



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

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GOVERNOR

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**Granholtm Outlines Next Steps in Transforming Government  
to Improve Efficiency, Cut Costs**

*Reforms targeted at structural deficit, budget process, accountability  
Recommendations highlighted in weekly radio address*

LANSING – Governor Jennifer M. Granholtm today outlined an aggressive agenda to further her efforts at transforming Michigan’s government to make it more efficient, effective and cost less. The governor’s agenda includes steps to attack the state’s structural deficit, facilitate greater service-sharing and cost-savings among local governments and schools, improve management of the state’s finances, and enhance accountability in government. The governor’s speech today was the first of three she will make over the next two weeks to outline her agenda for Michigan.

“Government cannot afford to be all things to all people but must focus on the things that matter most: job creation, education and providing critical services to those most in need,” Granholtm said. “We need to trade in our 1960’s model state government for a new sleeker, smaller state government designed for the 21<sup>st</sup> century.”

Included in the governor’s agenda are steps to further reduce the structural deficit, facilitate local government and school district cost-cutting, enhance accountability in government, and modernize the budget process. To advance these goals, the governor is proposing to:

- reduce costs by providing positive and negative incentives to encourage 7,000 eligible state employees and 39,000 eligible public school employees to retire;
- increase state employee participation in a new health-care plan that maintains critical benefits for new state workers and their families while reducing the cost to state government by 21 percent;
- eliminate lifetime health care for legislators;
- continue reforming Michigan prison policies to reduce costs;
- shift to a two-year state budget cycle;
- audit state contracts annually and review all tax expenditures biennially to identify needed changes and savings;
- implement pay-as-you-go budgeting;
- give local government, school, university, and other public employees the option to participate in the state of Michigan’s new, cost-effective health-care plan;

(more)

- require competitive bidding of contracts and additional shared services among local governments and schools;
- end immunity for prescription drug companies to enable recovery of Medicaid dollars as in 49 other states;
- streamline elections by allowing no-reason absentee voting, on-line registration, and elections-by-mail in some cases;
- require financial disclosures of all state elected officials and candidates;
- tighten ethics standards for elected officials, appointed officials, and state contract managers; and
- better regulate corporate special-interest campaign spending.

“Businesses and workers and families all have made tough choices and are adapting to the realities of this new economy,” said Granholm. “State government must fundamentally change as well.”

The steps outlined by the governor today are just the latest in a series of actions she has taken to streamline services and reduce costs. Since taking office, Granholm has eliminated five state departments and more than 300 obsolete boards and commissions; cut more from state government than any governor before while resolving more than \$10 billion in budget shortfalls; saved \$1.1 billion by requiring competitive bidding and review of all state contracts; reduced energy usage in state buildings by 23 percent; and leveraged technology to make government less costly and more accessible.

Governor Granholm will deliver her eighth and final State of the State address before a joint session of the Michigan Senate and House of Representatives at the state Capitol on Wednesday, February 3, at 7 p.m. The governor and Budget Director Bob Emerson will present the executive budget recommendation for the 2011 fiscal year before a joint meeting of the Senate and House Appropriations Committees at the state Capitol on Thursday, February 11, at 11 a.m.

State government transformation also is the subject of the governor’s radio address this week.

The governor’s weekly radio address is released each Friday and may be heard on broadcast stations across the state. The address is available for download on the governor’s Web site at [www.michigan.gov/gov](http://www.michigan.gov/gov) together with a clip of the quote above. The radio address also is available as a podcast on the Web site as well as on iTunes and via RSS feed for general distribution to personal MP3 players and home computers. Links to the audio files and text of today’s address follow.

Full:

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Quote:

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