

No. 2
STATE OF MICHIGAN
JOURNAL
OF THE
House of Representatives
97th Legislature
REGULAR SESSION OF 2013

House Chamber, Lansing, Wednesday, January 16, 2013.

6:00 p.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Abed—present	Genetski—present	Lauwers—present	Roberts—present
Ananich—present	Glaridon—present	LaVoy—present	Robinson—present
Banks—present	Goike—present	Leonard—present	Rogers—present
Barnett—present	Graves—present	Lipton—present	Rutledge—present
Bolger—present	Greimel—present	Lori—present	Santana—present
Brinks—present	Haines—present	Lund—present	Schmidt—present
Brown—present	Haugh—present	Lyons—present	Schor—present
Brunner—present	Haveman—present	MacGregor—present	Segal—present
Bumstead—present	Heise—present	MacMaster—present	Shirkey—present
Callton—present	Hobbs—present	McBroom—present	Singh—present
Cavanagh—present	Hooker—present	McCann—present	Slavens—present
Clemente—present	Hovey-Wright—present	McCready—present	Smiley—present
Cochran—present	Howrylak—present	McMillin—present	Somerville—present
Cotter—present	Irwin—present	Muxlow—present	Stallworth—present
Crawford—present	Jacobsen—present	Nathan—present	Stamas—present
Daley—present	Jenkins—present	Nesbitt—present	Stanley—present
Darany—present	Johnson—present	O'Brien—present	Switalski—present
Denby—present	Kandrevas—present	Oakes—present	Talabi—present
Dianda—present	Kelly—present	Olumba—present	Tlaib—present
Dillon—present	Kesto—present	Outman—present	Townsend—present
Driskell—present	Kivela—present	Pagel—present	VerHeulen—present
Durhal—present	Knezek—present	Pettalia—present	Victory—present
Faris—present	Kosowski—present	Poleski—present	Walsh—present
Farrington—present	Kowall—present	Potvin—present	Yanez—present
Forlini—present	Kurtz—present	Price—present	Yonker—present
Foster—present	LaFontaine—present	Pscholka—present	Zemke—present
Franz—present	Lamonte—present	Rendon—present	Zorn—present
Geiss—present	Lane—present		

e/d/s = entered during session

Pastor Gary Gillim, Pastor of Maple Grove Church in Lapeer, offered the following invocation:

“Heavenly Father, we thank You for this beautiful state of Michigan and for the many blessings that You have given to us. We thank You for the great things that have been accomplished recently, and we humbly acknowledge that You are the source of all wisdom.

I pray for our legislators in the House and Senate, for our Judges and our Governor to receive that wisdom; and for Your power and love to function in their lives. May they understand, and accomplish, what is pleasing to You. I pray that Your kingdom of righteousness would be manifested in the hearts of all those who are in authority. Be their strength and establish them in Truth.

We know that You are faithful, and every good and perfect gift comes from You. We are encouraged that You listen and respond to our prayers in times of need; and God, our state is in need today. You have promised to bless the nation that trusts in You. So, we come before You today, seeking Your mercy, provision and protection, ...especially for our children. In Your mercy, defend them against the onslaught of evil that seeks to destroy them and in Your loving kindness, be a father to the fatherless. You are our only hope!

Let us become known across this nation, as a State whose God is the Lord. We thank You for all You have done for us in generations past, and so we pray for peace and prosperity again, for every citizen of Michigan. Let our communities unite in peace to help those in need among us.

Hear our prayers and, shine Your face upon us, and bless us. In the name of Your Son, and our Savior, Jesus Christ. Amen.”

Motions and Resolutions

Rep. Stamas moved that a special committee of four members be appointed to notify the Senate that the House was ready to meet the Senate in Joint Convention.

The motion prevailed.

The Speaker appointed as such committee Reps. McBroom, Hooker, Kivela and Rutledge.

The special committee to notify the Senate that the House was ready to meet in Joint Convention returned to the House along with the members of the Senate.

The committee, through its Chairperson, reported that it had performed the duty assigned it. The report was accepted and the committee discharged.

The Sergeant at Arms announced the members of the Senate, who were admitted and conducted to seats.

Joint Convention

6:30 o'clock p.m.

The Joint Convention was called to order by the President of the Joint Convention, Lieutenant Governor Calley.

Dr. Donald G. Denyes, Pastor of South Church in Lansing, offered the following invocation:

“Almighty God of Heaven and Earth—Maker and Ruler of all—our prayer this night is no mere ritual, it is an acknowledgement our deep dependence upon You.

Before me Lord, is a mighty group of men and women with a very demanding task... to give proper direction and leadership to the state we love... and for this they need Your help... *for if a sparrow cannot fall to the ground without Your notice, how can a state rise without Your aid?*

Please remind us Lord, as the scriptures declare, ‘*When the righteous rule the people rejoice...*’ Therefore, in light of the many significant, challenging, and complex issues that must be faced, give to all a clear sense of what is right, not merely what is expedient.

Save us from hot heads that would lead us to act foolishly... And from cold feet that would keep us from acting at all. Give us the grace to lay aside any bitterness or resentment... Lest their acid eat into our minds and corrode our decisions.

Lord, please let these important leaders know that the reward for their labor is worth the sacrifice; and that they are, indeed, deeply appreciated.

To the end that we might enjoy Your favor this year, I pray for the Governor and his team, and all the leaders in this assembly...

In the Name of our Loving Heavenly Father and His dear Son. AMEN.”

The roll of the Senate was called by the Secretary, who announced that a quorum of the Senate was present.

The roll of the House was called by the Clerk, who announced that a quorum of the House was present.

The President of the Joint Convention announced that the two Houses had met in Joint Convention to receive the message of the Governor.

Representative Stamas moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the State Officers to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Yonker and Kosowski, and Senators Kowall and Smith.

The Sergeant at Arms announced the special committee appointed to invite the State Officers to be present at the Joint Convention.

The State Officers, escorted by the committee, were conducted to seats.

Senator Meekhof moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Judges of the Court of Appeals to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Victory and Santana, and Senators Rocca and Anderson.

The Sergeant at Arms announced the special committee appointed to invite the Judges of the Court of Appeals to be present at the Joint Convention.

The Judges of the Court of Appeals, escorted by the committee, were conducted to seats.

Representative Stamas moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Justices of the Supreme Court to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Kesto and Knezek, and Senators Schuitmaker and Bieda.

The Sergeant at Arms announced the special committee appointed to invite the Justices of the Supreme Court to be present at the Joint Convention.

The Justices of the Supreme Court, escorted by the committee, were conducted to seats.

Senator Meekhof moved that a special committee, consisting of four Representatives and four Senators, be appointed to invite and escort the Governor to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Price, Rogers, Faris and Stallworth, and Senators Brandenburg, Hansen, Young and Warren.

The Sergeant at Arms announced the special committee to wait on the Governor.

The Governor, escorted by the committee, was conducted to the rostrum.

The President of the Joint Convention then introduced Governor Snyder who gave his message to the Joint Convention as follows:

“Thank you very much. Thank you all, please be seated. Thank you for that very warm welcome. It’s great to be with you tonight. Once a year we do the State of the State. It is a moment to stop and pause, it’s a moment to stop and reflect on how we can use relentless positive action to continue the reinvention of Michigan.

Tonight, what I hope to do is talk about the Dashboard, where we stand. To talk about 2012. To talk about 2013 and to talk about our future. It’s a great opportunity and I am glad we could share it together, but first I want to thank the bigger segment of the people that made this possible. So, Speaker Bolger, thank you. My partner Lt. Governor Brian Calley, Senator Majority Leader Richardville, there’s three good looking-guys who don’t have to look at the back of me for one year. I also want to say thank you and welcome to Senate Minority Leader Whitmer, Gretchen; House Minority

Leader Greimel. I want to welcome members of the Supreme Court, Secretary of State Ruth Johnson, Attorney General Bill Schuette. I want to thank all the members of my cabinet; I want to thank all the ladies and gentlemen of the Legislature. Thank you for your partnership. I want to thank the citizens of Michigan for this opportunity; it's an honor to be your Governor. And then I have a special thank you. I would request that every member that's in the military service, our armed services, to please stand. They deserve a special thank you. I would like to share a couple of moments with you. In April of last year, I made a trip, a trip to Kuwait and Afghanistan. On that trip, it was one of the most moving trips of my entire life. It was special to see the service that these fine people give our country. One special thing happened among many that I would share with you, which showed me how proud I am to be a Michigander. I was on Forward Operating Base, Kunduz, in Afghanistan. It was with the 125th Infantry, a Michigan National Guard Unit. When I arrived they actually asked me to do a re-enlistment ceremony. So, I had the opportunity to swear people in to re-enlist in the United States Military, in the Michigan National Guard on the Forwarding Operating Base in harms way. Those are special people and we need to say thank you to anyone serving. To give you some perspective, we had well over 1,000 Michiganders serve and come back this year. We currently have over 650 Michigan guardsmen and air guard serving our country around the world today, and there is a cost and we need to understand that. This last year we lost nine service people that were Michiganders, including Sergeant Kyle McCain, a National Guard person. So, I think it is only fitting that we send out thoughts and prayers at anyone in the Armed Services and all their families. So, if you join me in a round of applause for all those wonderful people serving us.

The final group I want to thank, they are sitting up front and they came in with me, is my family. It's a wonderful opportunity to get all the kids dressed up. But thank you family for putting up with me.

Now to the speech, and you know me, I did this in my first State of the State, and I intend to do it in every State of the State, is to talk about a Dashboard. It's the measures and metrics on how we are doing. I will try to do this fairly quickly and will give you documentation in terms of all of the Dashboards I have been using since the day I took office. But tonight, in terms of this talk, I wanted to share five different items with you in terms of different metrics to show how Michigan is doing.

The first one is Economy. We are the sixth fastest growing state in the nation. We should be proud of that. Just to talk about some of our major industries, as I call it, everybody talks about the 'big three' of autos; I call it the 'other big three'. Our big three industries are autos, agriculture and tourism. All are hitting on full cylinders and it's a wonderful thing to see. I went to the Auto Show just this week. The auto industry is back in our country, over 14 million units sold. But, one number you may not know is right here in Michigan. This last year over 2.25 million units of those 14 million units were assembled right here in Michigan and we should be proud of that. The good part is we have the best of those units. If you went to the North American Auto Show or you saw the press already, the winners of car and truck of the year are the Cadillac ATS, assembled in Lansing and the Ram 1500 assembled in Warren. If you want the best, you buy a Michigan product.

On agriculture, it continues to do well. We had a challenging year. We had a freeze early in the year and that devastated some of our fruit crops and that was terrible. We had drought issues, but overall we had a strong year. We had record production in sugar beets and wheat, for example. And one thing I wanted to mention, back in 2011, I worked with Farm Bureau and the agricultural community on setting some goals for the Ag community. One of those goals is to say, they were at \$71 billion of output for the Michigan economy and we set a 2015 goal to get to \$100 billion of output. Well, I am proud to say this last year we had \$92 billion. So my request, where's Wayne Wood? He's up there because we need to update that number; we're sandbagging. So that number better be more than \$100 billion.

Tourism did very well, over a half a billion dollar increase. One number I thought I would share, since 2004 we had the very best summer we had in all those years in terms of hotel occupancy and hotel room rates, so we're coming back on tourism in Michigan too. This is the place to be. So, the economy is doing well, other metrics, income levels are doing great in our state. If you look at the rate of income growth in our state, we're the 9th fastest state in the United States in terms of per capita income growth. That's a great number. If you look at employment, private sector employment since our low point in 2009, we've added over 177,000 jobs and we're going to keep going.

The home market is coming back. We saw nearly a ten percent increase in home sales; we saw over a five percent increase in prices for homes. That's a critical industry and we are on the comeback path there. The last thing I want to mention in the terms of metrics is, and this is not a normal Dashboard measure, but I think it is important, when they did the Census in 2010, only one state in the United States went backwards, lost population. I am proud to say this last year we didn't grow by much, but Michigan is a growing state in population. That's just a starting point, our goal is to continue to keep our young people in this state and we're going to continue to work hard. What we've done is not good enough, but let's keep moving forward.

Now with respect to 2012; it was a busy year as we all know. The three areas I am going to break down and talk about: jobs, people and good government. On the jobs front, what do we do in terms of really making things that make a difference? We had three major tax reforms that have made Michigan a much more competitive place and we need to stay focused on that. The first one is Personal Property Tax Reform on the industrial front and for low volume businesses.

That's a great achievement, a great framework and we need to continue working that issue. Because one thing I want to do, is make sure we support our local partners and so I encourage everyone in August 2014 to make sure we have a yes vote on a proposition to keep that replacement revenue stream for local jurisdictions. Good work on personal property tax reform. It's going to keep businesses coming to Michigan. Two other tax items I want to mention. One is we made great progress in terms of doing severance tax reform. That is something we need in Michigan for nonferrous metals. It's a huge issue for the Upper Peninsula and we should be proud of the outcome. We have a dozen potential mining projects, either in process or on the drawing board. And, this tax change will help encourage them to come to Michigan, bring jobs to the Upper Peninsula and help the Rural Development Fund that can help Michiganders across the state. Good work.

Unemployment tax reform. We did that. We actually did a bond issue to get us out of debt with the federal government. I want to give Treasurer Dillon credit. It was actually recognized as the bond deal of the year for every bond deal in the entire United States. What it is going to end up doing, is saving our employers over a billion dollars over the next seven years which will allow them to create more and better jobs for our citizens. Good work.

Regulatory Reform. We did good work there through the office of Regulatory Reinvention and the work of this body working together. If you look at it, we eliminated over 1,000 rules last year on a net basis. We've roughly eliminated ten rules for every new rule we've added. That's how you create an environment that's conducive to business, while still protecting our citizens that will generate jobs. Good work, again.

Infrastructure. Huge projects were going on, that are only beginning, that I will be talking about for the next two years, I hope, because of their progress. The first one, I have to mention with a smile, it's a bridge. We are moving forward with the New International Trade Crossing. We are awaiting on a Presidential permit, but it's a great opportunity and I want to thank our partners in Canada, that would not be possible. So, in particular I want to give a shout out to Consulate General Roy Norton, who was a tremendous person, I know on a personal level, but also to the country of Canada, for paying for this bridge. There are no taxpayer dollars involved.

A huge accomplishment of something that had been forty years in the making, this was attempt twenty-four, and success happened. It is known as the Regional Transit Authority for Southeastern Michigan and it was a great effort of people working together and I want to thank you for all that hard work. I do have one particular announcement on that front; I am announcing tonight the chair. I get one appointment as the chair of the RTA and for that great group I couldn't think of anyone better, the person that will serve as chair is, Paul Hillemonds. Many of you know Paul and his track record, it's fabulous. Then on the legislative side, I want to give a shout out to Senator Tom Casperson, for his great work in making the RTA happen along with many other transportation issues. It's a very quotable line: a Yooper brought mass transit to metro Detroit. Another thing I want to mention, that wasn't done by this body, but was really important to our state, and I want to acknowledge, is the great achievement that they are just starting, but it will be critically important and exciting, is a project in Grand Rapids. It's a public/private partnership. They are going to put the 'Rapids' back in Grand Rapids. To make it a recreational place where you can go kayaking and do other great things. It's a great environmental win. So, I want to thank the people in the Grand Rapids area for that great hard work.

Also, on the jobs front, I want to mention a program that many people don't know about, probably in this group or most of our citizens don't, it's called Pure Michigan Business Connect. It was an idea that I just viewed as common sense and am working hard with the MEDC to really make it happen. And, what's the concept? It's not about the government spending money, it's about asking Michiganders to do more business with Michiganders. Simply doing match-making. Getting people signed up and working together. How's that for a great concept? Well, it works. We started it last year, couple years ago actually, but the progress has been tremendous and it started, on the buying side in terms of purchasing more, with our two big utilities, with Consumers and DTE. Happened on the lending side with two banks, Huntington and Fifth Third and to give you an update, since 2010, in 2011 and 2012 there has been over \$800 million more purchasing done in the state of Michigan than was otherwise done and there has been almost \$2 billion of additional loans made in the last two years because of these programs. It's going so well and so exciting that I was proud yesterday to announce that Ford and Chrysler are also joining the program. Let's keep this going; let's get Michiganders buying more from Michiganders, because that's more jobs.

Now let me turn to the people front, which is critically important, and we don't talk enough about that, because we have some people in need still in our state. We need to do more to reach out and give them great service. One program I am tremendously excited about, it gets me excited just talking it, it's called Pathways to Potential. And I give credit to the Department of Human Services, Maura Corrigan, for coming forward with a program like that. And what's the concept? Let's get people out of the government office. What we are doing is, we are getting social worker's, we are calling them Success Coaches, we are asking them to leave the government office and go work in the local public elementary schools. We're already doing that in 21 schools and are foremost in need cities with the highest crime and the biggest challenges; Flint, Pontiac, Saginaw and Detroit. By February of this year, we will have over 135 schools, where we will have Success Coaches in them. That is what government should be about. It's not about sitting in a government office waiting for your customer to come to you, it's about going to the customer, serving them in their neighborhood, understanding their issues better, taking better care of them, showing success. I am happy to share one success story with you. I would ask that they stand, there are three people I would ask to stand, a success coach Dana Trafelet, Yolanda

Foster, a client, and she has her son Joshua. If you could all stand up. Thank you for joining us. And to quickly tell you the story, Dana was put in a school and on the first day of school, one of Yolanda's children came in, one of her daughter's came in, in flip flops and Dana had a chance to talk to her and learn about Yolanda and her families' situation. They were living in a homeless shelter. Dana worked with them. We got them into rental housing. Joshua was having challenges in school and if you look at it Joshua needed some help on that front. Yolanda is currently working part-time now, and is working towards her GED and a full time job. And, Joshua is doing well enough in school, from what I understand it, that he won the most improved award in both math and attendance. They had come from the South and what I would say to them is thank you for coming to Michigan, and welcome to Michigan, and thank you for sharing your story. Thank you.

So a great success. Another great success is our Summer Youth Initiative in terms of putting young people to work in foremost challenged communities. This last year we did over 750 kids and in terms of that outcome it's been wonderful. It's been lead by the DNR but it's about public/private partnerships. There are many community organizations participating in this and I wanted to recognize one of the people, I could have done many, but in terms of that person, I ask Anton Stinson-Winters to stand up. Anton Stinson-Winters is actually a very shy person from what I was told, but I appreciate him standing up in this room, because Anton's a success story. Anton is from the east side of Detroit, he's currently going to Macomb Community College, but in terms of activities, as I understand it, you have done basketball and bowling. And, by going through this program you had great exposure to many other wonderful things. Anton is now to the point where he has actually applied for a position with the DNR and is looking at other opportunities and this is the kind of success story and I appreciate you won an award for outstanding performance and perfect attendance in this program, so congratulations for your hard work. It pays off and I look forward to seeing you be a success story in Michigan. Thank you.

One other area that we made tremendous success in last year, was with autism. That was something that was very moving to me. If you look at it we have at least 15,000 young people that are qualified candidates to get assistance and we have evidenced-based systems that can materially improve the quality of their life. To allow them to have a great family life, to be successful, it's wonderful. If you think about it there are no losers. It helps society in terms of being more successful and I really appreciate so many people here who reached out to make that legislation happen. In particular, I want to recognize three people, Senator Rebekah Warren, I want to recognize Senate Majority Leader Randy Richardville, who took up this cause from his very first days in legislature and Lt. Governor Brian Calley for their teamwork in making this happen.

One area we did that I am really proud of is Healthy Kids Dental. It's about giving kids in need better dental coverage and it makes a huge difference. We now have over 440,000 people in Michigan in this program, but we have a long way to go. But, I am proud to say in this current budget year we are adding another 90-some thousand and this is an awesome program we should just continue until we get all the kids in Michigan covered in some fashion, because materially, it affects their life. But, thank you for adding those extra 90 thousand kids. It will make a difference in their lives.

Good Government - There is a topic you know I would get focused on as an old CPA. One thing I would say, one editorial comment is, we're a role model. I wish Washington DC would follow the model we are creating about the basics that we're doing here. So if you talk to someone in DC, you should tell them to look to Michigan, we do things right. Let me give you a couple illustrations of that. Back in 2010 when I took office, we looked at the Rainy Day Fund, and what was the balance in the Rainy Day Fund? \$2 million - enough to run the government for thirty minutes. The current balance in the Rainy Day Fund is in excess of \$500 million. That's success.

Another huge win, was on retirement reform, in two ways. The first way is, we materially reduced the liabilities, the future liabilities of our citizens by over \$21 billion that equates to 22 hundred dollars for every man, woman and child in the state of Michigan. In terms of, those are real savings that will accrue to their benefit that they otherwise would have had to pay. The second piece of it though is important, that the people in those retirement programs can count on having those retirement dollars show up when they retire. We had not been responsible in terms of state government, we are being responsible now, so I am proud to say and stand up for those future retirees. We're going to work hard, we're going to continue on this path and we will have a funded system where you can count on having that retirement check when you do retire.

One of a couple other items is employee empowerment. We worked hard on getting state employees more fired up and active in the process. I want to credit the Lt. Governor and a great team with something, of coming up with Bureaucracy Busters. It was basically a creative environment where they could go on line and submit ideas. We had over 10,000 state employees participate, they put in over 1,000 ideas, there was over 100,000 votes for different ideas and we are implementing a number of those key ideas, and recognizing the winners and we're just going to keep that program going. It's really cool. It's about getting excited employees. This is not about being caught in a bureaucracy; this is about serving a customer, our citizens.

And then I want to recognize something that is often overlooked, we probably had the largest court reform, potentially in the United States, happen right here in Michigan, and it was in large part due to your work in the Legislature. In particular,

I want to thank Chief Justice, Bob Young and the Supreme Court and the entire Judiciary for their involvement in this process, which talked about performance measures for courts, it talked about court consolidation and it talked about concurrent jurisdiction. That fine work is going to continue and I want to compliment the court and all your fine work and your colleagues on moving ahead and bringing us leadership in the country on these topics. So, thank you.

Now 2012 wasn't all cheerful for all of us. At the end of the year we had a difficult time. We had a divisive period and it's unfortunate and I wish it wouldn't have happened. Sometimes it does happen in this world and what I would say to all of you is, I hope we can work together. I hope we can work to avoid those kinds of situations and one of the most important things we do is, we can have policy differences. We can have different perspectives but ultimately, we're hired by the citizens and the people of the state of Michigan and our responsibility is to give them great customer service. To give them the best customer service, is not dwelling on our differences, our different perspectives and those kinds of issues, it's really stepping up to say; 'How do we work together, with respect, to make sure we do the best job possible?' And, I appreciate that people had different perspectives on issues, and what I am saying is I am going to work hard to find common ground where we can work together and I hope all of you join me in doing the same thing.

To 2013 - I am going to go through a numbers of legislative apps and other actions and then I am going to give you a road map on other activities we have going. I am going to start with the toughest thing first; jobs, people and good government, again. But, I am going to start with the toughest single issue that I think will hopefully be before us, but we are going to get it done. It's called our roads. As we know, it's not just roads; it's bridges, it's rail, it's harbors, so please don't misunderstand me, but I am going to talk in terms of roads. But it's that famous statement, I have done hundreds of town halls in Michigan and I have asked the question, 'does anyone in Michigan like their roads?' I have not seen any hands go up, after 100 plus town halls. It's time to do something folks, we need to invest more in our roads and to put it in simple sense, it's time. I talked about it last year and I want to move ahead in asking in good partnership to say, let's do something to put more resources into our roads and redo our road distribution formula. Both ends of the equation, both the sources coming in and how we use those dollars. Now, the tough question is you get to the question of, we need more dollars for roads, what does that actually mean? Well again, I am a CPA, I actually believe this a package program to save us money. This is not about costing us money, this is about saving us money and building for the future. So let me walk through the steps. If you look at it we need to invest at the state level \$1-1.2 billion more a year. I also want to provide for a local option for an additional couple hundred million dollars of additional revenue and these are really user fees. When I say additional revenue, let's be blunt, these are about user fees. You got a car? You're using the roads. You buy gas? You are using the roads. So it's about user fee increases to pay for this and what's the numbers? Again, if you stop and look to say it's an annual amount of roughly a billion dollars. Where would we be in ten years with this or without it? With this you can say, well, we put in a billion dollars a year for ten years, that's \$10 billion, I can do the math on that. Well, we have done some analysis to say what would our bill be if we didn't spend that billion dollars a year. Well, that bills in the range of \$25 billion. So, this is just like looking at the question of, do you get oil changes on a regular basis and do you pay for that, or wait for an engine rebuild? So, by investing that money on a consistent basis over the next ten years, it will save us more than \$15 billion, that's gigantic. That's the first step. But, it only gets better. What's the next thing that would happen if we invested those dollars? One of the problems and reasons we see our citizens so upset is there incurring, besides getting their additional dental bills from being bounced around, they have additional car repair bills. So what we did is, we look at the average car expense in Michigan compared to the four surrounding states. On average we spend \$81 more per vehicle than the surrounding states do. Now that billion dollars that I said we would need equates to about \$120 year per vehicle, and that varies depending on your usage; how much you drive and the value of your vehicle. So that \$120, there's potentially \$80 of offset right there. But, wait, there's more, if we invest that billion dollars a year, it will create over 12,000 jobs in Michigan; that's a lot of jobs that helps the economy a lot. And the last one is, and there is no price you can put on this, and I want to ask you a question, how many people here know someone who has lost their life in a car accident? Think about it for a second, but I bet most of us know someone who lost their life in a car accident. If we do this we have done some work to say that we would save nearly 100 lives a year. One hundred lives a year each year. There is not price you can put on that, so if you step back and look at this, this is an opportunity to say let's just do the right thing and invest in our roads, keeps our citizens safer, create jobs and have us save a whole lot of money and not stick our kids with a big bill. So, I encourage people to work hard on this and I want to give a shout out to Senator Kahn who has stepped up to be a leader on this issue and I encourage other legislators to join Senator Kahn in moving us forward.

In terms of another piece just down the road thing, one piece of legislation I am also asking for is automated vehicle registration. In terms of saying they are coming up with autonomous vehicles today, Google and other places now, in long term, are going to have vehicles that may not even have people in them. I am not suggesting that now, so don't get nervous, but California, Florida and Nevada have already passed legislation on autonomous vehicles. They're ahead of us and aren't we the automotive capitol of the world? So, I think we should be stepping it up here and make sure we are on the forefront of advances and vehicles and opportunity, so I encourage that legislation.

Now, I am going to talk about something, that's talking about schools and kids, but I have it under jobs. You can put it under jobs or people. But, the point of getting a great education is having a great career and being successful. So to give you one illustration there, one of the things we have, is we have a situation where we are not getting enough performance out of our educational system. Only 17 percent of our kids are college ready. That is absolutely unacceptable. Over 60 percent of our kids have to take a remedial class when they go to community college. That is absolutely unacceptable. And, the toughest places we have, is we have groups of schools that are persistently failing schools. So about two years ago, we started coming up with a concept of saying why don't we come up with a truly innovative format to deal with most persistently failing schools that can be a forum, a place to talk about innovation and education and really show student growth. Well, we did, and those schools opened this last September. It's the Educational Achievement Authority. There are 15 schools in the Detroit area and this is not only a Detroit project. The goal is to say this should help things all across the entire state of Michigan. So we took 15 schools that were among the most persistently failing and put them into a system of schools, not a school district, but a system of schools to put the most resources possible in the classroom. To have a longer school day, to have a longer school year, to have three meals a day, but even more importantly to have a student centered learning model where the students are driving their own educational growth. In EAA there is no such thing as failing a grade; there is only a question of how long it takes you to master a level and I think that is a very important opportunity for people to look at. It is working. I am proud to say the Gates Foundation gave it one of their Break Through Awards for innovation in education. It's off going well. And, what I would ask you to do is pass some legislation, I asked you to do, we talked about the later part of last year, but also to come visit the school. So tonight I am offering an open invitation to every legislator to come visit the EAA and go talk to the kids. In particular I am happy to say we have a couple people from Brenda Scott Elementary Middle School. We have the principal Marques Stewart and we have Kenta Roberts joining us up in the gallery. Now in terms of Kenta, and I want to share a little bit if it's o.k. Kenta. Now, he was a challenged student in terms of behavior and performance in the classroom. He got into the EAA and he's gotten very engaged. He's in level 13/14. When I ask the kids 'what grade are you in?' They said, 'we're not in grades, we're in levels.' So, I appreciate that. He's done very well. From having a challenged beginning, in November he was student of the month and he's on a path to being actually a mentor for younger students in the school. And Kenta, go for it. You got my support. We're looking for good success.

On budget-related items, I am not going into budget details, but I am going to tell you these are things that we will have in the budget that we think should be a priority for attention. The first one is in the Great Start Early Childhood area. We have 29,000 students that are eligible for a program to get them into preschool. I don't believe we can accomplish all that and I am hoping to come up with creative ideas to get there. But, I think it is important we make a major budget commitment to get as many kids as possible and get us on a path to getting all those kids in Great Start Early Childhood program. So I ask for your support for that.

And, the second thing is on the skilled trades screening side. There are opportunities there for us to do much better. Because, skilled trades, there are open jobs in Michigan that we are not filling. And on that topic, I am really looking forward to working with several representatives on hand, Representatives Johnson, McBroom and Nesbitt. So thanks for signing up to help me be part of the team to get things done there.

I actually have to apologize, I forgot one shout out on education I missed, but I don't want to say it's least, because it is really important. I want to thank two legislators, who have been huge on the EAA, but all our education reforms, and that's Lisa Lyons and Phil Pavlov, so thank you for your fine work on that.

People: insurance reforms is the first category and there are two or three items here. One is simple we should go back and do Blue Cross & Blue Shield and I hope that is something we can take up early, get done and move forward, because it's really preparing us for the health care market of the future.

The second area is about auto insurance. If you step back and before I talk about the specifics, let me set the stage on auto insurance in Michigan. We are the tenth most expensive state in the nation; in terms of no-fault, in terms of claims coming in, the severity of claims, we far exceed every other state in how expensive our claims are. The average claim in Michigan is \$44,000. The next two states are \$17,000 and \$10,000. That leads to high auto insurance costs for people, our citizens, our customers and we have three of the top ten most expensive cities for auto insurance. We have Detroit at #1, we have Novi at #6 and we have Muskegon at #9. It's time for some reforms, folks. And, the two reforms I am talking about are first we should reform no-fault. It is time to do that in a thoughtful way. The second one is in the area of insurance fraud. We should create an Insurance Fraud Authority to address issues there, so that we can bring benefits to our citizens. So both those things I really encourage people to work on. Also in the insurance area, the insurance industry and the financial service industries continue to be more and more important in Michigan. Because of that, I have signed an Executive Order to create the Department of Insurance and Financial Services and I think it's a great opportunity and I know we have a great director in Kevin Clinton, all ready to go. So, we are going to move that ahead and create anew there, because it will lead to more and better jobs in Michigan.

Veterans - This is a topic I have talked about before. But we need to constantly and vigilantly keep working veterans issues. Two or three things, first I want to say thank you for the good legislation at the end of last year in terms of opening

up occupations, easier licensing, for veterans with backgrounds in being an electrician, a plumber and a security guard. But I think there are more occupations we could add to that list, where it is easy to get them licensed and they include truck driver, mechanic and EMT. So I encourage the legislature to take up the bills early and get those things done. Thank you.

And along with that, tonight I am happy to announce we have received something for the United States Veterans Administration, which, the state of Michigan is now going to be an accredited body. What does that mean? Well, we got great veterans service organizations in terms of people participating in that, in terms of the American Legion, Purple Heart Association, the Vietnam Veterans, the Veterans of Foreign Wars, many good people are doing that work, but now we can work with them better. We can collaborate better, we can partner with them better, we can prosecute more and better claims for veterans in terms of benefits. So it's a major achievement and it was good hard work and I want to thank all the people that made that happen. I also want to recognize the veterans organizations that we have here today, so if you take a stand so we can recognize you, thank you. Thank you. And in terms of that, it's been part of the Department of Military and Veteran's Affairs and it deserves more attention. We are going to create a new agency by the end of the week, the Veteran's Affairs Agency to really step forward to consolidate work and do better work for veterans, so we are staying focused on this and we are going to show better results.

Mental Health - We need to do better. We started investing in that and we've done some good work with mental health courts. But, the issue is, we should be doing more to help people before they show up before a judge. So what I am saying, we need to work together in partnership. We'll put additional budget resources towards, but we need to partner on coming up with great demonstration budgets on how to engage mental health issues more effectively. And get communities more involved creating more public/private partnerships and take care of people that deserve better attention that will benefit all of us. So, let's work on mental health.

Strengthening neighborhoods and communities - This is an area that I think we can show good bipartisan teamwork on, we should be working together on. If you look at it there are two or three key topics on this one... abandoned properties, I am going to ask for legislation to deal with slum lords and people taking advantage of people that are buying properties, not paying their taxes, and not caring for people renting properties the right way. We need to stand up and do something about that, it's not right. The second area is metal recycling in terms of taking valuable metals in the sales process. We need to do something in that field because that is an abuse that is taking place, not just in neighborhoods, but statewide.

In terms of stepping forward, we need to work even more on the public safety fund. We made a major initiative in the past but it was never a one year initiative. It is going to take multiple years working consistently to do that. So, I think there is a need for even more troopers, there's a need for even more resources and I am going to call for new legislation for a next generation 911 system, so we can do a better job on public safety. And, in terms of these efforts I really look forward to working with Senator Smith, Reps. Ananich and Stallworth, in terms of being partners and getting some stuff done. So, how about working on this issue together.

Good Government - One of the things I am calling for is we do a pretty job of fiscal notes and bills, but that's not good enough. What I want to ask is that we look to the concept of tie-barring bills that take dollars into account, that require dollars and actually put them in. Also, to say they won't go forward until there is an appropriations bill that figures out how to pay for them and where that money is coming from. Also doing that with respect to capital items and not just operating items. So if you want a bond, let's put the debt service in and not just leave that debt for the future.

In terms of transparency and openness, I am looking to partner with Secretary of State Ruth Johnson, working together in that area. There are a number of things we can go there. Ruth has come forth with some great ideas of online voter registration. We should be looking at in-person, no reason absentee voting, when you have photo i.d. We should be looking at reporting requirements for campaigns. We should be looking at campaign limits and we should be looking at the local election administration. So, I am looking forward to working with the Secretary of State on a good package of things to jump on this area.

Ethics - We need to do additional work on conflict of interest groups, for state and local government. We need to look at those in terms of lobbying. We need to look at the procurement process, the purchasing process. How we better deal with those things. It is important we look at more ways to be effective there.

I also want to give a shout out to Attorney General Bill Schuette. He's been very vigilant in these things and one of the achievements he did this last year was going after things that were not right, was the mortgage settlement. So, thank you for your hard work and effort on that, Bill.

So, those are the lists, there are about a dozen and 1/2 things out there that I think that are important.

Now, a road map for next year. I thought this was very helpful in the past in terms of different activities and this is not a year of special messages, this is a year of summits. A little bit different take of doing things. About bringing people together to talk about issues in a serious way, making plans and getting stuff done. So the schedule looks like this: In February, we will be back with the budget, February 7, much as we have done in the past.

In March, I plan on doing an Economic Development Summit to focus in on talent. Again, skilled trades, the needs for university graduates in engineering. Also, on how we can work better together on regions.

In April, we are going to do a state-wide Education Summit, where we can take the outcome of understanding where future employment needs are, future career opportunities. Take that in April and have a great discussion about how we can have a better job on supplying the talent. Those jobs are out there those employers need and getting a system that is designed to create careers for our educational system, even better than we have today.

In May, we're going to have the report on our land strategy. We own over 4 million acres; we have no strategy today. We need to have one and we are going to get that done.

In June, I was proud to be elected the co-chair of the Great Lakes Governor's Council and what we are going to be doing. I have already invited the other Governors and Premiers, so hopefully we will be holding a session on Mackinac Island, bringing Great Lakes' Governors and Premiers together, to talk about what, and how, we can do more to protect and enhance and benefit the Great Lakes of our wonderful state, which, we all love. So that's important.

And one last item, because I talked about in terms of road map, is actually out to December which is about energy. In my special message on energy, I talked about the need for a state long dialogue on what should be goals for energy efficiency and for renewables because I do believe in both those concepts and we should have a statewide dialogue in looking at the changes that need to be made by 2015 if not before. So let's be proactive on it and let's work together on that topic. So there's a road map of different activities.

Now what I would like to do is in terms of closing, is try to put the big picture out there a little bit. Because in many cases over the last two or three years, I occasionally get criticized. I know I could get a laugh out of that at the start. While one of the things I get criticized for is trying to do too many things or taking on too many big problems. Problems that people say, 'it's been a problem for twenty or thirty years, why are you doing that?' And, as you know, typically I will take on several of those a year. Why does that happen? Well, it's simple. We do need to reinvent ourselves. Who here would like to be back in 2009? Did you know of anyone that would like to be in the Michigan of 2009 again? And, it wasn't in 2009 it was the last decade. We lost over 750,000 jobs, our state shrank. Now it's just not about that mess that I get so passionate about doing this, it's about 44 years what makes me really passionate. I only have two charts on my wall in my office, one of those charts is a chart that shows Michigan's percentage of the national economy from 1964. The high point was 1965, we accounted for about 5 and 1/4 percent of the U.S. economy. That chart, that line, it has some ups and downs, but it goes downhill for 44 years until 2009. It ends up just a hair above 2 and 1/2 percent. Our role in the national economy, reduced by more than half in those years. We started to come up again, we have been coming up the last two or three years. I don't intend to see us go back down again and just say it was another blip. That's why I act like this. That's why we have dog years. That's why we have relentless positive action. It's a commitment to say, can't we have 44 years of going up now. And, that requires hard work and that is not an easy thing to do. And the greatest to make that happen, is not any piece of legislation I mentioned, it is not any of the great reforms we have already done. The greatest challenge in doing that is really simple. We just need to go look in the mirror - it's us. I've lived this too many times. I got out of school in 1982, unemployment was over 15 percent in Michigan at the time. I've heard a lot of talk from a lot of people, talking about the very same things we are doing now. What happened? Back in those days, the auto industry came back, 1984 and 1985 were some really good years. Everybody forgot about the ugly times and all the talk about really reinventing things, so all we did was have another way stop on the mess to going to the bottom. This is our opportunity, folks. This is a special privilege to be in an elected office, to be a servant of our citizens, to say we have the opportunity to make that trend line keep going up. I am going to give you one tangible illustration of it; how we act this year, will help decide, have we got it or not. And that's an issue about asking for the billion dollars for user fees for the road. I can tell you in a traditional political world, I talk to political people, I talk to government people, they have a mind set of cash in and cash out, let's look at one year, what are the politics of this? The road funding formula, we are proposing, would go nowhere. That's the old broken model of the public sector of government. That's plain politics. If we step back for a minute and said we're a family, we're a family of 10 million people and we're sitting around the kitchen table and we are saying 'what's right for our future?' We sit there and say 'we've got a chance to make payments for the next ten years that would save us 1-1/2 times what we are otherwise going to have to pay? And, we can save lives. And, we cannot stick our kids with a big bill.' This is a no-brainer. This is common sense. Every family in Michigan would decide to do the road project. That is something we need to think hard about. So, we can decide how long we want to argue about it, how political we want to make it, or we can just use some common sense and get it done. Because, again, if you step back and look, we're not here for us, it's an honor and privilege to be elected and we're here to serve 10 million people that are counting on us. So let's get the job done. So this is our opportunity. Thank you. You can see I do love this job in terms of passion, because it is a special chance. This is our chance to say we are doing the right thing today and I get passionate. All I have to do it look here, three kids; so, let's work together, let's use relentless positive action. No blame, no credit, common sense, solve the problem, step forward, re-invent Michigan and be proud to say we're creating a path and making a better place for all of us today and for our kids and their kids. So, enough talk for tonight, let's go to work tomorrow, let's re-invent Michigan and God Bless Michigan and all of us.'

The business of the Joint Convention having been completed, the Governor, the Justices of the Supreme Court, the Judges of the Court of Appeals and the State Officers withdrew.

Representative Stamas moved that the Joint Convention adjourn.
The motion prevailed, the time being 8:05 o'clock p.m.

The Lt. Governor and members of the Senate retired.

The Speaker announced that the House of Representatives and Senate had met in Joint Convention and had listened to the message of the Governor.

Rep. Stamas moved that when the House adjourns today it stand adjourned until Tuesday, January 22, at 1:30 p.m.
The motion prevailed.

Rep. Zemke moved that the House adjourn.
The motion prevailed, the time being 8:10 p.m.

The Speaker declared the House adjourned until Tuesday, January 22, at 1:30 p.m.

GARY L. RANDALL
Clerk of the House of Representatives

