



## **Highlights from Governor Snyder's 2015 State of the State**

Last evening, Michigan Rick Snyder delivered his 5<sup>th</sup> State of the State address and the first of his second, and final term. Rather than take a look back and pat himself on the back for past accomplishments, the Governor laid out an aggressive plan for the future. The Governor announced plans to dramatically reorganize state government and alter service delivery in the state.

Below are a few highlights from the speech.

### **SOCIAL SERVICES**

The Governor announced plans to merge the state's Department of Community Health and Department of Human Services into a new 14,000- employee Department of Health and Human Services. The Administration is drafting an executive order that will be issued in the coming weeks. The intent is to restructure government in his second term to better help those in need by making the state less "program-centric" and more "people-centric." The combined departments would encompass a whopping 46 percent of the entire \$52.3 billion annual state budget. It is not yet known if there will be layoffs of state employees or how a merger of two large departments will impact existing programs. Current DCH Director, Nick Lyon, who is the interim Director of DHS has not been named as the permanent director of the new agency but will definitely be in a leadership position after the merger.

He also called for bolstering programs such as Pathways to Potential, which embeds social workers into public schools, and Community Ventures, which has led to nearly 3,000 unemployed residents of Detroit, Flint, Saginaw and Pontiac landing jobs.

### **ROADS**

Snyder called for voters to support the passage of a constitutional amendment on the May 5 statewide ballot that would increase the state sales tax from 6 percent to 7 percent as part of a deal to funnel \$1.3 billion more into roads, bridges and public transit each year. There are ballot proposal groups organizing on both sides of the issue and a \$10-15 million dollar campaign is expected in the run up to May 5<sup>th</sup>.



## **EDUCATION**

Snyder asked legislators to authorize spending for an outside commission to focus on third-grade reading — considered a critical benchmark — and other prenatal-to-third grade issues to improve children's outcomes. He will give more details on February 11th, when he presents his Executive Budget Proposal for the 2015-16 fiscal year.

The Governor will also increase efforts to improve the transition from high school to higher education, with a focus on career counseling, technical training in the skilled trades, and dual-enrollment and online learning. He plans to include specific trades-related spending ideas in his budget proposal.

He outlined but did not detail his desire for improved accountability and transparency in local schools and governments. He earlier announced an "uncoordinated" educational environment in Detroit, which has traditional schools, charter schools and a state-run turnaround district for failing schools. Snyder is waiting for the Coalition for the Future of Detroit Schoolchildren, which formed in December, to make recommendations after a three-month review.

He also renewed a call for lawmakers to put in place a new statewide evaluation system for public school teachers and administrators. This is an issue that received much debate in the previous legislative session but could not make it through the process before the end of last year.

## **ELLIOTT-LARSON CIVIL RIGHTS**

Snyder urged continued debate on legislation that would amend Michigan's civil rights law to prohibit discrimination based on sexual orientation or gender identity. Bills stalled last year in the Republican-controlled Legislature, and key GOP backers of the effort have left under term limits. The newly-elected, Republican-controlled legislature has already signaled their intent is not to change the law and that the issue is not on their priority list.



## **ENERGY**

Snyder announced he will create a new state energy “agency” that will combine the Public Service Commission with the energy office contained within the Michigan Economic Development Corporation, portions of the Department of Licensing and Regulatory Affairs and parts of the Department of Environmental Quality. He did not announce if this new agency will be a standalone department or a bureau within another department.

The Governor also called for a rewrite of the state's energy law this year to make it "affordable, reliable, environmentally sound and also adaptable." Under current law, utilities must generate 10 percent of their electricity from renewable sources by the end of 2015, and Snyder and legislators are expected to debate boosting targets for green power and energy efficiency for future years. Another issue is the level of competition for business customers between dominant utilities and alternative suppliers. He will wait to detail more specifics in March, when he plans a second special message on the topic.

## **JOBS**

Snyder said he will appoint regional "prosperity" teams of experts to ask communities around the state how the state can help with job creation and additional turnaround efforts.

## **COST OF LEGISLATION**

Snyder called for a fiscal note process in the Legislature, so lawmakers must find ways to pay for the impact of legislation at the time the bills are debated instead of waiting until the yearly budget process.