

FOCUSED ON MICHIGAN'S FUTURE



CHARTING A COURSE FOR CONTINUED RECOVERY

2015-16
HOUSE REPUBLICAN

ACTION
PLAN

LISTENING TO PEOPLE; STRENGTHENING MICHIGAN

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CHARTING A COURSE FOR CONTINUED RECOVERY



2015-16 HOUSE REPUBLICAN ACTION PLAN
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When House Republicans commit to reform, real change happens. Four years ago, we unveiled a blueprint for Michigan's turnaround full of new, bold ideas. Eighty percent of that agenda is now state law. Two years ago, we asked the public to hold us accountable again with a new Action Plan for a new legislative term. When all was said and done, 80 percent of that agenda was successfully approved by the House. Now, the House Republican Caucus is offering another plan for the coming term, asking the public to again hold us accountable through unprecedented transparency.

Michigan has made great strides under Republican leadership, but there is no such thing as good enough. Since Republicans were asked to lead more than four years ago, our state's economy has improved, jobs continue returning faster than ever and the positive outlook for our state is at an all-time high.



House Republicans have been committed to making Michigan a better place to live and work because we believe in our state's potential and know the importance of putting Michigan's future first.

Under Republican leadership, our state has made vast strides, ensuring that Michigan's recovery and growth will last for generations. At one point, no other state wanted to be like Michigan. Now, thanks to our accomplishments over the past four years, others want to emulate our great state.

After four years, we have accomplished nearly every objective we've set out to complete. Some of the highlights include:

- ✓ Paying down the state's long-term debt by more than \$21 billion to free our children from future liabilities.
- ✓ Delivering transparent and accountable government, which produces real, responsible results. For example, turning the state's \$1.5 billion deficit into a budget that now has more than \$500 million in the state's Rainy Day Fund.
- ✓ Phasing out the Michigan Business Tax and Personal Property Tax to be fair to all taxpayers and job providers.
- ✓ Passing elder abuse protections to safeguard Michigan's senior citizens.
- ✓ Reducing the state welfare assistance time period to 48 months.
- ✓ Making Michigan a Right-to-Work state, giving workers the freedom to earn a living without being forced to join a union.
- ✓ Lifting and removing the charter school cap to give parents options and to give more Michigan students a chance at a brighter future.
- ✓ Requiring state employees to pay up to 20 percent of their health insurance costs, mirroring the standard private sector practice.
- ✓ Raising education standards and providing more job security for Michigan's best teachers through nation-leading teacher tenure reform.
- ✓ Holding down university tuition hikes to help families deal with rising costs of higher education.

The next two years are crucial for Michigan's recovery. We were given the honor—and responsibility—to continue leading into the future, and we will continue to focus on solutions, delivering results and making Michigan better for everyone who calls this great state home.

House Republicans have laid out six major action areas to focus on over the next two years, showing our commitment to making this state a better place to live and work so Michigan's hard-working taxpayers, families and children can call it their home for generations to come.

Now is no time to coast. To continue Michigan's comeback, we must work even harder to make this state better every day.

FOSTERING JOB GROWTH AND STRENGTHENING OUR ECONOMY



During the 2015-16 legislative session, the House Republican Caucus will remain steadfast in its commitment to foster job growth and strengthen our economy.

The people of Michigan experienced an unprecedented decline in quality-of-life factors during the first decade of the 21st century. As we continue to recover from this Lost Decade, genuine reforms are still needed to promote a healthy economy and help Michigan residents.

We will work to improve the job climate by:

CREATING A STRONGER ENVIRONMENT FOR JOB GROWTH

1. **Repealing Michigan's Prevailing Wage:** Prevailing wage laws hinder economic growth and create artificially high costs for building schools and government facilities, which work against job creation. From December 1994 to June 1997, prevailing wage laws were suspended because of a federal district court ruling. During that time, the U.S. Department of Labor reports 11,000 Michigan construction jobs were created. Ten states have repealed their prevailing wage laws, bringing the number to 18 states that do not have such laws on the books. The Michigan House will approve legislation to repeal this law.
2. **Eliminating Local Ordinances That Hinder Job Creation:** Municipal ordinances governing wages and benefits known as "sick pay ordinances" institute rules and regulations on local employers in providing sick pay to their employees. Many job providers are fearful such local actions hinder job creation. Legislative efforts will be taken to ensure local ordinances are not more restrictive than state standards.
3. **Expanding Michigan's Jobs Training Program:** Under Michigan's Jobs Training Program, community colleges provide training for area employers that commit to hire the new graduates. Employers pay the cost of training individuals through their state income tax filing. Because there is currently a waiting list for the program, changes in state law must be made to increase opportunities.



ADVANCING MICHIGAN'S AGRICULTURAL ASSETS

1. **Enhancing Agricultural Processing:** Michigan's approximately 2,000 licensed food processors employ nearly 130,000 residents and generate almost \$25 billion in economic activity annually—ranking our state 19th in the nation for food processing. With Michigan's strong agricultural heritage, we can do better. Recommendations for overcoming barriers to expand or attract increased agricultural processing in Michigan include addressing environmental regulations using the quality-of-life approach, food safety and nuisance protection, as well as collaborating with state departments and agencies that work with food processors.
2. **Developing an Agricultural-Minded Workforce:** We need to show job seekers a career path through a growing industry like agriculture. Coordinating efforts between the Michigan Department of Agriculture and Rural Development and Michigan Works in regions around the state to develop career links will be evaluated to advance employment opportunities in one of Michigan's fastest-growing industries.
3. **Creating Opportunities for Farmers' Markets:** As local farmers' markets continue to expand and attract new forms of commerce for communities and family-owned small businesses, regulatory changes that are holding back economic growth by prohibiting the sale of certain products at these locations should be eliminated. Last term, the Legislature passed bills to allow for the sale of wine at local farmers' markets. House Republicans will continue reforms to permit local farmers' markets to sell beer and liquor and examine liability reform associated with selling these products.

ENCOURAGING MORE OPPORTUNITIES FOR ENTREPRENEURS

1. **Carrying Forward Crowdfunding:** The Michigan Invests Locally Exemption was enacted in 2013 to allow Michigan companies to sell interests in their businesses to non-accredited investors without registering the investments as securities. The exemption allows small businesses to obtain needed financial capital from crowdfunding rather than traditional sources, such as banks and big investors. However, there are still administrative and legal requirements with which companies must comply, which can be burdensome and confusing for many small-business owners. Action will be taken to promote this new economic development opportunity for Michigan start-ups and overcome administrative obstacles.
2. **Reforming Sub-surface Property Rights:** Sub-surface property interests such as oil and gas mineral rights can lead to economic prosperity for Michigan property owners. Current policies discourage the state from releasing valuable mineral rights when transferring state land to purchasers. Changing the law to require mineral interests be transferred to anyone who purchases state land at the point of sale will assist Michigan's economy through increased oil and gas production and help property owners.
3. **Embracing New Transportation Services:** As new transportation services like Uber and Lyft emerge, legislation is needed to welcome entrepreneurial opportunities. We can provide uniform and predictable pathways to conduct business in Michigan and provide employment opportunities for Michigan residents.
4. **Reforming Michigan's Alcohol Laws:** Various improvements to Michigan's Liquor Control Code have been made to open new markets and provide for limited self-distribution of alcohol by suppliers. Michigan now has the fifth-largest craft brewery market in the nation thanks in large part to these reforms. We must continue efforts to reform outdated laws and licensing regulations that hinder economic opportunities for Michigan suppliers. Ensuring that the refilling of growlers at licensed establishments is permitted by regulators is paramount, as well as reviewing opportunities for direct shipping of alcohol and unnecessary regulations affecting distilleries.





CREATING A BRIGHTER FUTURE FOR ALL

The state of Michigan succeeds when all of its people succeed, and the House Republican Caucus remains committed to helping create an environment where everyone has a chance at a brighter future.

That means reforming our system of government to help patients receive better health-care services, ensuring veterans are receiving the benefits they deserve, and saving taxpayer dollars on costly Michigan prisons without compromising people's safety.

We will look to improve the quality of life for all Michigan residents by:

ADVANCING COMMON-SENSE SOLUTIONS THAT LOWER COSTS AND PROTECT PRIVACY

1. **Increasing Health-Care Transparency:** Patients deserve protections from surprise medical bills after receiving care in their local hospitals. Creating a patient's bill of rights will protect patients by requiring transparency of hospital prices, tax policies and charitable care, as well as placing a prohibition on "balance-billing," and providing safeguards from unwarranted and harassing medical billing collection practices. Michigan families need to know exactly what they are paying for and how much it costs before services are rendered.
2. **Placing Limitations on Retrospective Audits:** Health insurers retroactively look at paid claims to ensure they were paid properly because of the sheer volume of claims paid on a daily basis. Providers have argued that retroactively looking at paid claims becomes very burdensome on the provider, and the process is lengthy and complex. By imposing a time limitation on an insurer's ability to retroactively look at paid claims, providers will be subject to less burdensome regulations and have more time to focus on patients.
3. **Reviewing Savings Accounts for Family Leave:** Family leave time is important for all Michigan residents and job providers. However, many small businesses see a great financial impact when their employees take leave time. To mitigate the impact on businesses and ensure that employees on leave can still pay their bills, employee savings accounts could be created where employees and employers contribute money each pay period so employees can use those funds when they take leave time for themselves or to care for loved ones that need long-term care.

4. Defining Access to Digital Assets: As more and more of our lives are conducted digitally, there is a question as to what happens to our digital assets once we die or become incapacitated. It has become clear that our current probate laws are ill-equipped to address email and social media accounts, digital photographs and other digital media. Passing a law that will address these types of property will protect privacy while allowing for the efficient administration of an estate.

EVALUATING CONSUMERS' ABILITY TO ACCESS HEALTH-CARE SERVICES

1. Improving Mental-Health Services: Over the past few legislative terms, the Michigan Legislature has passed numerous laws and budgets that have increased awareness and funding for Michigan's mental-health needs. In 2013, the governor created both the Mental Health and Wellness Commission and the Mental Health Diversion Council to continue to move the needle forward in terms of getting Michiganders with mental-health needs the help they deserve. There is a continued need to further explore and evaluate policy and budgetary solutions to ensure that those with mental-health needs, and their loved ones, have access to quality and consistent care. Mental illness impacts families just like other illnesses. Michigan families need access to early intervention programs, family therapy and support programs.
2. Improving Access to Physicians from Across the Country: An interstate medical licensure compact creates a new process for faster licensing for physicians interested in practicing in multiple states. By participating in this compact, we will enable Michigan residents to have better access to physicians from across the country. This is especially important for our residents living in rural and underserved areas.
3. Eliminating Primary Care Physician Shortage: Michigan has a shortage of primary care physicians. By creating new options for a limited scope of practice for qualified medical school graduates in this field, a new pool of health-care providers can fill needs to ensure that all Michiganders have access to quality health care.

MEASURING DELIVERY OF SERVICES AND ADVANCING JOB OPPORTUNITIES FOR VETERANS

1. Establishing a Consistent and Uniform Definition of "Veteran" in State Statutes: There are a plethora of definitions for "veteran" in Michigan law. Creating a more uniform and consistent definition would provide greater certainty and predictability for our veterans and the services offered to them.



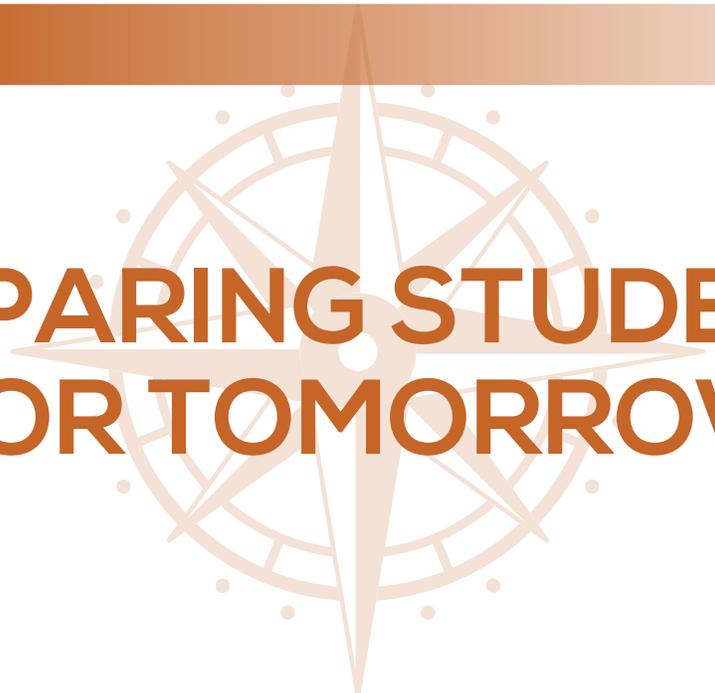
2. Assisting Veterans in Times of Need: Michigan was recently ranked near last in states for veteran services. Many veterans do not utilize federal benefits, and this frequently leads to additional, and unnecessary, use of state and local resources, not to mention a lower quality of life for veterans. New laws to help educate veterans in the courts or on public assistance about available veterans benefits are necessary.

REVIEWING OPPORTUNITIES FOR JUDICIAL, CRIMINAL JUSTICE AND CORRECTIONAL REFORMS

1. Sentencing Guidelines and Parole Reforms: Michigan currently spends more than \$2 billion annually to incarcerate approximately 44,000 individuals, while still having four of the 10 most dangerous cities in the country. Prison reform ideas have been percolating in this state for years and now is the time to advance cost-saving reforms that balance the safety of Michigan's citizens with the use of limited taxpayer resources.
2. Resolving Criminal Penalty Disparities Among Victims: Disparities in criminal penalties for the same crime based on the victim's identity have long been a problem under state law. Seeking resolution of these distinctions will create a fairer system that equally protects all of Michigan's citizens.
3. Transitioning Qualifying Inmates to Secure Nursing Homes: Nursing home-eligible inmates are generally the most expensive to incarcerate, and while they are in prison, Medicaid generally does not reimburse their care, even though it would under normal circumstances. Unfortunately, we are starting to see an uptick in elderly inmates, both as inmates serve longer sentences and older perpetrators offend. Connecticut recently moved some of its elderly population into a private nursing home, thereby allowing them to tap Medicaid dollars. Michigan will follow suit.
4. Reforming Civil Asset Forfeiture: Under current law, there is little transparency or accountability on the taking of private property by law enforcement. The public should know how much property the state has taken and how it is disposed of, especially when there is not an accompanying criminal conviction. If the state isn't willing to go through the trouble of prosecuting a person for a crime, then one must question if the state should be able to take that person's property.
5. Evaluating Criminal Classifications: A thorough evaluation of all Michigan felonies and misdemeanors is long overdue. Eliminating outdated and duplicate crimes will be productive as we seek to reform our problematic sentencing.
6. Revising the Holmes Youthful Training Act: The Holmes Youthful Training Act (HYTA) is a useful prosecutorial tool to assist young criminal offenders by allowing them to expunge their criminal records for certain offenses if they comply with court-ordered conditions during a probationary period. Our current incarceration problem could be addressed in part by reforms that would expand the scope of HYTA for deserving individuals and afford greater judicial discretion to require offenders to seek employment or attend school while on probation.
7. Enacting Teen Courts in Michigan: A number of jurisdictions have adopted teen courts, which are juvenile diversionary programs where teenagers who commit minor crimes (retail fraud, disorderly conduct, vandalism) are represented and judged by their peers. Not only does this keep these juveniles out of the court system, but also gets teens interested in the law by allowing them to serve as lawyers and jurors. Establishing teen court laws will create a blueprint that is consistent and easy to replicate throughout the state.
8. Ensuring Justice for Michigan's Rape Victims: The state has appropriated \$7 million over the last two years for the testing and adjudication of over 11,000 untested rape kits dating back to the 1980s, which were discovered when the Detroit Crime Lab closed in 2009. Continued monitoring and support of these efforts is paramount to ensuring that rape victims are treated with respect and the perpetrators of these crimes are brought to justice.



PREPARING STUDENTS FOR TOMORROW



The state of Michigan must continue to help connect high-school students with the training needed for high-demand, well-paying jobs that are available right now.

We need to consider common-sense ideas like expanding vocational, technical and post-secondary training and programs, which will help prepare young people for this growing job pool.

We will review ways to improve all aspects of our education system by:

EDUCATING STUDENTS TODAY FOR TOMORROW'S JOB OPPORTUNITIES

1. Expanding Career Vocational Training Programs: Through additional collaboration with workforce training programs and educational incentives, we will advance skilled-trade job opportunities. Further evaluation of the Michigan Merit Curriculum to allow schools the maximum amount of flexibility is paramount.
2. Enhancing Dual Enrollment: Prioritizing efforts to allow students to earn college credit more easily by allowing them to enroll in both high-school and college courses while in high school is a must.
3. Advancing Science, Technology, Engineering and Mathematics Certification: Allowing students to gain STEM certification for their high-school diploma and emphasizing skills needed in today's economy will be improved. In addition, expanding STEM programs in K-8th grade to get girls and boys involved and interested in skilled trades at a young age should be considered.
4. Saving for Our Children's Future: The Michigan Education Trust is a 529 prepaid plan guaranteeing tuition and fees at Michigan public colleges. The Michigan Educational Saving Program is a 529 savings plan allowing families to save for college expenses, including tuition, room and board, and other costs. These programs must be reviewed to ensure parents are getting the largest return on their investment.



ENSURING ALL MICHIGAN STUDENTS HAVE ACCESS TO A QUALITY EDUCATION

1. Promoting Early Reading Literacy: Ensuring third-graders are proficient in reading by providing interventions and policies designed to raise Michigan's third-grade reading proficiency is long overdue and will be accomplished through legislative action.
2. Improving School Accountability System: Parents deserve better tools to make informed decisions about which schools are best equipped to educate their children based on their child's needs and the school's academic success. Michigan uses a confusing color-coded school-accountability system. A change to letter grades, while also adding a transparency dashboard for schools, will be advanced.
3. Implementing Educator Evaluation: A robust but fair evaluation system for teachers and administrators based in part on student growth and timely and consistent evaluations and feedback will be established.
4. Reforming Teacher Certification: Legislation is needed to provide greater flexibility to qualified individuals who want to teach. The current teacher certification process is overly cumbersome and must be simplified to make it easier for qualified candidates to become teachers. Along with adding flexibility to the teacher certification process, consideration should be given to more accountability for our teacher training programs, such as a statewide report card system, similar to what is required in Tennessee.

PROTECTING AND PROMOTING EDUCATION OPTIONS

1. Expanding School Choice: Parents should have every opportunity to send their child to a school that best fits their needs. This can include charter schools, traditional public schools, home schools, or even new ideas such as Education Savings Accounts, where parents of special-needs children are given private accounts with funds to use toward their child's education. Also, course choice programs, where parents and students can tailor their curriculum to their individual needs, could be considered.
2. Creating Charter Authorization Accreditation: Charter school authorizers have recognized the need to develop a uniform, robust accreditation system for authorizers, which would clearly delineate standards and expectations for charter authorizers. Placing these standards into Michigan law is necessary for continued success.

MAKING GOVERNMENT MORE ACCOUNTABLE



The simple truth is that the state of Michigan and our local governments will not have enough money to pay their debts in the future. Unfunded liabilities are an ominous threat to our state, and more importantly, to younger generations.

We've already taken monumental steps to curtail unfunded taxpayer liabilities, but more needs to be done to help protect our children and grandchildren.

During the 2015-16 legislative session, we will continue to take proactive steps by:

REDUCING FUTURE FINANCIAL OBLIGATIONS AT ALL LEVELS OF GOVERNMENT

- ✓ **State**
- ✓ **Municipal**
- ✓ **School Districts**

1. Reducing Long-term Local Financial Obligations: Local governments and school districts have taken on long-term debt to fund schools, utilities and capital projects. Similar to the state, local government debt has increased considerably over the past decade. Combined, school districts, municipalities and local special districts had a total outstanding debt at the end of 2008 of \$46.7 billion, up from \$35.1 billion in FY 2000. Reforms will be accomplished that curtail these liabilities.
2. Increasing TIF Accountability and Transparency: Tax Increment Financing (TIF) is a popular economic development tool used by municipalities throughout the state to capture increased taxable values, leaving other levels of government collecting a fraction of what they otherwise would. Exacerbating the problem is that there is little state oversight over the capture and expenditure of these funds and even less accountability when a TIF authority runs afoul of the several laws empowering these activities. Legislation to enhance transparency and accountability for TIFs will be adopted.



3. Reforming our Teacher Retirement System to Curtail Unfunded Liability: Continued efforts to curtail long-term debt in Michigan's largest unfunded liability warrant deliberation. Moving new teachers into a mandatory (rather than the current optional) 401(k) retirement system will be accomplished.
4. Reviewing the Role of Land Banks: Michigan's land banks face various problems across the state with sustaining the costs of the programs through property sales and development. Some county land banks have circumvented the tax foreclosure process to "cherry pick" better properties from the treasurer before they could be offered to the general public at auction. This practice shortchanges the private sector while perhaps robbing taxpayers of increased sale prices achieved through auction. Statutory reforms to make land banks more accountable will be adopted.
5. Addressing Financially Failing Schools: As more Michigan schools fall into financial distress, an early warning system identifying and assisting schools headed toward deficit is needed. More than 50 school districts in the state are currently operating under a Deficit Elimination Plan (DEP). Strengthening the DEP process will give the Department of Education and the Department of Treasury the necessary tools to stop the cyclical problem of schools failing to operate with financial prudence.

LOWERING TAXES FOR WORKERS, FAMILIES AND SENIORS

1. Reducing the Income Tax: In 2007, as part of the legislative deal to avoid a government shutdown, Gov. Granholm signed into law an increase in the income tax from 3.9 percent to 4.35 percent. That legislation also included a phased-in reduction over a period of eight years such that, by 2015, the income-tax rate would be restored to 3.9 percent. In 2011, facing a \$1.5 billion structural budget deficit, the Legislature froze the personal income tax at 4.25 percent. A reduction of the state personal income tax that is properly budgeted and accounted for remains the House Republicans' single most important tax-relief measure.
2. Modernizing Public Notice Policies While Maintaining Transparency: Creating a uniform set of rules for public notices and offering alternative forms of delivery to satisfy hundreds of statutory requirements will be advanced to save local governments millions of dollars.

3. **Reviewing Property Tax Relief:** Whether renting an apartment or owning a home, property taxes impact everyone's pocketbook. Property taxes in Michigan are long overdue for a review as to the appropriate level of taxation on hard-working Michigan families. When looking at opportunities to provide fair and equitable treatment, as well as tax relief, we need to take a serious look at the level of property taxes in Michigan. We will be diligent in looking for opportunities to provide families with property tax relief and review the structure of our property tax system from issues such as who does and does not pay property taxes to issues of property taxes increasing even if home values decline.

REVIEWING STATE GOVERNMENT EFFECTIVENESS

1. **Reviewing the Civil Service:** Article XI, Section 5 of the Michigan Constitution lays out the powers and duties of the Michigan Civil Service Commission, which is responsible for the employment rules governing most positions in state government. Michigan's complicated system of civil service rules and regulations governing employment positions, advancement, salary and benefits has been criticized by many as being outdated, inflexible and overly bureaucratic. A thorough review of the statutory changes and authorities necessary to upgrade and advance employee accountability and performance is long overdue.
2. **Streamlining Reporting Requirements:** The vast amount of reporting mandates required of schools, universities and local governments in statute will be inventoried and legislative action will be taken to eliminate and consolidate reports.
3. **Removing Administrative Authority Over Fee Structures:** Protecting the Legislature's responsibility to appropriate dollars for essential functions of government is paramount. Guarding against delegating authority in statute to departments to raise fees will be a top priority.

IDENTIFYING BUDGET PRIORITIES FOR TAXPAYERS

1. **Continuing Budget Completion by June 1:** For the past four years, the Michigan Legislature, under Republican leadership, has balanced its checkbook four months prior to the start of the fiscal year. This has given schools and local governments critical time to prepare their own budgets. That positive trend won't stop now.
2. **Maintaining Investment in Education:** Following four years of increases in funding for K-12 education, strong investment in Michigan's school system will continue to be a top priority.
3. **Reviewing Restricted Funds:** Through the appropriations process, an exhaustive review of all state restricted funds and associated program costs will be conducted to ensure statutory fees on taxpayers are not excessive and revenues are used for appropriate purposes.
4. **Saving for Tomorrow:** Continued dedication of money to the state Rainy Day Fund will be a priority, with the goal of leaving the savings account in a better place two years from now.
5. **Reforming the Michigan Veterans Trust Fund to Address High Administrative Costs and Delivery of Services:** The Michigan Veterans Trust Fund provides one-time emergency assistance to low-income veterans in Michigan. However, administrative costs for the program run between 25 percent and 50 percent, which reduce the number of veterans who can receive assistance through this valuable program. Imposing a cap on administrative costs, as well as streamlining services to reach more veterans, will be advanced.



6. Demanding Budget Accountability and Measuring Outcomes of State Spending: For the past four years, state budgets have been passed nearly four months in advance of the start of the new fiscal year. However, continued monitoring of state spending habits have not continued throughout the year. A more aggressive, proactive and transparent appropriations process that holds departments accountable to measurable outcomes is warranted. Holding subcommittee hearings throughout the year, after the budget has passed, to ensure department spending is held in check and outcomes are measured would assist taxpayers and make departments more responsive to the needs and expectations of the Legislature.
7. Reinventing the MEDC: The Michigan Strategic Fund has a budget of roughly \$245 million with major funding going to workforce development, community revitalization and business attraction. Michigan Economic Development Corporation's spending in many of these areas is highly discretionary and not as transparent as it should be in terms of return on investment and the function of various programs. House Republicans will modify these programs and require greater transparency.
8. Reforming the Film Subsidy: For fiscal year 2012, the state only received a 38-cent-per-dollar, two-year return on investment on film subsidies. The film subsidy program is a poor investment of taxpayer dollars. It cost taxpayers \$193,333 for each job created in 2009, and there are fewer film jobs in the state overall than there were before the program started. House Republicans will explore requiring a royalty payback of the subsidy if the film grosses over a certain box office revenue figure, limiting reimbursements for out-of-state expenditures and personnel, and simply terminating the program altogether.

GETTING MICHIGAN MOVING AND POWERING ITS FUTURE



After zero general fund dollars were spent on our roads and bridges during the first decade of the 21st century, Republicans have taken genuine steps in the last four years to allocate hundreds of millions of dollars to fix our roads. More needs to be done.

Our roads and bridges in Michigan are crumbling, and additional steps are needed to keep motorists safe and help drive more commerce. We realize better roads are a public safety issue, and an improved infrastructure will strengthen our economy and encourage new employers to locate in our state.

This session, we will continue to make an improved infrastructure a top priority by:

ENSURING TRANSPORTATION ACCOUNTABILITY AND RETURN ON INVESTMENT FOR TAXPAYERS

1. **Reviewing PA 51 Formula:** There has historically been significant interest in the development of new reforms and ideas regarding how Michigan disburses road funding dollars under the Public Act 51 formula. These proposals and other new suggestions for disbursing transportation revenues to local units of government should be further explored over the next two years.
2. **Increasing Transportation Budget Oversight:** The House will place an increased emphasis on fiscal oversight of transportation, both in policy and budgeting. The transportation appropriations subcommittee and policy committee will dig into how road-funding dollars are spent at the state and local level, with a goal of ensuring transparency, encouraging best practices and identifying new reforms. Best practices will include renewed focus on competitive bidding of projects and support for strong warranty provisions.

3. Encouraging Road Commission Consolidation: The provisions in law that allow county boards of commissioners to consolidate their road commissions under the umbrella of general county government must be reinstated.
4. Reviewing Role of Local vs. State Law Enforcement: The House will explore the idea of establishing a commission of state and local law enforcement to examine the role each level of government plays in Michigan's policing model. The commission's charge will be to determine the correct role of state and local police agencies; for example, whether Michigan State Police troopers should be responsible for patrolling local roads, and whether locals should be responsible for providing specialized policing services like SWAT, dive teams and forensics.

IMPROVING THE RELIABILITY AND AFFORDABILITY OF ENERGY FOR CONSUMERS

1. Allowing Energy Companies to Use Out-Of-State Renewable Energy to Meet Michigan's RPS Mandate: Michigan's Renewable Portfolio Standard (RPS) requires that clean energy derived from renewables (e.g. wind, solar, etc.) be located in the state of Michigan. A court found this mandate to be unconstitutional. However, this opinion is not binding and a change of the current law is necessary to allow energy companies to count out-of-state renewable energy to meet Michigan's 10 percent RPS mandate.
2. Increasing Residential Ratepayer Advocacy: The number of interveners in general regulated utility rate cases, particularly on behalf of the interests of residential ratepayers, appears to be at an all-time low. This could be attributable to a number of factors, including the complexity of rate proceedings, the costs involved and the limited number of professionals willing to intervene in what amounts to complex litigation. Michigan must consider either expanding the Utility Consumer Participation Board to include advocacy in general rate cases, or create a new board to perform a similar function.





3. Consolidating Energy Reports: As a result of the vast number of energy laws and regulations associated with energy policy, the Public Service Commission is subject to a number of reporting requirements with different due dates. There are 17 reports required by statute. Consolidation of reports into a single annual report will streamline the process.
4. Reviewing Current Fees for Cable and Telecommunication Services: The number of government-mandated fees and taxes on a telecommunications or cable bill is astounding. Michigan requires fees for 911 service, cable franchise agreements, local public access programming, etc. Given that Michigan's 911 system is going to require revisions in the coming years to provide additional service through Next Generation 911, a holistic review of the various fees, how they are used and the justification for each is warranted.
5. Allowing Carbon Storage for Economic Development: Carbon dioxide (CO₂) capture and sequestration (CCS) is the process of capturing and compressing CO₂ from power plants and industrial processes and transporting it via pipeline for storage in underground rock formations. CCS is frequently linked with enhanced oil recovery (EOR), which uses compressed CO₂ to extract oil that remains after initial production. Establishing a CCS regulatory framework in Michigan will provide more certainty for EOR investors and thus lead to greater domestic oil production, create job opportunities, provide a depository for CO₂ in an impending carbon-constrained future and reduce reliance on raw materials.
6. Expanding Natural Gas Opportunities: More farmers are using natural gas for drying grain and other farm uses. A thorough evaluation of the costs of new natural gas infrastructure will be conducted.



ELIMINATING OBSTACLES CREATED BY GOVERNMENT

Burdensome government regulations can adversely impact all aspects of our lives, from our ability to find a job to how we spend free time with our families and friends. Excessive and unnecessary government-imposed guidelines can also negatively affect our family budgets.

This session, we will reform and streamline government regulations by:

ENHANCING LEGISLATIVE OVERSIGHT OVER ADMINISTRATIVE RULES

1. Prohibiting Rules More Stringent than the Feds: Previous legislative attempts have been made to prevent the adoption of department administrative rules that are more stringent than federal standards. The House will advance this important reform.
2. Implementing a Mandatory Sunset on All New Administrative Rules: The creation of a new default sunset for all new administrative rules will heighten legislative oversight over a runaway bureaucracy.
3. Enacting Consequences for Regulatory Delays: Taxpayers deserve prompt, efficient and expedited service for the regulatory trials that are placed on them by governments. State departments should be held accountable for their inaction. Consequences such as refunding user fees for applications or granting permits and licenses if a department fails to meet a specific timeframe will hold government more accountable for the quality of service it provides.

REFORMING AUTO NO-FAULT TO MAKE AUTO INSURANCE MORE AFFORDABLE WHILE PROVIDING QUALITY CARE TO AUTO ACCIDENT VICTIMS

1. Reforming Auto No-Fault: Michigan has the second-highest car insurance premiums in the country and is one of less than a dozen that operate under a no-fault system of insurance liability. Reforms to Michigan auto no-fault must be made to control costs for motorists.

INCREASING RECREATIONAL OPPORTUNITIES AND PRESERVING OUR GREAT LAKES AND OTHER NATURAL RESOURCES

1. **Enhancing Recreational Opportunities:** Michigan is home to some of the best off-road vehicle (ORV) destinations in the country. However, certain state lands and trails are not always open for ORV use. Considering Michigan's assets, we must ensure all ORV trails and state lands which host ORV trails remain open for tourists and residents.
2. **Continuing Agricultural Stewardship:** Michigan leads the nation in innovative agricultural environmental stewardship through its Michigan Agriculture Environmental Assurance Program (MAEAP). MAEAP is a voluntary program that provides incentives when Michigan farmers comply with environmental regulations and implement soil-and-water conservation measures. This program and the voluntary fee associated with it expire this year. House Republicans will undertake a thorough review of the MAEAP program.
3. **Providing Bovine TB Livestock Ear Tags:** Michigan has a unique strain of bovine TB associated with cattle and wildlife in the Northeastern Lower Peninsula and has been working to eradicate the disease since 1995. The Animal Industry Act directs the Department of Agriculture and Rural Development to conduct bovine TB surveillance testing each time a new TB-affected herd is discovered. Until 2009, the state provided livestock ear tags to assist farmers with regulatory hurdles, but budgetary pressures have prevented them from continuing this practice. Further consideration will be given to assist farmers with the regulatory expenses which were previously covered by the state.



CONTINUING TO REVIEW STATE LICENSING AND REMOVE REGULATIONS ON TAXPAYERS

1. **Deregulating Occupational Licensure:** In 2012, the Office of Regulatory Reinvention (ORR) released recommendations on occupational licensing. Included in the report were recommendations that various occupations be deregulated. Many of these suggested policy changes were realized last session. However, there remain certain occupations that were not deregulated and Michigan remains at a competitive disadvantage with neighboring states. Further efforts to deregulate licensed professions is necessary.
2. **Protecting Second Amendment Rights:** Michigan's definition of firearm is broader than the federal definition and arguably encompasses pellet guns, BB guns, and paintball guns, meaning that many people inadvertently commit gun crimes based on laws that should not be applicable. In addition, the House will codify a recent Attorney General opinion to assure that law-abiding citizens who open-carry firearms are not considered to be unlawfully brandishing a weapon.

3. **Reviewing Rental Inspections:** Yearly registration fees associated with rental properties can get costly when local governments require renewal fees even when the same landlord owns the property and nothing has changed. Extending the life of the inspection while the same tenant remains and avoiding fines against a landlord when a lessee refuses to allow an inspection will be explored.

4. **Advancing Adoptions:** Private child placement agencies play a vital role in the child welfare system, partnering with the state to provide adoption and foster care services for children. Many of these agencies have a religious or moral mission impacting their service procedures. Other states have required private agencies to provide services to everyone, even if it conflicts with their religious beliefs, forcing several agencies out of the adoption business and leaving many children in limbo. In order to keep strong partnerships with private adoption agencies in Michigan, changes that protect the best interests of the child and the religious liberties of the adoption agency are necessary in Michigan.



5. **Protecting Freedoms:** A Michigan Religious Freedom Restoration Act (RFRA) modeled after what was passed by Congress should be enacted to provide the same religious freedoms for all of Michigan residents that currently are only afforded to inmates under federal law.

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