



MICHIGAN HOUSE OF REPRESENTATIVES

Thursday, February 12, 2015

Speaker Kevin Cotter
Speaker of the House
164 Michigan State Capitol
Lansing, MI 48933

Representative Al Pscholka
Chairman, House Appropriations Committee
351 Michigan State Capitol
Lansing, MI 48933

Dear Speaker Cotter and Chairman Pscholka:

Thank you for the opportunity to provide input on our budget priorities for the upcoming Fiscal Year 2015 and 2016 budgets. As you are aware, the January 2015 Consensus Revenue Estimating Conference projected the state will collect over half billion dollars less in revenues than in previous years. We understand there is no easy answer to balancing the budget but below is a summary of the areas we feel are important to address as we move forward.

- **The Venture Michigan Fund.** Over the next three years, the State of Michigan is required to pay out \$50 million in tax vouchers, with the potential for increases in the state's liability in the future. These vouchers create an unstable situation for the state budget each year. Chairman Pscholka and Rep. McCready have introduced legislation which would accelerate the phase out of these vouchers and we support this proposal to limit future liabilities to the state.
- **The Corrections Department.** The Michigan Corrections budget currently represents 20 percent of the General Fund. While total expenditures have continued to rise, reported index crimes have decreased steadily since the 1980's (by roughly 300,000) and felony dispositions are down by nearly 10,000 since 2007. Probationer and parolee populations are also down to their 1992 and 2002 levels, respectively. Governor Snyder has proposed a reduction of \$17.8 million to the Department of Corrections. We encourage the Appropriations Committee to look at any additional reductions or department efficiencies that could be made, which could help ease the burden of potential cuts to other budget areas.
- **The Michigan Strategic Fund (MSF).** Recently, 60 credits were amended by the MSF board with little or no oversight from the legislature. One third of the changes were purely technical, the rest involved changes such as lowering the job and wage thresholds and some even extended the credit timelines which must be met in order to qualify for the



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credits. We would support specific language added into the budget which would require any substantive changes to these credits require legislative approval prior to the vote of the MSF board.

- **The Michigan Public Service Commission.** Recently, the Michigan Public Service Commission testified before the House Committee on Energy Policy. According to the Commission's testimony they appear to be overstaffed with employees who specialize in telecommunication regulations. We would encourage a review of the Michigan Public Service Commission's Full-Time Equivalents (FTE) so that they may better reflect the proportional regulatory demands.
- **Roads.** Regardless of the outcome of the May ballot proposal, not enough money is being spent on our roads. The Governor has expressed how urgent and necessary it is for our roads to be repaired. Our constituents have been speaking loudly and we all agree our roads are in urgent need of repair. The budget should reflect roads as one of our top priorities by dedicating additional monies to make these much needed repairs.
- **Local Law Enforcement/Public Safety.** We applaud the Governor's budget proposal to hire 75 new Michigan State Police Troopers. However, we believe our local law enforcement departments are just as important. Over the past decade our local law enforcement departments have been hit with significant budget reductions. Almost every local law enforcement department is extremely understaffed. The increasing costs of hiring, training and equipping officers are prohibiting our local communities from hiring more officers and deputies. We would support an increase in funding given to our local communities, specifically to help them hire additional law enforcement officers.

Again, thank you for taking the time to consider our thoughts on the budget priorities for this year's budget. If we can be of any further assistance throughout the budget negotiations, please do not hesitate to let any of our offices know.

Sincerely,

Peter Lucido
State Representative
36th District

Lana Theis
State Representative
42nd District

Jim Tedder
State Representative
43rd District

Jim Runestad
State Representative
44th District

Hank Vaupel
State Representative
47th District