraq and Afghanistan—Michigan must reduce licensing burdens and help veterans and their families find employment. If a veteran has received formal military training in their previous occupation, they should not be forced to repeat that training.



Due to the unpredictable lifestyles military families lead, many spouses of military personnel are forced to constantly transition from one state to the next. Allowing military spouses with an out of state occupational license to more easily receive a state license in an identical field will give highly trained professionals a better opportunity to live and work in Michigan.

2. Make veterans aware of VA benefit options: Unemployment among veterans in Michigan is unacceptably high, and Michigan veterans rank last in terms of utilizing available federal benefits. As a state we must do all that we can to assist our veterans with navigating the process of applying for and receiving VA benefits.

ENHANCE VOCATIONAL EDUCATIONAL OPPORTUNITIES AND PREPARE OUR WORKFORCE TO MATCH EMPLOYMENT DEMANDS

1. Evaluate local vocational education opportunities: We will create more effective incentives for small businesses to partner with community colleges and four-year universities to help Michigan's workforce meet the needs of the modern economy.
2. Alter the Michigan Merit Curriculum: To provide greater flexibility for high schools to change college preparatory emphasis, we will make reforms that allow districts to assist students who desire careers in technical education. This common-sense reform will prepare our students to find economic opportunity in skilled and technical trades.

IDENTIFY WAYS TO MAKE MICHIGAN MORE COMPETITIVE TO MAINTAIN THE HEALTH, VITALITY AND VIBRANCY OF OUR ECONOMY

1. Create a committee to evaluate Michigan's competitiveness: We have created a standing House committee that will be responsible for proactively self-evaluating where our state stands in comparison to neighboring states and Canada in every factor that could contribute to making our state more attractive to hard-working taxpayers and residents.



ACTION PLAN

A BRIGHTER FUTURE FOR ALL



DEVELOP EARLY CHILDHOOD EDUCATION OPPORTUNITIES TO HELP KIDS SUCCEED

1. Increase the number of children that can be served through early education: We have a valuable opportunity to maximize efficiency by focusing less on administration and planning and more on programming. Putting more dollars into programming and finding money in efficiencies and reforms will benefit children and society
2. Provide incentives for libraries to become early childhood learning vessels: Similar to benchmarks that have been established for schools and local units of government in order to qualify for state funding, we should explore competitive grants for libraries that should be encouraging opportunities for early educational learning experiences.
3. Continue to improve standards for teachers: Parents need to be made aware of their children's under-performing schools and ineffective teachers. To provide the best education for the children of our state, teachers need to be accountable to the Michigan

families they serve. We will increase standards for receiving a teaching certificate and continuing education credits. This will be critical in providing our children the education they need to be successful.

4. Support Michigan's teachers: Michigan's teachers need the support of their state and their community to make the most of their abilities and help our children thrive. We will explore new ways to reach out to the education community for ideas, give underperforming educators the support they need, and recognize our state's best teachers for the amazing work they do.

EXPEDITE JUDICIAL PROCEEDINGS FOR ADOPTIONS AND ENACT OTHER MEASURES TO INCREASE MICHIGAN'S ADOPTION RATE

1. Expedite the court process for the voluntary termination of parental rights: Michigan courts do not make termination hearings a priority. This has to change, so that families will benefit from a stable system. We must compete with other states in all aspects, not just in economic terms but in quality of life issues as well.
2. Clarify parental consent for direct placement adoptions: By making parental consent for direct placement adoptions irrevocable after 72 hours, we will help provide more finality to the adoption process.
3. Consider establishing a "Request for Verification or Paternity Claim Registry": In order to terminate parental rights, state law requires petitioners to attempt to locate unknown or absent fathers. However, placement agencies often find it difficult to locate the father. The state should remove this responsibility from petitioners and place the responsibility on fathers. This is a more efficient way to move through the process.
4. Consider an education fund for foster children that are adopted: The state provides small educational incentives for foster children that are never placed in a permanent home as well as children of fallen state troopers. These incentives help ensure that we are giving children from all walks of life a solid shot at success and we will consider expanding this practice.
5. Increase reimbursement for more adoption legal and procedural expenses for children in foster care: The state pays up to \$2,000 toward nonrecurring adoption expenses for children who meet DHS eligibility as a special needs child. Average legal and procedural costs for parents to adopt a foster care child normally total about \$5,000. Costs shouldn't be a deterrent to adopting children that don't have a home, regardless of disability.
6. Establish a Resource Parent Bill of Rights: Many states have adopted a bill of rights for adoptive and foster families to spell out their rights, providing stability and support when dealing with a daunting state bureaucracy. Such action would demonstrate a strong commitment to families considering and already involved in adoption and foster care, as well as provide an avenue to air grievances.



EXPAND PRENATAL CARE OPTIONS TO HELP CREATE HEALTHIER MICHIGAN FAMILIES

1. Increase women’s health services in underserved areas: We will seek to expand the pool of providers capable of providing prenatal and delivery services to improve access and quality of life.
2. Continue support for the Nurse Family Partnership (NFP) and other evidence-based programs: This evidence-based program assists low-income, first-time mothers with prenatal care and early childhood medical examinations. The NFP currently operates in nine counties as a charity organization. Continued support of the partnership as well as exploring other evidence-based programs for other parts of the state will assist our commitment to Michigan families.
3. Encourage Medicaid and private-sector premium discounts for prenatal care: Similar to premium discounts provided to auto policy holders for safe driving, both private insurers and Medicaid will be encouraged to develop programs that entice policy holders to meet a checklist of prenatal care appointments and/or benchmarks in order to qualify for some sort of discount/rebate or refund.



REEVALUATE THE LEVEL AND TYPES OF ASSISTANCE FOR DAYCARE SERVICES TO HELP WORKING MOMS AND DADS

1. Study the daycare subsidies for relative (unlicensed) providers and licensed providers: The state pays both licensed and unlicensed daycare providers, many of whom are family members. Efforts to place kids in daycare with more substantial benefits, such as a learning program at a licensed facility, will be explored to improve early childhood learning experiences.

FORMULATE SOLUTIONS TO ADDRESS BARRIERS TO ACCESSING MENTAL HEALTH SERVICES IN MICHIGAN

1. Address mental health reform: Funding reductions, inadequate support, and fractured service provisions have created a system that does not adequately care for mentally ill citizens, and many of those citizens have found their way into the criminal justice system. We will continue to encourage a more uniform mental health services program statewide, so that citizens can rely on receiving the same quality services county to county. We also will consider expanding small, residential facilities to provide better care for persons who do not have a support system in their communities.

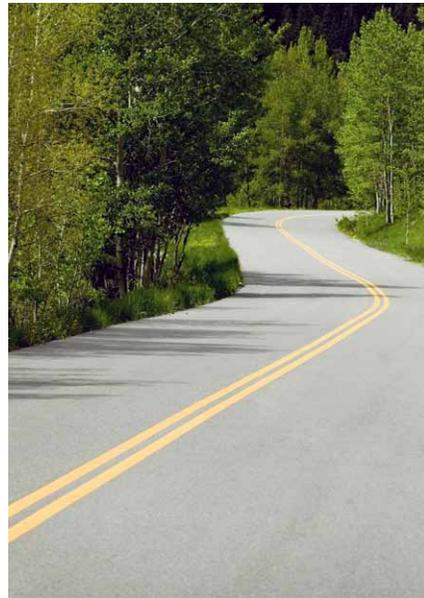


ACTION PLAN

GET MICHIGAN MOVING

EXPLORE AND INVEST EFFECTIVELY IN MICHIGAN'S TRANSPORTATION INFRASTRUCTURE

1. Improve Michigan's roads and bridges: We will identify spending priorities and the best way to finance new investment with an effort to reach consensus in order to advance policies that will modernize Michigan's transportation infrastructure while keeping a balanced budget.
2. Evaluate Public Private Partnerships (P3): In an effort to leverage additional private-sector investment, many states are increasingly turning toward P3 arrangements. At a time when Michigan is struggling to finance much-needed transportation infrastructure projects, the ability to leverage private financing is crucial.



ENACT LONG-TERM COST-SAVINGS REFORMS TO GIVE TAXPAYERS A LARGER RETURN ON THEIR INVESTMENT

1. Require competitive bidding and privatization: More state transportation functions should be competitively bid, and townships should be able to require competitive bidding when they contribute more than 50% of the cost of a project. Savings from privatizing other transportation functions, such as rest areas, will be explored.
2. We will repeal Michigan's Prevailing Wage Law to save the state and local units of government almost \$250 million every year.

FIND WAYS TO REDUCE LONG-TERM ENERGY COSTS ON RATEPAYERS

1. Evaluate Self-Implementation of Rates: Since the 2008 energy law rewrite, there has been a lot of criticism over the Public Service Commission's handling of electric rate increases since utilities now have the ability to file and self-implement their rates. In the name of transparency and accountability, it is time to examine whether or not self-implementation was a positive step for Michigan's ratepayers.
2. Review Electric Choice: It's time to review Michigan's 10% cap on the total capacity for electric customers that can shop and choose alternative electric suppliers. As of February 2012, the queues of customers seeking choice in service territories of the state's two largest utilities exceeded 6,000. Having a discussion would provide a clearer picture regarding Michigan's regulatory structure and market and could help lower rates for the hard-working taxpayers of Michigan.



3. Assess energy optimization standards: Michigan utilities currently collect an extra fee from consumers to fund programs that will reduce consumption. Many of the programs' goals have been met, and the fee is now being used in more expensive and less helpful ways. We will fight for Michigan's hard-working residents and give them the cheapest and most cost-effective utility options on the market.
4. Refunds for Ratepayers: Utility companies refund customers proportionally and by rate class, which does not always result in customers getting a refund for how much they actually overpaid a utility. We will explore ways to protect consumers to promote lower and fairer utility rates.
5. Expand natural gas opportunities in Michigan: We will seek to implement the opportunities presented in last year's House Republican Natural Gas Subcommittee Report on Energy & Job Creation.



ACTION PLAN

A GOVERNMENT OF THE PEOPLE

REDUCE UNNECESSARY OCCUPATIONAL LICENSURE AND CERTIFICATIONS

1. Reform Michigan's occupational licensing regulations: Last year, the Snyder Administration evaluated all 87 occupations that are state licensed and received recommendations about whether to retain the licensing, de-regulate the occupation, or install particular changes to the certifications. Now is the time to act. We will make the tough decisions that lay the course for these occupations and create new pathways to careers for Michigan residents.



ADDRESS UNFAIR TAX LOOPHOLES AMONG MICHIGAN BUSINESSES

1. Eliminate more tax loopholes: "Main Street Fairness" requires online retailers like Amazon.com to collect and pay sales taxes, just like every other business. We will remove the 6% competitive advantage that out-of-state online retailers enjoy over Michigan companies.

ELIMINATE STATE RULES THAT ARE MORE CONVOLUTED AND BURDENSOME THAN FEDERAL REGULATIONS

1. Make Michigan more competitive for jobs: We will pass a bill to prevent the state from implementing regulations that are more restrictive than federal regulations and create barriers to job creation.

2. Greater legislative oversight of administrative rules: We are committed to making government more accountable to the people of this state. We will use our membership on the Joint Committee on Administrative Rules to monitor, question and confront red tape that goes above and beyond what's written into law.

SIMPLIFY THE TAX CODE TO MAKE IT FAIRER AND REDUCING THE OVERALL TAX BURDEN

1. Explore new ways to cut taxes: We cut the income tax for every taxpayer in the state in 2012 but we are by no means done fighting for this state's hard-working taxpayers. We will continue looking for the best way to make taxes lower and fairer to everyone.
2. Do the math on the sales tax on the difference: Michigan is one of just five states that require people who buy vehicles to pay sales tax on the full purchase price. Most states exempt the value of the trade in from sales taxes, and passage of Sales Tax on the Difference would lower the costs for Michigan residents and promote the auto industry.

ENCOURAGE COMPETITION INSTEAD OF PLAYING FAVORITES

1. Explore various liquor reforms: We have received 82 recommendations for improving alcohol sales and distribution, including licensing reforms, micro-brewery parity with small wineries and hard liquor distribution. We will look into every new idea to find the best way to help Michigan's small businesses grow and provide services Michigan residents want.
2. Advance auto No-Fault reform to save it: Michigan's promise of guaranteed, unlimited lifetime benefits for accident victims is unsustainable. Insurance fraud, overpayments and other problems are costing Michigan drivers far more than supporters ever thought possible. We need to find a better way to deliver quality, nation-leading coverage that is sustainable for the long-term. In addition, proposed reforms could save drivers \$150 per vehicle per year in insurance costs.
3. Allow for a managed care option for auto no-fault benefits: Health insurance offers discounted rates to customers who chose 'in-network' care. Auto insurers paying health benefits to injured motorists don't have this cost-saving option, which means Michigan drivers miss out on the discounted rates. We will encourage new, cheaper options to help everyone save a little money.
4. Provide new options for public notices: State law requires public meetings to be advertised in the local newspaper to promote transparency. However, the changing media landscape makes this requirement outdated and costly for already-struggling businesses. State law should encourage each community to find the best way to inform the public for cost-savings and improved transparency.
5. Advancing wetlands regulation reform: Many reforms to the state's wetland program are already underway, but there is much more that can be done. We will improve the effectiveness of the program and make it more consistent with federal standards.
6. Pass Insurance Reform: The health insurance market has changed, and we must change Michigan's outdated laws with it to make sure all consumers, especially seniors, stay protected. Blue Cross Blue Shield's current exemption from state laws is no longer necessary and is unfairly hurting other market-driven companies. This drives up costs for consumers. We will work with every interested party to find a solution and complete this vital reform.



ACTION PLAN

A GOVERNMENT FOR THE PEOPLE

FINISH A STRUCTURALLY BALANCED STATE BUDGET BY JUNE 1

1. Provide stability with a structurally balanced budget: In our last term, we created the first truly balanced budget in Michigan in a long time. There were no government shutdowns or fuzzy math to cover up irresponsible spending. We will continue to operate the same way this term.
2. Finish the budget early: We set our own deadline, four months ahead of the constitutional deadline, so schools can plan their budgets before the school year begins, small businesses have a predictable environment in which to invest, and state departments and local governments have time to implement new programs and become more customer friendly. We will do so again this year, making June 1 the new “normal.”
3. Implement further transparency of state spending: We passed monumental reforms that require benchmarks for budgeting and greater transparency of spending for every state department. New disclosures of state spending and identifiable departmental priorities will provide Michigan’s hard-working taxpayers with a clearer idea of how they are receiving value for their tax dollars.



REDUCE MICHIGAN'S DEBT FOR OUR CHILDREN AND GRANDCHILDREN

1. Reduce unfunded liabilities: We reformed and saved the underwater state employee retirement system (MSERS) and the Michigan Public School Employee Retirement System (MPERS). The reforms kept these programs strong for the people who depend on them and cut state debt by more than \$20 billion dollars. This year, we created a new House committee just to tackle long-term liability reforms, because Michigan's youngest residents deserve a future free from the burden of a debt their parents created.

COST-SAVING CORRECTIONS REFORMS

1. Review sentencing guidelines and disciplinary credits: Michigan's corrections costs are some of the highest in the country in part because our citizens serve longer prison sentences than offenders in other states. We will explore ways to reduce these costs and help reformed prisoners successfully reintegrate into society. We will study diversionary programs, "truth in sentencing" percentages and disciplinary credits whereby an inmate can earn time off of his or her sentence through good behavior and engaging in training and educational programs.



ENHANCE, PRESERVE AND CONSOLIDATE ELECTIONS

1. Consolidate canvassing boards: Michigan's election law requires local canvassing boards as well as a county board of canvassers. There is no reason to have both. One canvassing board—the county board—is all that is required. We will eliminate the other boards to save taxpayers money and cut down the bureaucratic red tape voters are required to navigate.
2. Consolidate Ballot Proposal filing deadlines: Election dates were recently consolidated to save local governments time and money and to make the process simpler and easier to understand for the voters. We also will adjust the filing deadlines for those elections so local clerks do not have to keep track of several unnecessarily different deadlines and requirements for each election.



MOVING MICHIGAN FORWARD -- CONTINUING OUR COMEBACK

Executive Budget Recommendation for Fiscal Years 2014 and 2015

Building on the success and stability of the previous two years, Governor Rick Snyder's Executive Budget Recommendation continues to focus on reinvention and strategic investments to move Michigan forward. Through prioritized budgeting, the governor's plan is designed to improve the quality of life for Michigan residents by continuing to invest in education, health and human services, public safety, veteran services, natural resources and infrastructure.

Committed to the responsible management of taxpayer dollars, the governor's balanced two-year budget plan is the right combination of funding for the priorities and needs of our great state. In order to maintain structural balance, continue Michigan's economic comeback and further our fiscal sustainability, the state must continue along the path of financial responsibility.

Turning the Corner

Make no doubt about it, Michigan is making a comeback. The economic outlook is improving for the state and our residents. For two years in a row, the state has operated with an on-time, structurally balanced budget. Michigan's economy is at a 10-year high. Our income growth is the 9th best in the nation (including significant gains in per capita personal income in the state's metropolitan areas); the state's GDP growth is 6th best in the United States; Michigan motor vehicle production is improving (with 2012 production up above 2 million for the first time since 2007); and home sales have increased a full 10 percent.

"We applaud Gov. Rick Snyder and legislative leaders for the most pro-growth reforms by a governor and legislature in the past 50 years."

**Rob Fowler, President
Small Business Association of Michigan,
The Detroit News, Jan. 28, 2013**

Governor Snyder's business-minded approach to tackling the state's financial problems has positively impacted the state's economic outlook. As recognized by Bloomberg in its State of the States report, Michigan is ranked 2nd in the nation in economic health, making our state a model for implementing financial stability reforms.

According to Area Development magazine's 2012 *Top States for Doing Business Survey*, Michigan ranks 4th among all states in the nation in leading the economic recovery. In addition, the state recently received an unprecedented 1.16 percent interest rate, the lowest rate ever received on a State of Michigan bond issuance, signaling that investors across the country are feeling more confident about Michigan's economy.

While there is no question that Michigan's economy has turned a corner, Governor Snyder remains focused on the state's long term financial health and translating that into a positive difference for Michiganders. To help ensure Michigan's fiscal sustainability, we must be prudent stewards of the tax dollars collected from our hard-working residents; continue to maintain structural balance; address the state's long-term liabilities; continue to focus on performance-based funding; and save for the future by adding to the state's Budget Stabilization Fund.

Unemployment Continues to Drop

Michigan's unemployment peaked at 14.2 percent in August of 2009. Since Governor Snyder took office in 2011, Michigan's unemployment rate has dropped by two full points and averaged 8.9 percent in 2012, well below the 2011 annual average rate of 10.3 percent. Due to the difficult, yet responsible, decisions made in the governor's first budget plan, the state's jobless rate has declined, job levels have risen and the workforce is growing slowly but surely. In 2012, payroll jobs in Michigan rose by about 47,000 above 2011 levels, for a growth rate of 1.2 percent. Michigan registered a second consecutive year of job expansion in 2012, after 10 straight years of job loss.

"Since November 2011, the number of unemployed workers in Michigan has dropped by 32,000, or 7.2 percent."

MLive, Dec. 19, 2012

As released at the January 2013 Consensus Revenue Estimating Conference, by fiscal year 2015 nearly 40 percent of the jobs lost during the great recession will be recovered.

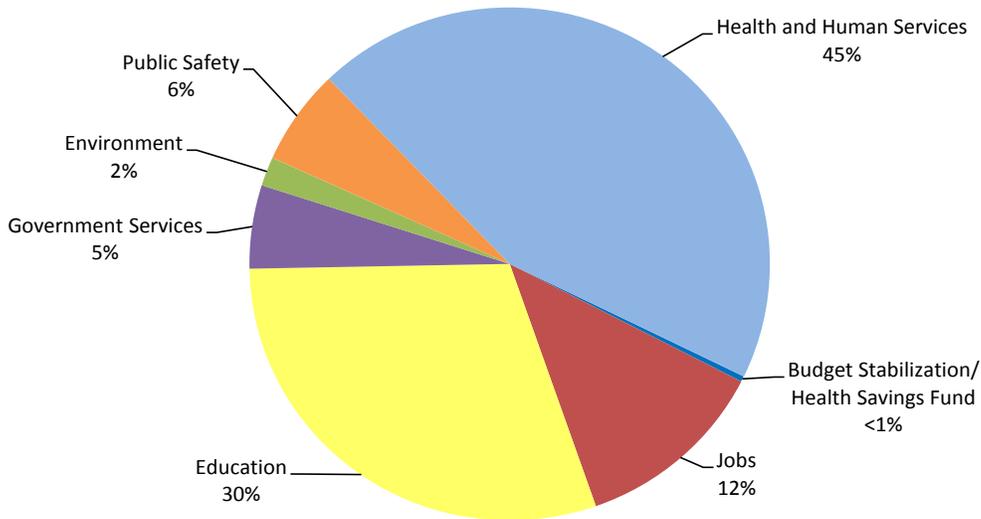
Budget Recommendation in Totality

The total executive budget recommendation for fiscal year 2014, including all state and federal revenue sources, is \$50.9 billion. Nearly 75 percent of the total budget is dedicated to education and health and human services.

The Consensus Revenue Estimating Conference projected that revenues will be \$9.3 billion in the general fund and \$11.4 billion in the School Aid Fund for fiscal year 2014, for a combined total of \$20.7 billion.

Fiscal year 2015 projected revenues are \$9.6 billion in the general fund and \$11.8 billion in the School Aid Fund, for a combined total of \$21.4 billion.

Nearly 75% of Total Spending is Dedicated to Education and Health and Human Services



Total FY 2014 Adjusted Gross Spending: \$50.9 billion

Paying and Lowering Our Bills

Governor Snyder has often said that having a balanced budget is not sufficient and that the state’s spending cannot outpace its revenue. Michigan’s financial future hinges on addressing its long-term obligations, such as post-retirement benefits. So far, Michigan’s unfunded liabilities have been reduced by \$20 billion thanks to pension and retiree health care reforms for both state and public school employees.

To advance the goal of getting the state back on solid financial footing, the governor’s plan includes more than a billion dollars to pay down the debt burden of post-employment benefits (retiree health, dental and vision). The governor led the charge to begin paying down the actual principal. Gone is the short-sighted “pay-as-you-go” approach. Under Governor Snyder, the state is pre-funding post-employment benefits to ensure that today’s employees can count on benefits when they retire.

Additionally, State of Michigan employees are doing their part to help the system remain solvent. Retirement reforms enacted last year resulted in state employees paying more for health costs to bring them more in line with employee contributions in the private sector. In addition, state employees eligible for pensions are now paying 4 percent of their salary to help pay the costs.

“Now Michigan is rebuilding reserves, in keeping with strong financial management practices, as the auto industry stabilizes. Bonded debt remains modest and, with the state’s adoption of defined contribution pension plans, Michigan’s funding burden for retiree benefits should be manageable.”

Moody’s Investor Services, Mar. 2012

Paying down this debt strengthens Michigan’s economic revitalization, showing fiscal responsibility to improve our credit rating. Making these changes now will ensure a brighter future for our children.

Driving the Economy Forward: Investing in Infrastructure

Good infrastructure paves the way to economic growth. Michigan's residents, tourists and job providers depend on the state's transportation system for leisure travel, workday commutes and the movement of goods. Realizing the important link between infrastructure and the state's economy, the governor's proposed transportation budget recommends an additional \$1.2 billion to adequately maintain and improve Michigan's roads.

The current transportation funding model is simply not able to keep pace with system needs, and the time for investment has never been more critical given future system condition forecasts. It is the choice of spending \$12 billion over the next 10 years to

repair our infrastructure, or \$25 billion later on to reconstruct a failed system. Governor Snyder's balanced approach tackles the issue of Michigan's deteriorating road system. The plan addresses the lack of appropriate road funding by creating a new funding model based on a gasoline and diesel tax of 33 cents a gallon; and increasing registration taxes for vehicles and heavy trucks. This will cost a typical Michigan family an estimated \$120 per vehicle each year.

Additionally, the governor recommends a local option that would allow Michigan's 83 counties to raise additional revenue for local transportation needs. Subject to local voters, a local vehicle registration tax of 0.18 percent of a vehicle's list price would generate \$280 million that counties could use to fix local roads or invest in public transportation. Revenues from the new registration tax would be collected by the Secretary of State and returned to each county.

Educating Our Children

Michigan's future lies in the hands of our children. In order to truly move Michigan forward, the state must make vital investments that benefit future generations.

"In the largest effort ever to collect and analyze public opinion on K-12 education, Michigan taxpayers overwhelmingly supported an expansion of early childhood opportunities."

Center for Michigan Report, Jan. 2013

report, more Great Start Readiness Program students graduated on time from high school than non-participants. The governor's proposed budget increases funding by \$130 million over the next two years to further expand early childhood education opportunities.

"It's going to be expensive to fix Michigan's roads, but doing nothing carries a heavy price. The state simply cannot afford a legislative roadblock on this issue. Further, deteriorating roads cost jobs in the form of unrealized economic development and opportunity. Our manufacturing, tourism and agricultural sectors depend on good roads to manage their costs."

Battle Creek Enquirer, Jan. 29, 2013

The governor recommends \$11.5 billion in state funds for the School Aid budget, an increase of over 2 percent. The recommendation includes an equity payment to further close the foundation allowance funding gap between districts. The K-12 budget also supports online and blended learning, as the Michigan Virtual University works with schools to create and maintain a statewide catalog of online courses. District performance and best practices funding is continued, as well as technology infrastructure improvement grants.

While establishing a firm foundation for lifelong learning is essential to preparing our children for their future, it is also critical to sufficiently fund the state's institutions of higher learning. Home to 15 outstanding public universities and 28 outstanding community colleges, Michigan's college graduates are prepared to enter the workforce in a wide variety of fields – from high tech jobs such as engineering or computer science to highly skilled manufacturing. If we want the future generations to be prepared for the jobs of the 21st century in advanced careers, higher education funding must be a priority. To achieve this goal, the governor's plan calls for a 2 percent increase in state support for higher education using the same performance formula as adopted in fiscal year 2013. The funding formula includes metrics designed to help ensure Michigan college students are receiving a quality education at a reasonable cost by linking funding to performance.

For community colleges, the recommendation also includes a 2 percent increase (\$5.8 million) allocated through a performance formula, including a new metric that rewards community colleges that place skilled trades students in jobs and apprenticeships, with special emphasis on veterans. The recommendation also includes \$1.1 million for the Virtual Learning Collaborative to increase student access to online courses.

Since taking office, Governor Snyder has helped reduce the long-term liabilities facing the Michigan Public School Employees Retirement System. Prefunding the system allows the state to address one of its largest long-term liabilities while providing needed stability to the retirement system depended upon by hundreds of thousands of hard-working Michigan public school employees and retirees. This move puts school districts in a better fiscal position and reduces the unfunded liability from \$46 billion to \$31 billion, ensuring that the resources can instead be spent in the classroom.

Ensuring a Healthier Michigan

Creating a healthy Michigan is paramount to improving the vitality of the state's economy. A key component to increasing the health of the state's residents is ensuring that people have access to affordable, quality health care.

Governor Snyder's budget recognizes the need for positive health outcomes and invests additional resources in Michigan's health care system.

Medicaid Expansion

To protect Michigan's most vulnerable residents and ensure access to health care, the governor recommends

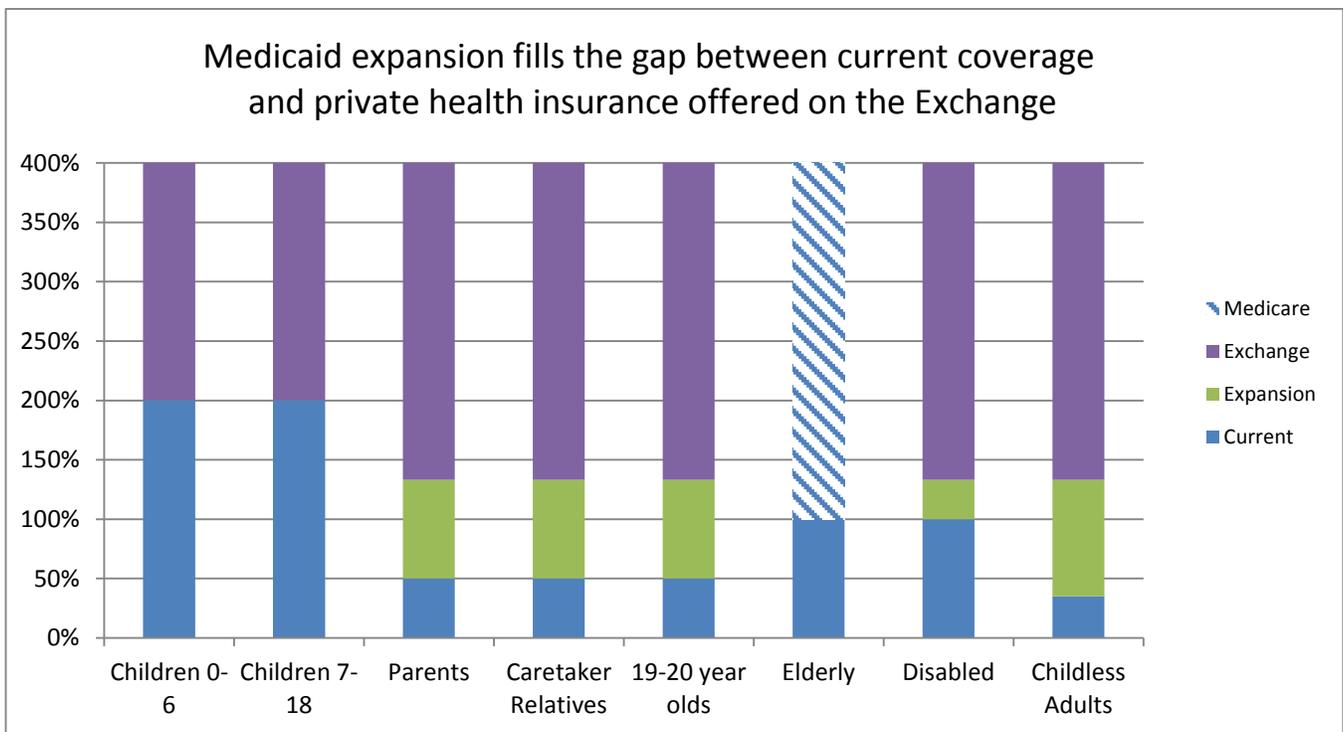
"Expanding Medicaid will be good for the state. Ann Arbor's Center for Health Care Research and Transformation found that it could save the state \$1 billion over 10 years and improve the quality of life and mortality rates of Michigan residents -- ultimately reducing disability costs and promoting productivity on the job."

Detroit Free Press, Jan. 28, 2013

expanding Medicaid for adults to 133 percent of the federal poverty level. With this expansion, the governor’s budget calls for \$12.3 billion to provide health care to 2.2 million Michigan residents. A study published by the New England Journal of Medicine in 2011 showed that compared to individuals who are uninsured, Medicaid recipients saw doctors more often; were less likely to delay getting care; reported better health; were less likely to die from disease, accidents, injuries and drug abuse; and reported better financial stability. As the old adage goes, “an ounce of prevention is worth a pound of cure.”

Individuals eligible for the Medicaid expansion will be enrolled in a health maintenance organization (HMO) where their medical home is established. All 13 Michigan Medicaid HMOs are accredited and nationally recognized as leaders in health care delivery. Members in plans get the care they need for themselves and their children quickly and seamlessly. To keep moms and babies healthy, pre and post natal care is an integral part of HMO services. In addition, coverage includes tests for breast and cervical cancer and other infections, which can help diagnose these diseases earlier and allows for more treatment choices. These medical homes are already in place for our current Medicaid population and they are effective.

This unique opportunity to provide health care to Michigan’s low-income population will improve the quality of care and health outcomes for the most vulnerable. The governor’s executive recommendation includes 100 percent federal funds to support Medicaid expansion. For fiscal year 2014, the budget recommendation recognizes a reduction in state general fund spending of \$206 million. To cover future state health care liabilities, \$103 million is deposited in a newly created health care savings fund.



Mental Health

The governor's executive recommendation also includes expanded Medicaid coverage for mental health services, funding for jail diversion, behavioral health homes, and mental health innovations. These investments will strengthen Michigan's mental health services. Jail diversion will address mental health and substance abuse problems outside of the criminal justice system. Behavioral health homes will be demonstrated across the state to coordinate physical and mental health care services for Medicaid beneficiaries with chronic conditions. The mental health needs of our youth will be addressed through a variety of mental health innovations. These include home-based mental health services for children, care management and treatment for high-risk youth, and mental health training and awareness programs to assist community stakeholders and law enforcement in identifying youth with mental health needs and guiding them to treatment resources.

Healthy Kids Dental

Tooth decay is the most common chronic childhood disease in America, affecting more than one-fourth of children 2-5 years old and half of those 12-15 years old. Left untreated, tooth decay and disease can affect a child's health, well-being, growth, and achievement. Children with serious oral health problems can have difficulty eating, sleeping and concentrating in school. To improve dental health outcomes for young Michiganders, Governor Snyder's budget invests in Michigan's children by expanding the Healthy Kids Dental program, a public-private partnership between the Michigan Department of Community Health and Delta Dental of Michigan. Since it began 12 years ago, Healthy Kids Dental has garnered national attention and is recognized by the American Dental Association as one of five national models for improving access to dental care for low-income children. Under the governor's plan, Healthy Kids Dental will cover an additional 70,500 children in Ottawa, Ingham and Washtenaw counties, funded with \$11.6 million. Currently, more than 440,000 Michigan children residing in 75 of Michigan's 83 counties are enrolled in the Healthy Kids Dental program.

Infant Mortality

The governor's budget invests an additional \$2.5 million to reduce Michigan's infant mortality rate. The governor called for the development of an infant mortality plan in his Special Message on Health and Wellness. The Department of Community Health will address a variety of initiatives outlined in the plan, including support for high risk mothers and families.

Health Innovation Grants

The governor is also calling for \$3 million in health innovation grants in the Department of Community Health. These grants will provide funding to community organizations and coalitions to devise innovative approaches to improving Michigan's health care system. The resulting new ideas will improve the health outcomes of Michiganders.

Supporting Job Creation

Realizing the importance of having highly-trained workers in Michigan, Governor Snyder's budget recommends \$10 million for a new skilled trades training program to better match talent with employers' needs. There are currently thousands of jobs that could be filled if workers had the necessary training to meet these employer needs. The mismatch must be addressed for the Michigan economy to continue to grow and diversify.

"The business climate reforms enacted by Snyder over the past two years have been credited with making Michigan more attractive to growing industrial firms."

Site Selection magazine, Jan. 2013

The governor's budget also calls for an additional \$27.5 million for the Michigan Economic Development Corporation to help grow Michigan's economy, including \$20 million for a new, innovative debt financing program to assist banks and other lenders invest in underserved communities.

Bolstering Human, Veterans Services

Launched last summer, Pathways to Potential puts workers at the Department of Human Services in local communities where they can directly and easily connect with clients. This service delivery model was designed to help families and children break down barriers to success. Initially located in 22 neighborhood schools in Detroit, Pontiac, Flint and Saginaw, Pathways to Potential helps families address a wide variety of issues including education, employment, food and child care needs. By addressing truancy, hunger and lack of transportation, department

"Governor Rick Snyder's business roots show through in many of his plans for Michigan. He's about delivering goods to taxpayers – he considers them his customers – in the most efficient way possible. A new program that places state social workers directly in schools follows suit, offering children and their parents access to services in a place that's convenient."

The Detroit News, Feb. 4, 2013

workers help to improve school attendance, classroom performance and family independence. The governor's proposed budget includes \$6.2 million to expand Pathways to Potential.

The budget recommendation also includes \$2.5 million to expand three critical family preservation programs: Family Reunification; Families Together Building Solutions; and Supportive Visitation/Home-Based Parent Education.

To improve program integrity and to ensure that Michigan's resources support those who are truly needy, the recommendation calls for \$1.2 million to augment the Department of Human Services' fraud prevention, detection and recoupment efforts. These funds will augment efforts by the Department of Human Services, the Michigan State Police and the Attorney General's office to identify and prevent fraud before a case is open.

After serving their country bravely, veterans face a number of obstacles when returning home. Believing that the state should and can do more to honor the nearly 700,000 veterans who call Michigan home, Governor Snyder's proposed budget includes \$8.6 million to create a new agency to focus directly on improving services to veterans. Furthermore, the plan contains \$600,000 to increase the number of qualified service officers by an additional five full-time employees who will work to connect veterans with the services they need. Having additional officers on staff will allow for better service to Michigan's deserving veterans.

Making Michigan Safer

A key function of state government is to ensure the safety of its residents. As outlined in the governor's Special Message on Public Safety, the state must prevent crime through "smart justice" that recognizes the connection between law enforcement, prevention and economic opportunity.

Building on the initiatives begun in 2012, phase two of the governor's public safety plan continues to invest in the well-being of Michigan residents. The budget recommendation allots \$15.2 million to train an additional 107 troopers through the Michigan State Police Training Academy to patrol Michigan roadways and communities. Increasing the number of troopers trained to protect and serve will help improve public safety all across Michigan.

The governor proposes an investment of \$18 million to train up to 790 corrections officers. The additional officers will help maintain safety and order in prisons across the state.

Michigan State Police Director Col. Kriste Kibbey Etue "is shepherding perhaps Governor Rick Snyder's most ambitious and difficult initiative to reverse long-term problems with violent crime in the four cities, all of which show up on the FBI's list of the 10 most violent U.S. cities in 2010."

Gongwer, Feb. 1, 2013

The governor also calls for \$4 million to be directed to a new Trial Court Performance Innovations Fund for the adoption and improvement of performance measures and to provide funding for grants for innovative proposals to improve the trial courts. The fund will establish incentives for Michigan's 245 trial courts to adopt best practices, encourage positive change and remove barriers to achieving high performance.

The governor recommends an additional \$2 million investment for mental health courts, bringing the total funding to \$4.1 million. This will provide for the maintenance of nine existing mental health courts while allowing for further expansion of this successful specialty court program.

To continue ensuring public safety while reducing drug and alcohol convictions, the governor recommends an additional \$3 million to expand treatment courts and pilot "regional driving while intoxicated/sobriety" courts. This investment brings the total funding for drug and alcohol courts to \$10.1 million.

The Michigan Land Bank is working cooperatively with municipalities on strategies to combine parcels of land for economic development opportunities and to improve neighborhood safety. The governor's plan includes \$9.5 million for blight elimination and \$4 million for the Good Neighbor Program. Funds for the Blight Elimination Program will be utilized to continue demolishing vacant and abandoned properties, particularly near schools, thereby promoting public safety, the stabilization of property values, and enhancing economic development opportunities. Money appropriated for the Good Neighbor Program will go toward property maintenance, such as mowing the grass or cleaning up litter, at state-owned tax-reverted properties.

Protecting our Natural Resources

With the most fresh water coastline in the United States and being the only state that touches four of the five Great Lakes, Michigan is known far and wide as "The Great Lakes State." Whether camping, hiking, cross-country skiing, hunting, biking, fishing or snowmobiling, it is easy for residents and tourists to discover Michigan's abundant natural beauty. Michigan's pure and pristine forests, lakes and waterways significantly contribute to the high quality of life found in our great state. To protect and preserve the state's environment, the governor's plan contains \$2.5 million in funding to clean up leaking underground storage tanks.

The proposed budget also includes \$97 million for the Department of Environmental Quality to issue grants and low-interest loans to municipalities across the state to improve water quality. These funds will be made available to local units of government in the form of grants and loans to design, develop and implement sanitary sewer and storm sewer infrastructure, with the end goal of improving sewage and treatment systems.

The recommendation also includes \$5.9 million to hire and train 41 new Department of Natural Resources conservation officers to enforce natural resource, recreational safety and environmental protection laws. Michigan ranks 6th in the nation in the amount of money contributed to the state's economy by hunters and anglers, but ranks 19th in the number of conservation officers. Increasing the number of officers will increase safety, protect public health and preserve our environment by ensuring the state's population of wild animals remains healthy and abundant. This investment will help enhance the outdoor experience in Michigan.

"Governor Snyder understands the important role of parks and recreation in placemaking and why it matters for Michigan's economy, Michigan's communities and our future as a state. Additionally, the governor's commitment to health and wellness is evident with his 4 x 4 health and wellness initiative," said MRPA Chief Operating Officer Ann Conklin. "These issues are all important to the park and recreation profession, and the Michigan Recreation and Park Association applauds the governor's leadership and we are proud to present him with the Elected Official Award."

The Oakland Press, Jan. 23, 2013

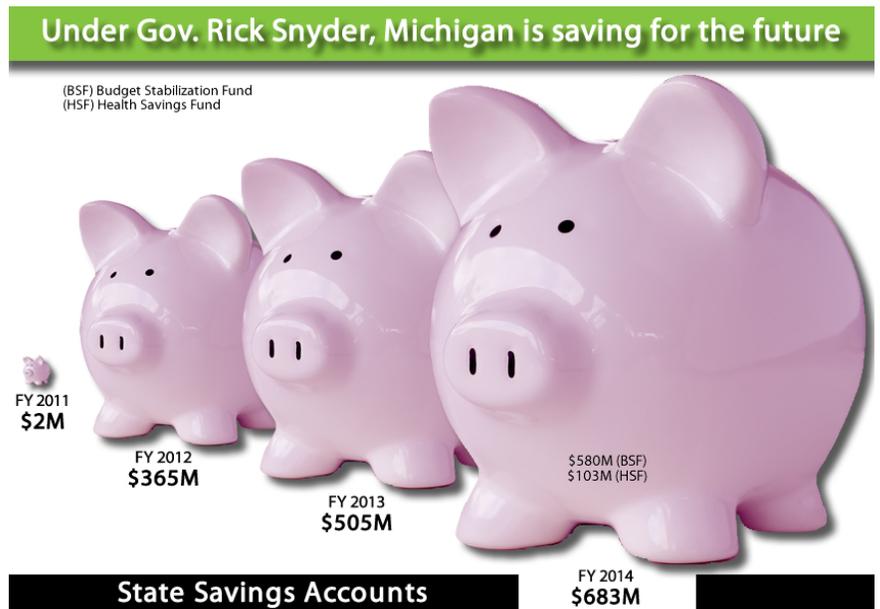
Michigan residents and tourists enjoy plentiful and picturesque opportunities for boating. To help ensure harbors remain passable for those who enjoy this pastime, the governor’s budget recommends \$9.4 million in ongoing funding for harbor dredging in 2014. To address the immediate need for dredging, a 2013 supplemental totaling \$21.5 million will also be sent to the legislature.

Saving for the Future, Preparing for Emergencies

Responsible budgeting means preparing for unforeseen financial emergencies. Recognizing that Michigan needs to have a healthy cash reserve, Governor Snyder has consistently called for significant deposits into the state’s Budget Stabilization Fund (commonly referred to as the Rainy Day Fund). The fund, which had been depleted to a balance of only \$2.2 million when the governor took office, will have a balance of more than half a billion dollars by the end of fiscal year 2013. This represents the largest balance in more than a decade.

With the governor’s recommendation to make another deposit of \$75 million, the state’s reserves in the Rainy Day Fund will grow to \$580 million. An additional \$103 million will be deposited into the newly created Michigan Health Savings Fund to offset future health care costs, bringing the total state savings to \$683 million. Establishing this reserve for the future shows fiscal responsibility, saves for unforeseen needs, and adds even more stability to Michigan’s fiscal situation.

Just as Michigan families prepare for possible emergencies by setting funds aside, the state must also prepare for natural disasters such as forest fires, tornadoes, flooding or collapsed mines. Last spring, the Duck Lake fire, the third-largest wildfire in Michigan’s modern history, raged across 21,000 acres (33 square miles) in the Upper Peninsula’s Luce County. Started by lightning, the fire resulted in evacuations, campground closures and the loss of 136 structures, including homes, cabins and recreational vehicles.



To help ensure the state is financially prepared to respond to these sorts of emergency situations in the future, the governor’s plan calls for \$4 million in fiscal year 2014 with an additional \$4 million in 2015 for the creation of a Disaster and Emergency Contingency Fund. These funds will help the state be ready for response when an emergency or natural disaster strikes.

Conclusion

This sound budget recommendation is a roadmap designed to move Michigan forward and help ensure the continuation of the state's comeback. The governor's budget clearly details his priorities for improving the quality of life for Michigan residents by continuing to invest in infrastructure, education, health and human services, public safety, veteran services, and natural resources. The plan set forth for fiscal years 2014 and 2015 continues and sustains critical funding needed to reinforce the firm financial footing Michigan has attained throughout the past two years. With Governor Snyder's financially responsible and balanced approach to the state's finances, and a healthy reserve in the Rainy Day Fund, Michigan is poised for financial stability well into the future.



Governor's Town Hall Meeting on WOOD TV 8

Tonight between 7-8 pm, Governor Snyder will be holding a Town Hall Meeting in Grand Rapids. It will be televised live on Wood TV 8. I have been invited to attend this event.

Members of GVMC are directly involved with the Governor and Legislature in seeking solutions to the challenges we face. Over the past year we have had an excellent working relationship with the Executive Office. We look forward to our continued partnership with our state's leadership.

Grand Rapids Chamber of Commerce Radio Program

Last week, at the invitation of Andy Johnston, Senior Vice President of Government Affairs for the Grand Rapids Chamber of Commerce, I participated in their radio program.

The program is intended to spotlight economic development and other activities in our region. This was a great opportunity to talk about our government/business partnerships.

Andy and I discussed GVMC, the collaborative work we are doing with the Chamber and the future of economic development and transportation funding. It was a great opportunity to highlight our collaboration.

Asset Management Training For Local Government

GVMC is pleased to announce another **FREE** training session for local government officials. On **February 20th** from 8:45-1:30. The session will be held at the Grand Rapids Township Hall.

Intended for local government appointed and elected officials the seminar will focus on asset management and how it applies to roads.

To register, email ctt@mtu.edu

New Members Join GVMC

At our Board of Directors Meeting this morning Kent County Clerk Mary Hollenrake administered the oath of Office to Ken Bergwerff and Brenda McNabb-Stange. Ken is the new Supervisor of Jamestown Township in Ottawa County. Brenda is a long-time participant of GVMC from the City of Hastings and formally replaces Mayor Bob May who passed away a few months ago. We welcome both of our new board members.

GVMC FREE SEMINAR **CRISIS AND STRATEGIC COMMUNICATIONS**

Thursday March 14

East Grand Rapids City Hall

10:00-1:30

This Free Seminar will cover Strategic and Crisis Communications. It will be facilitated by Kelly Rossman-McKinney of Truscott Rossman one of Michigan's most successful communications firms. **We invite all GVMC members to attend and bring your Board Members and key staff.**

Lunch will be Provided

RSVP to Gayle at mccrathg@gvmc.org

Reserve Your Quarterly Luncheon

Tickets

for

March 11th with

Congressman Bill Huizenga

Price: \$25.00 per person

RSVP to Gayle at mccrathg@gvmc.org



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February 1, 2013

GVMC/MPO Begins 4 Year -\$55 Million Budget Process

In a meeting held on Wednesday, January 30th, representatives of our member communities began the process of budgeting federal and local funds for upcoming road construction and improvement projects. In total, through cooperation and collaboration, twenty-two people gathered, planned and budgeted over \$42 million dollars in federal funds. Approximately \$13 million of local funds will be used to leverage the \$42 million in federal dollars. Projects were approved in many communities and are for the years 2014 through the end of 2017 and the combined federal and local investment will exceed \$55 million.

Of course, millions more project dollars were requested by the communities, but by working together the group was able to prioritize the most critical projects for our region. This cooperative effort is only the first part in our MPO project budgeting process. There are future meetings scheduled which will appropriate other federal, state and local dollars.

Board Meeting Thursday February 7th

Our next Board of Directors Meeting will be again held at 8:30 am in the Kent County Commission Chambers. At the meeting we are planning to provide our members with an Annual Report for fiscal year 2012. We will also have a review and ask for approval of our audit. GVMC has never completed a Annual Report to our members and we are working to prepare the material.

Reserve Your Quarterly Luncheon Tickets

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Intended for local government appointed and elected officials the seminar will focus on asset management and how it applies to roads.

Topics like lowering costs through asset management, preventative maintenance and also asset management principles will be covered.

To register, email ctt@mtu.edu or call 906-487-2102 .

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January 18, 2013

**New Members Join
GVMC Board**

At our January Board of Directors Meeting, three new members were sworn into office by County Clerk Mary Hollenrake.

Mayor Barb Holt of the City of Walker, City Manager Thad Taylor of Cedar Springs and Mark Lemoine, Director of Governmental Affairs at Spectrum Health joined the Board. Mark was appointed for a three year term as a Member at Large.

We welcome these three new members of our GVMC Board.

The State of the State

On Wednesday night the Governor delivered his State of the State Address. As you know by now, the message included goals to increase funding for transportation. GVMC is already working with a team of our members to analyze the funding alternatives. In the coming months we will be involved with the Governor and our Legislators as specifics on the new legislation are developed.

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Topics like lowering costs through asset management, preventative maintenance and also asset management principles will be covered.

This workshop is brought to you by the Michigan Transportation Asset Management Council, Kent County Road Commission, Grand Rapids Township and GVMC. To register, email ctt@mtu.edu or call 906-487-2102 .

**Quarterly Lunch Tickets Can
Be Reserved and Purchased
Online!**

GVMC Quarterly Lunch Tickets can now be reserved and purchased online at our GVMC website. You can reserve and purchase one or multiple tickets online. Simply go to www.gvmc.org and look for the section on the Quarterly Lunch with Congressman Huizenga's picture. You can click the link to reserve your seats and pay through a credit card or PayPal. You can also reserve by emailing your RSVP to Gayle.

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