

No. 3
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House Chamber, Lansing, Wednesday, January 18, 2012.

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.

Agema—present	Genetski—present	LeBlanc—present	Price—present
Ananich—present	Gilbert—excused	Lindberg—present	Pscholka—present
Barnett—present	Glaridon—present	Lipton—present	Rendon—present
Bauer—present	Goike—present	Liss—present	Rogers—present
Bledsoe—present	Haines—present	Lori—present	Rutledge—present
Bolger—present	Hammel—present	Lund—present	Santana—present
Brown—present	Haugh—present	Lyons—present	Schmidt, R.—present
Brunner—present	Haveman—present	MacGregor—present	Schmidt, W.—present
Bumstead—present	Heise—present	MacMaster—present	Segal—present
Byrum—present	Hobbs—present	McBroom—present	Shaughnessy—present
Callton—present	Hooker—present	McCann—present	Shirkey—present
Cavanagh—present	Horn—present	McMillin—present	Slavens—present
Clemente—present	Hovey-Wright—present	Meadows—present	Smiley—present
Constan—present	Howze—present	Moss—present	Somerville—present
Cotter—present	Hughes—present	Muxlow—present	Stallworth—present
Crawford—present	Huuki—present	Nathan—present	Stamas—present
Daley—present	Irwin—present	Nesbitt—present	Stanley—present
Damrow—present	Jackson—present	O'Brien—present	Stapleton—present
Darany—present	Jacobsen—present	Oakes—present	Switalski—present
Denby—present	Jenkins—present	Olson—present	Talabi—present
Dillon—present	Johnson—present	Olumba—present	Tlaib—present
Durhal—present	Kandrevas—present	Opsommer—present	Townsend—present
Farrington—present	Knollenberg—present	Ouimet—present	Tyler—present
Forlini—present	Kowall—present	Outman—present	Walsh—present
Foster—present	Kurtz—present	Pettalia—present	Womack—present
Franz—present	LaFontaine—present	Poleski—present	Yonker—present
Geiss—present	Lane—present	Potvin—present	Zorn—present

e/d/s = entered during session

Pastor Brad Chandonnet, Pastor of Gospel Light Baptist Church in Ludington, offered the following invocation:

“Dear Heavenly Father,

We come before You this evening thankful for this great land of America. We are thankful for the liberty that we have enjoyed and the prosperity with which we have been blessed. We ask that You would continue to guide our Nation and our State. We pray for those that are serving in public office today, that they would be men and women of integrity. We ask that You would grant them wisdom and dedication in fulfilling their duties. We ask that You would guide them in preserving the principles of liberty granted to us by You and secured by the founders of our Nation.

We thank You for our military men and women and the tremendous sacrifices that they have made in the defense of our Country. We especially thank You for those who have given their very lives for the freedom that we enjoy this evening. We pray for those that are serving beyond our borders today and ask for their protection and safe return to their families and communities.

We also pray for the citizens of our Nation and of the State of Michigan. We ask that You would help us to be a people of righteousness. We ask that we would be a people dedicated to freedom, hard work, and integrity. We ask that You would teach us to follow Your godly wisdom and teach our children to be young men and women of strong character.

We pray for the business of the day that is before us now. Be with the proceedings of the State of Michigan today and the decisions that need to be made by this body. We pray for the Governor and his address later this evening, that You would grant him an extra measure of wisdom. We ask that You would guide him as he leads our State into the next year and that You would lead our State in the way of righteousness, liberty, and prosperity.

We thank You for providing the Savior, Jesus Christ, and we offer this prayer in His name. Amen.”

Rep. Stamas moved that Rep. Gilbert be excused from today’s session.
The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Tuesday, January, 17:

Senate Bill Nos. 893 894

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members on Wednesday, January 18:

House Bill Nos. 5245 5246 5247 5248 5249 5250

House Joint Resolution LL

Senate Bill No. 895

Reports of Standing Committees

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. McMillin, Chair, of the Committee on Education, was received and read:

Meeting held on: Wednesday, January 18, 2012

Present: Reps. McMillin, Hooker, Franz, Heise, Nesbitt, O’Brien, Price, Shaughnessy, Yonker, Lyons, Bumstead, Brown, Darany, Howze, Hobbs and Rutledge

Absent: Reps. Crawford, Stallworth and Geiss

Excused: Reps. Crawford, Stallworth and Geiss

Messages from the Senate

House Concurrent Resolution No. 44.

A concurrent resolution providing for a joint convention of the House of Representatives and the Senate.

(For text of resolution, see House Journal No. 2, p. 8.)

The Senate has adopted the concurrent resolution and named Senators Bieda, Booher, Brandenburg, Hansen, Hildenbrand, Jones, Pavlov and Proos as co-sponsors.

The concurrent resolution was referred to the Clerk for record.

Announcements by the Clerk

January 13, 2012

Received from the Auditor General a copy of the following audit report and/or report summary:
Financial audit of the Michigan Finance Authority, a discretely presented component unit of the State of Michigan, for the period October 1, 2010 through September 30, 2011.

Gary L. Randall
Clerk of the House

By unanimous consent the House returned to the order of

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. Haines, Huuki, Bauer and Lindberg.

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. Peter Van Elderen, Pastor of First Reformed Church in Byron Center, offered the following invocation:

“Dear Lord,

We thank You for being with us wherever we are. We are here tonight as leaders asking to be led by You. We are here as people learning from You to care about others more than about ourselves.

Please lead us where we should go, especially when we think we know the way. Help us to care for others- particularly in those times when it is easier to only think of ourselves. Thank You for the leaders gathered here. Thank You for their dedication and their commitment to the well-being of all people. In the push and pull of issues and political parties, help us all to stand firm on basic principles of compassion for all and help us to stand firm on the use and respecting of the gifts of all people. Help us to stand firm on daring to ask You how we should be compassionate and respectful in our lives and in this government setting.

Thank You for all that has been good this past year. We know that all good things come from You. We see Your hand in people who found employment in the last twelve months. We see Your hand in having resources for those in need. We see Your hand in the functioning of healthy businesses and organizations. We see Your hand in the natural beauty of this state and in the individuals and families who are living their best.

Bless Governor Snyder now as he addresses us. Give him clarity, purpose and compassion. Give that clarity, purpose and compassion also to all who listen to this message. May You be pleased with what is said and, Lord, may we be blessed.

In Jesus’ name,
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 Rendon and Byrum, and Senators Moolenaar and Hopgood.

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 Somerville and Constan, and Senators Caswell and Bieda.

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 Bumstead and Meadows, and Senators Pavlov and Warren.

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 LaFontaine, Ouimet, LeBlanc and Jackson, and Senators Hildenbrand, Schuitmaker, Gleason and Young.

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:

“It is an honor to be here tonight and I would like to start by thanking several individuals and groups. First of all I want to thank the Speaker of the House, Jase Bolger; second I would like to thank my partner in this endeavor, Lt. Governor Calley (he’s still speaking to me tonight after last night). I would also like to thank another key partner of our success, Senate Majority Leader Richardville. I would like to thank Senate Minority Leader Whitmer. I would like to thank House Democratic Leader Hammel, who is feeling better. The members of the Supreme Court, welcome; Attorney General Schuette, Secretary of State Johnson. I would like to thank all the members of my Cabinet. Thank you for being with us. Ladies and gentlemen of the Legislature, thank you for being here and thank you so much. And I would like to thank all my fellow public servants. Public Service is a special thing so thank you for your service to our state. I am happy to see several representatives here tonight, but I want to give special thanks to the men and women of Michigan serving in our armed forces. Thank you for your service. It is truly something special. I want to thank all the citizens of Michigan. Finally, last but not least, I want to give special thanks to my family.

In my first State of the State address I spoke about the need to reinvent Michigan. With job one being jobs. Tonight is a continuation of that journey. In the 1800s we had the National Resources era - Michigan 1.0. In the 1900s we had the Industrial era - Michigan 2.0. In this century **it is time for the Era of Innovation - Michigan 3.0**. We are on that path, we are getting it right and getting it done. To reaffirm the need to reinvent Michigan, let us briefly look back at the past.

Michigan had been decline for several decades with the last decade being particularly difficult. We were essentially tired and broke. In 2011, we made large strides to make Michigan great again. We came together and worked with relentless positive action at a dog years pace. While we should be proud of the progress much remains to be done. So with that, let me get started.

First, let's review a number of key measures on our statewide Dashboard. There are 21 measures in 5 different areas. Don't panic, I am not doing all 21, but I do want to highlight 5 of them and for those at home you can find the entire dashboard at www.michigan.gov/midashboard.

Number 1 is an exciting one, our unemployment, in the last 12 months unemployment has dropped 11.1% to 9.3%. In November we dropped below 10% for the first time in 3 years, in fact, we added nearly 80,000 private sector jobs during 2011. We have shown faster improvement than the United States average and in particular I mention the jobs we've added have been higher paying than the average for the rest of the United States.

Now, number 2 is one we haven't done as well. Obesity in our state has increased 1 percentage point to 32% of the population. This is a disturbing trend. Everyone knows that health care costs are exploding and unsustainable in addition to the human damage from obesity. The key to the solution though is not government but personal responsibility. We as Michiganders need to work together to do a better job on obesity.

Number 3, college readiness increased from 16% to 17%. While it is a 1% increase, this is unacceptable. We need to be 100% college and career ready for our young people.

Number 4, our bond rating. Our actual ratings didn't change, but we are moving in a positive direction. One of the bond rating agencies has increased our outlook from neutral to positive. A good sign that we are headed in the right direction.

Number 5, our crime statistics statewide have improved. While this is good, we have four of the top ten cities on the most violent crime list in the United States: Flint, Saginaw, Pontiac and Detroit and in 2012 we're going to focus on this and resolve this issue.

I'd also like to mention some non-dashboard indicators about our state. Our automotive industry has made a major comeback. Last week I was at the North American Auto Show and I was proud to say that Detroit is still the undisputed auto capital of the world!

The next group I am going to mention has been too often not talked about and forgotten, but they are critically important. They have been the unsung heroes of our economy, and that's the people in agriculture. Over the last decade they have been one of the shining lights for our state and we need to remember we are the second most diverse agricultural state in the nation and we are going to continue to grow and do better. So, I want to say thank you to everyone in the agricultural industry.

Finally, tourism is on a positive path. Pure Michigan is working well, now we just need more snow. As an extra note, I am very excited about dropping the flag on the Soo I-500 in a couple of weeks, one of the premiere winter snowmobile events in the entire nation.

Now I would like to give special recognition. I am pleased to say Dan Musser is with us tonight in the audience. Dan, stand up. Most of us know Dan has represented the Grand Hotel on Mackinac Island and we want to wish him a happy birthday, 125 years and going strong.

I also want to mention our team has been working with Senator Casperson and Representative Huuki, among others, on exciting opportunities in mining in the U.P. and the timber industries in northern Michigan. So thank you.

We are rebuilding Michigan's image, it is a great place to do business. We had a very successful trade mission to Asia. We are delivering on substance now, so it is time to spread the message and that is why I will be making trips to both Europe and Asia to talk about why Michigan is the place to do business in the world.

I want to mention one other index, that doesn't get mentioned much often, it is the Atlas Van Line moving index. For the past 6 years we had more people moving out of Michigan than we had moving in. In 2011 we stopped that trend.

Now, tonight I am excited to count Captain John James of the United States Army as one of the people among us, who has chosen to call Michigan home, because they see a bright future here. Captain James, where are you? Stand up please. Now, while Captain James has traveled the world and been recently stationed in Michigan, as he ends his military service this year, he has chosen Michigan to stay to join the family business, a 40-year-old business, the James Group International in Detroit. Now the James Group International is a very successful organization. It is already working with the Detroit/Wayne County Port Authority to be part of a port revitalization plan. Because of this partnership, this company estimates they will create 15 new jobs this year, so we are pleased that Captain James is here tonight, along with his dad, John and his brother, Lorrion. So, thank you gentlemen for being with us.

So now let's discuss 2011, both in terms of accomplishments, initiatives started that we need to finish and challenges. Two thousand eleven was the year to attack our legacy problems and to change course from downward to upward. The key targets were to create an environment that encourages job creation and to create a financially sound state government.

I truly want to thank my partners in the state legislature. Overall we passed 323 Public Acts in 2011, but more important than quantity was quality. Thank you so much. Working together, we passed a financially sound budget. We had to address a \$1.5 billion budget deficit that demanded tough decisions and I appreciate the shared sacrifices that people made.

Michigan is just like a family. In tough times we have to find ways to live within our means. Working together though, we stopped the practices of using budget gimmicks of taking short term actions that could actually harm us long term. Even in these difficult times, we made payments towards Michigan's long term liability costs, in addition, we made the first deposit in Michigan's Rainy Day Fund since 2004. The fund had run down to a balance that could only operate state government for 30 minutes. The last thing is, this was the fastest budget process in the last 30 years, which was a tremendous help for our local governments and schools. So thank you so much for that hard work and I really appreciate the extra support of our Appropriation Chairs, Senator Kahn and Representative Moss. Thank you.

Next was tax reform. A good tax system has three basic elements: simple, fair and efficient. Our system failed on all 3 of these principles for both business and individuals. So working together, we eliminated the Michigan Business Tax. As many of you heard me say, the Michigan Business Tax was just plain dumb. In addition to failing all three principles, it was a job killer that imposed an unfair double tax burden on our best job creators, our small and medium size business people.

Although it didn't disappear until the end of 2011, many business people already gained confidence in our future and have taken action. I want to recognize one example. One example is Neiman's Family Market, it's based in Alpena, which is in Representative Pettalia's district and Hal Neiman is with us tonight. Hal stand up, please. They have already added 5 employees and expect to hire 100 because of these reforms. On the Michigan Business Tax, I also want to give one note of special recognition to Lt. Governor Calley, who helped lead the way and worked tirelessly on the tax reform situation.

We also completed a major reform of our individual income tax system. We changed the personal tax system to one defined by fairness, one that does not treat anyone better than anyone else. We've leveled the playing field to give all Michiganders a fair shake for the long term.

We made major improvements with local government reforms that encourage, more accountability and transparency, better cost management of health care costs and service sharing between communities. For example, we now have more than 35 jurisdictions doing Dashboards. We created a \$5 million pool to fund innovative collaborations between governments, and the first award out of this pool was to Grand Rapids, Flint and Lansing to jointly process their income tax returns. The \$550,000 reward they received will result in over \$2 million in savings over the next 9 years. This exercise in best practice was due to the great partnership with the legislature. I would especially like to thank Mark Ouimet for his effort on this.

We completed much of our education reform package. As I said earlier, our current standing of only having 17% of our students being college ready is unacceptable. Our children are our future and we need to make sure they're not just college ready, but career ready. We need to start with early childhood and finish with life-long learning, whether it is college or vocational.

We launched the Office of Great Start to focus on our young people. I want to thank the foundation committee for helping champion early childhood education. Teacher tenure reform was accomplished. Now, we have a better system to support our teachers, recognize their critical role and create an environment that supports their success. We provide our students and parents with more schools of choice by removing the cap on charter schools. Now we need to make sure we are raising the performance bar on all schools. We have work to complete. I encourage the legislature to finish the work on dual enrollment and cyber-learning. Also, I would appreciate your support on legislation for the Education Achievement Authority, which is our initiative to turn around our poorest performing schools. Our goal is to have the Educational Achievement Authority educate children by this September.

In September, I gave a special message on health and wellness. As I mentioned in the Dashboard we have much to improve. Again, the most important item, would be taking personal responsibility for our own wellness. As you know, I signed up for my own personal commitment. I am 6 pounds towards my goal of losing 10 pounds, but still have some work to go. I ask all Michiganders to join me in this effort. This isn't about whose the biggest loser, this is how we all can win together.

I ask the legislature to continue the work on autism and the Michigan Health Market Place. There are now medically proven treatments for autism. Twenty-seven other states already require insurers to cover evidence-based therapies for autism. The human and financial costs of autism are too high, let's address this important topic. The Michigan Health Market Place is our effort to give people the tools they need to make informed decisions in selecting high quality and affordable care. It's the health care equivalent of Travelocity or Orbitz. When was the last time you called 5 airlines to book an airplane ticket? If we fail to act in a timely basis, we are on a path to have a federally imposed system defined by people who don't live or work in our state. I urge the legislature to seize the opportunity for Michigan citizens.

I am pleased to announce a new program, Pure Michigan Fit. It's a partnership between Gerber, the Michigan Grocers Association and the Michigan Health and Hospital Association to address childhood obesity. It is a nutrition-based program to give parents and caregivers the information they need to raise happy and healthy kids.

We also took great strides this year to protect our most vulnerable citizens. Elder abuse is the fastest growing crime in Michigan. The Senate has already passed bills which give vulnerable adults special witness protection against abusers, allow advocates to speak on their behalf when they are unable to and establish a senior alert program. I urge the House to move the package of bills to my desk for signature.

Michigan is home to nearly 700,000 men and women who have served this country. Many have access to VA health care, but are unaware or choose not to use it because of the cumbersome process. Today, only 19% of our veterans use VA health care. We will continue to work with veterans groups and the federal government to ensure our veterans get the benefits they have earned and deserve. I would like to thank the legislature for their support in this area, especially Representatives Zorn and Franz and Senators Colbeck and Moolenaar. Thank you.

Just as individuals cannot neglect their own health, the state cannot afford to neglect the health of our physical infrastructure. Shortly, a bipartisan package of bills will be introduced to create a system of roads and bridges for the 21st Century economy. One illustration of our current backward system is road funding formulas from 1951, over 60 years ago. Even more important, studies have shown that we are underinvesting in our infrastructure by upwards of \$1.4 billion a year. Now almost no one in Michigan likes our road system. Let's solve this problem. I urge the legislature to begin hearings on this important issue.

Now another persistent problem that we face is a lack of a truly regional transit system for Southeastern Michigan. We're working in partnership with the City of Detroit, with the four surrounding counties and the U.S. Department of Transportation to develop a new bus rapid transit system to service the entire region. It's 40 years overdue. I encourage your support.

Now, the final message of last year was on talent. This is truly a case of last but not least. Our greatest asset is our talent, our people. Now traditionally the public is focused on talent through work force development. Now this isn't good enough. We can minimize waste and add real results for people by better aligning where careers are and will be, with our people and their skills that they have and that they need. We started this process in the fall with Pure Michigan Talent Connect. I encourage all of our young people and anyone looking for a job or career to go to mitalent.org. This new portal is to get our citizens connected. There are nearly 70,000 jobs on this site. If we filled all these positions our unemployment rate would drop by another 2% almost, and many of these are very good jobs by the way, such as welder, accountant or nurse. Again, this is more than simply a jobsite. It has tools for letting people look at their skills and the financial return available for various careers. Please check it out. Our talent agenda also emphasized the unemployment rate. Michigan is far too high for our veterans. For our veterans of Iraq and Afghanistan, our unemployment rate was approximately 29%. This isn't right and we need to act. I encourage all employers to place a priority on hiring our veterans.

We need help from our federal partners to bring immigration opportunities for individuals who have advanced degrees or are entrepreneurs. Having these individuals building businesses in Michigan would create new jobs for our citizens. Right here in Michigan, we need to remember that immigrants were the founders of Dow, Meijer and Masco. We are going to be working on this effort with support from Michigan universities, Michigan Regional Council of Carpenters and Millwrights, the Operating Engineers Unions and the Teamsters. I appreciate all their support and hope others will join us in this effort.

In addition to the special messages, we took a number of other very important actions. First, we began a dialog on reducing taxes on industrial equipment which needs to continue. Michigan's been a world leader in manufacturing and we want job growth to happen in this important economic sector. Now this conversation needs to be done in partnership with our local jurisdictions, since it is a critical part of their revenue. Let's look for a long term solution that generates more and better jobs, while properly supporting our communities.

We accomplished major reforms of our state pension and retiree medical system. These reforms moved to better align us with the private sector, so that we will remain a good place to work, while at the same time, reducing our long-term liabilities by more than \$5 million.

While we focused on more and better jobs and financially sound government, we have also committed to helping the most in need. Government always needs to consider the human side of things. All children need a strong loving network, especially those in state care, so we strengthen our commitment to children's services in Michigan. Of the children seeking an adoptive family last year, the Department of Human Services was able to place 70% or more than 2,500 of these children with a permanent family. But more children become available, everyday for adoption.

Now I would like to recognize one family. The Moreland family of Canton, is a wonderful example of the joys of adoptions. If the Moreland family could stand up please. Let me tell you about the Moreland family. Lamar and Holly Moreland already had 2 beautiful, biological children, Derek and Hunter, but through their work in the judicial and legal system, Lamar and Holly knew they wanted to expand their family with adoption. Last fall, they were matched with the Michigan Adoption Resource Exchange after seeing photos of 12-year-old Dexter and 7-year-old Haley. Everything worked out. Dexter and Haley have made the adjustment and are doing well in school. They have found their forever family. Thank you.

There are two new Public Acts in 2011 that struck a special cord in my heart. One was the extension of foster care services to age 21, instead of age 18 for young adults, who otherwise would have aged out of foster care. This change will make a big difference in their young lives. I want to give special recognition to Western Michigan University, which is already providing special support to 141 young adults in this age group, through their CETA Scholars Program.

The second Public Act I was going to mention was probably among the most emotional for me, personally, at the bill signing and that was the passage of the anti-bullying law. There is no excuse for bullying and after 10 years of effort, we took legislative action. As a person who was bullied when I was young, I say thank you.

Now not all went well or smoothly in 2011 and I would mention two areas in particular. First, we did not succeed moving ahead with the New International Trade Crossing. We need to continue our efforts on this topic, since it's not a bridge issue, it's a jobs issue. One-third of the North American economy can be found by circling Chicago to Montreal. We're right in the middle. Let's not let some special interest hold back a great opportunity for job creation, especially since this project can be done without any Michigan taxpayer dollars.

Second, a number of our cities and schools are suffering major financial distress. This problem is not a new one, but it is an important topic we should fully address in 2012. When I came into office we had six cities or school districts under emergency financial managers. Last year, one more joined us. Now there is a lot of speculation as to why jurisdictions go into trouble. The overriding common feature is that they lost population without a corresponding right sizing of their cost structure, but the long term answer is not simply about cutting costs, it is to help create a financially solid foundation so that growth can occur again. The state's role is to help jurisdictions solve their own problems.

In that regard we passed the Fiscal Accountability Act, also known as P.A. 4. It addressed two main issues missed by its predecessor. First, it helps communities identify and solve problems as soon as possible and prior to a financial emergency. Second, when there is a financial emergency, it is intended to quickly and effectively solve the problems so the community can get back on a positive path. Some people may wonder what we are talking about when the term 'financial emergency' is used. Think about a situation where employees are not going to get their paychecks, suppliers are not getting paid, bond payments are being missed, or financial statements cannot be completed. These are critical problems. The new law is helping and tonight, I want to let any jurisdiction that is struggling with its finances know that we are committed at the state level to be a supportive partner to help you resolve your challenges, I would like to recognize Mayor Bing for being with us tonight. Mayor Bing, if you would, stand up? It is important for all Michiganders to understand that having a thriving, growing Detroit is critical to all us. Detroit has many exciting developments going on and resolving the cities financial challenges would clear the path to a bright future.

I want to thank the foundation community for their support of our Office of Urban Initiatives. This office is serving as our key resource, interfacing with the cities.

Now the last item I want to talk about regarding 2011, is our effort for Regulatory Reinvention. It's underway and will be continuing in 2012. So far, we rescinded nearly 400 obsolete, confusing and burdensome regulations. We need a regulatory environment that is conducive to business growth and job creation, while making sure we are properly protecting our citizens. Now, this year we are going to continue our regulatory reinvention by eliminating rules that simply don't make sense. I am going to share three simple examples with you. First, we have a rule mandating the size of a barber's waste-basket and how many times it must be emptied. I just got a haircut and my barber wasn't aware of this rule. Second, we have a rule requiring child care providers to smile. Finally, and this shouldn't be surprising, and I appreciate our leadership today, but the Department of Environmental Quality has 28 separate requirements for outhouses, including a requirement that the seat not be left up. I don't know about you, but I have a higher authority at home. I don't need the state telling me that. It's going to be an interesting evening.

Now let's talk about 2012. Two thousand twelve will be a very different year than 2011. Two thousand eleven was focused on dramatic policy improvements over a broken model of the past. We've set a bright course for the future. Two thousand twelve is about finishing that work and work left over from 2011, tackling a limited number of unaddressed challenges and really making this year about good government. It's not about big government or small government, it's about good government. Government doing the right things for the right reasons. Let's fully implement what we already started at, giving you our citizens, great customer service.

I am going to do a special message in March that will be on the topic of Public Safety. We need to improve. As I mentioned earlier, we have 4 of the top most violent cities in the United States. This message will have three key components: an increase in law enforcement, major improvement on how our criminal justice system operates and a jobs component. It will focus on the places of greatest need.

Second, in the fall I'll give a special message on Energy and the Environment. We need to be more strategic like focusing on the intersection of job creation, affordability, science and sustainability. We need to continue Michigan's leadership in protecting the Great Lakes, one of the world's greatest natural assets.

Third, I would like to work with the legislature on how to improve our laws related to lobbying, campaign finance and ethics for both state and local government. For example, we should have more frequent and better disclosure of campaign contributions and we should have strong roles governing employment of people, who negotiate state contracts while in government service. On the implementation of good government, we will have efforts on two levels. One track will be focused on state government itself and how it operates. The second track will be a supporting partner to our local jurisdictions.

Now the foregoing principles of good government will be how we operate in this way. Let me share those four principals with you. First, we need to deliver outstanding customer service to our citizens. We need to do this by creating an environment for job creation, creating a great quality of life and providing a safety net for those most in need.

Second, we need to deliver real results for real people and there are three components to this principle. We need to show you, our citizens, measurable results. The Dashboard that I spoke of tonight is just a summary where instituting a comprehensive system that includes Dashboards, which are external measures, and scorecards, which are internal measures.

We need to continue to work on being effective and efficient. We need to eliminate government waste and we need to be thoughtful and humane in all our actions. We are here to serve the people and on this topic I am pleased to say we were successful in the collective bargaining process with our union employees. We came to a winning solution together. In particular, I am looking forward to our joint effort to better empower our hard-working state employees of delivering better customer service to our citizens.

Third, we need to continue to deliver on both short and long term financial responsibility. This year we became a positive role model for the rest of the country on this topic. We closed a large deficit and started paying down our long-term liabilities. We were a clear contrast to the federal government and its debt ceiling crisis. I encourage them to look to Michigan as the place for answers. I encourage the legislature to work together on a repeat performance of prompt and sound budgeting. We don't face a deficit this year, which is great, but let us show real leadership in how to strategically invest and save for the future and not simply spend money because it's there.

The fourth principle of good government is to recognize the state government's role, it is to be a team player and not a solution on our own. We need to continue to serve as catalysts for success and having all of us work together and win together. As I have often said, our world is not to create jobs, but to create an environment that encourages job creation.

Now that I have outlined these operating philosophies for good government, I'd like to share just one example that we actually saw in 2011. The Michigan State Police got rid of their old service delivery model that was based on bricks and mortar and geographic boundaries, and instead focused on where crime occurs. They reduced the total number of state police posts from 62 to 29, making their patrol vehicles, essentially, mobile command-posts and putting nearly 150 sergeants back into the field protecting and serving you, our citizens. Thank you, Colonel Eute and the Michigan State Police.

Now, I want to share the two most frequent pieces of advice I received before I took office. The first one was to be bold. Simply fixing Michigan is not good enough. The second often came moments after the first, which was don't set expectations too high. Now I accepted the first and rejected the second. We are people reinventing Michigan, but it requires such high expectations. You can only build a brighter future by setting a higher standard. In 2011, we set that standard and accomplished many things that many thought were impossible. Two thousand eleven was the year of building the foundation for good government. Two thousand twelve needs to be the year of implementing the good government.

I want to conclude tonight with a topic I have been talking about for years. It's our greatest opportunity. It's more important than any law or regulation. It's fundamental to the reinvention of Michigan and having us become a great state again. Simply put, we must reinvent our culture. We are still too negative, too divisive and too many believe the best days are behind us.

We need to be positive, inclusive and confident that Michigan holds a bright future for our children and their children. It's great to look back at last year and take pride in all the things that were done. Even these things that conventional wisdom said we couldn't do. It's great to have our unemployment drop to 9.3%. It's great that the auto companies shared with me last week that they are all going to be hiring in Michigan in 2012. But, we cannot afford to slow down. We must maintain the sense of urgency that we shared all last year. We must finish what we started. I believe the greatest key to our success in Michigan this past year was due to a philosophy of relentless, positive action; no blame, no credit, just finding common ground and solving problems. I ask that all Michiganders join me in this effort. Together, we will move Michigan forward and become a great state. God bless you and the great state of Michigan."

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 8:00 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. Brown moved that the House adjourn.

The motion prevailed, the time being 8:10 p.m.

The Speaker declared the House adjourned until Thursday, January 19, at 12:00 Noon.

