Our Determination,  
Our Destination:  
A 21st Century Economy

Jennifer M. Granholm  
Governor  
State of Michigan

State of the State Address  
State Capitol • Lansing • Michigan  
Tuesday, January 27, 2004
Before we fill our minds with ideas for the year ahead, let us fill our hearts with thoughts of the thousands of Michigan men and women risking their lives in Iraq, Afghanistan and around the globe. And in particular, I ask you to join me in a moment of silent tribute for the men and women, including those from our home state, who have given their lives in service to our country during this past year.

Thank you.

The state of the state tonight is one of total determination: Michigan will attract and keep good jobs.

The desire which drove me to work for you as Governor, and the solemn commitment I made when I took this job, was to do everything I could to protect our families and educate our children. Like a compass needle that stubbornly points north, tonight that purpose points in one direction: attracting and keeping businesses that create good jobs.

Tonight I will offer a seven-point plan for reaching our shared destination: a Michigan that is the economic powerhouse state of the 21st century. I prefer to think of it as seven roads that lead to the goal we all want to reach: a strong economy that creates good jobs. My belief is unshakable: what job-creating businesses seek most today are the same things our citizens most desire – highly-educated children and adults, high-quality affordable health care, a secure and splendid environment, and an efficiently run government. A higher quality of life will foster a stronger business climate, and a robust economy will foster our ability to deliver quality services. To be an economic powerhouse, you can't have one without the other.

A year ago, I stood before you to say we would not wait for our economic storm to blow over; instead we would work in the rain. The lingering impact of the recession on our budget made it feel, at times, more like a hurricane. But you, our legislators and our excellent state employees, put on rain gear and got to work. We
accomplished virtually every one of the specific initiatives I shared with you as I spoke from this podium a year ago. But that is not all we did. We restored health care coverage to 40,000 citizens. We largely protected our children's education from the deeper cuts that seemed inevitable in our budgetary crisis. Our Department of Transportation, Team MDOT, improved more than 2,000 miles of Michigan roads by focusing on fixing our worst roads first. We put 1,900 violent fugitives back behind bars. We are helping a community, Benton Harbor, heal, and together we saw the state through the largest blackout in U.S. history.

Our citizens and businesses expected that we become more efficient, and we did. In one year I cut more spending than any Governor before me. Together we resolved a $3 billion budget deficit in 12 months. We have spent a year twisting the wet towel of government tight, to wring out ounce after ounce of inefficiency. We trimmed hundreds of millions of dollars by cutting cell phone usage, turning off lights, calling in state cars, limiting out-of-state travel, canceling subscriptions, consolidating offices and reigning in no-bid purchasing. We did, and we continue to do, what you as individuals and business people do every day when the revenues aren't there – you get creative, negotiate well, and above all, learn to go without everything that is not essential.

Today, we have the lowest number of state employees since 1974. Our general fund revenue is the lowest since 1970. Yet, we are providing services to 1.3 million more citizens than we did 34 years ago. We're simply doing more with less.

If you seek a leaner government, look about you.

And so crisis begets opportunity: and opportunity now screams out loud to our local schools and governments to break the mold, not the bank. Most citizens are paying taxes to school districts, community college districts, cities, towns/ships, and counties –often in buildings blocks apart and all of them doing many of the same things. There will be more cuts in the coming budget. So now is the time for quiet courageous local leadership to get beyond turf and politics to promote efficiency and stretch dollars to maximize services to the public. Therefore, local governments should be compelled to consider new partnerships with one another: pooling resources, sharing services, technology, office space, even employees.

I applaud those local units of government who have torn up the turf mentality and replaced it with creativity and collaboration.

School districts must reduce the bureaucracy, the layer of clay that blocks money from getting to the classroom. Universities must coordinate, not duplicate, specialties and services. Expensive hospitals must do the same. Tonight I am directing Maxine Berman, director of special projects, to champion this movement, to work with this patchwork of local public organizations, to remove barriers to collaboration, share successes, provide incentives to mergers, and erode the turf mentality that costs us all too much.

Because in 2005, another billion-dollar gap looms, on top of the three billion dollar gap we have already closed. In two weeks, I will present a budget proposal to this assembly that will impact the long term economic wellbeing of Michigan. You can count on this: it will be balanced; it will protect our quality of life; and everything in it will strengthen our ability to grow good jobs.

My fellow citizens, I will continue to engage you – as I have for the last 13 months – in this discussion about shared priorities and scarce funds. Together we will have to answer some tough questions. For example, what job provider would choose to stay or expand in a state that guts its education funding? What business would locate in a state that isn't working to keep costs down and taxes competitive? What business would expand in a state where the cost of retiree and worker health care is on an endless uptick? What tourist would come to travel over potholed freeways to catch fish that cannot be eaten? What company would feel safe opening its doors in a state that releases dangerous prisoners to save money?

As we face such tough questions with such tight funds, we must not let our focus stray from creating good jobs. And tonight, as you hear this seven-point plan to grow Michigan, under which fall some thirty initiatives that we are setting in motion, know that none will require additional general fund revenues. Instead, we are refining, realigning and redesigning government to move Michigan forward.

I approach the work of strengthening our economy with optimism, because of what we have done and what people say about us.

This past year, despite the recession, our direct efforts helped us create or retain more than 43,000 jobs. We attracted more than $2 billion in new automotive investment. Two major automotive product lines moved from Mexico back home to Michigan. We won the battle for a corporate headquarters when BorgWarner chose Michigan over Chicago for its home. In fact, in this year
alone, the state was rated #1 for corporate expansions and relocations. Traverse City was named the #1 small town in the United States for new business, and, for the second year in a row, Michigan was named the #2 state in the country for its business climate.

But all the #1 rankings don’t mean much if our college graduates are itching to move to another state, and they don’t mean a darn thing to someone who can’t find a job. So, the first four steps in our plan to become an economic powerhouse focus on developing the tools to grow business in Michigan. We will retain the businesses we have, attract entrepreneurs, strengthen our workforce, and support vibrant cities and technology.

**RETAIL BUSINESS**

Step one: address the issues that are most threatening to the businesses that made us great, the manufacturers who dream and design and deliver quality products to the world. We must retain these businesses. In December, I convened a Manufacturing Matters Summit and brought together some of the best minds among our business and labor leaders. The detailed agenda we developed together will guide our fight to retain jobs. Time allows me to discuss just a few points from it.

First, and this was the overwhelming consensus of the bipartisan business and labor leaders who attended our Manufacturing Summit: we all must insist that our federal government pursue international trade policies that level the playing field for our businesses.

Barely a month after that Manufacturing Summit – just two weeks ago – real life delivered a resounding exclamation point to the need for change: the good people of Greenville, Michigan learned that the 2,700 jobs in their Electrolux refrigerator factory are on their way to Mexico. The next day those proud, productive workers went to work, on time, many wearing American flags. And we had worked hard to keep those jobs – offering zero taxes, a new plant and significant union concessions. Losing hurt deeply. But losing steeled my conviction that we in Michigan, and frankly, in America should do everything we can to avoid another such occurrence. As your elected leader, I would not be doing my job if I did not force the question upon Washington and upon you, the Legislature: How can a state so reliant on manufacturing compete with countries paying $1.57 an hour or with countries offering no benefits, no labor and no environmental standards?

In this election season, all of us must specifically call on all those who seek the Presidency – on both sides – to stand up for robust trade, lots of it, but fair trade, so that our outstanding companies and hard-working people will have good jobs in the years ahead. If the playing field in the ruthless game of global competition is level, our Michigan businesses will win every time. But at a time when we are losing so many jobs, American trade policy should not be giving points to the other team.

And if our representatives and leaders in Washington are sincere about helping Michigan’s jobless workers during this job loss recovery, they will extend the benefits that keep those workers and their families fed and sheltered this winter. This month, I sent a letter to Washington asking for an extension of unemployment benefits. For the sake of our families who need a helping hand while they find new work, it is my hope that those written words will not fall on deaf ears.

We also know that to compete, our companies have to be more nimble and decisive than ever. Business told us at the Manufacturing Summit that they just can’t afford to have government unnecessarily slow them down. So, we won’t. Our Department of Labor and Economic Growth will work to implement a sweeping reform of our regulatory process to pitch the reels of red tape and end the endless waiting for those who deserve permits and licenses now to grow their business in Michigan – we will create a One Stop Shop for business.

I am pleased to say that Steve Chester, Director of our Department of Environmental Quality is piloting a new air quality permitting process that will cut from 18 months to less than 6 months the amount of time it takes to get an air permit. I’ve told them: If it’s clean, let’s build it! We will be the most nimble and business-sensitive state in the nation – without sacrificing our environment.

In the weeks since our Manufacturing Summit, we’ve begun to make important changes in our tax system to strengthen Michigan businesses by cutting taxes on employer-paid health care benefits. We won’t stop there. Our State Treasurer, Jay Rising, is leading an effort to restructure business taxes in Michigan to make us even more competitive as a center of manufacturing.

Finally, we also need to use targeted incentives to help Michigan businesses expand their operations here. That is why it was so important that we joined together last month to reauthorize the use of MEGA grants. In the year ahead, we face a new challenge – increasing the number of MEGA grants available to support
business expansion and making the program more flexible, so we can grow more jobs in Michigan.

**ATTRACT ENTREPRENEURS**

The second step in growing our economy is to diversify and grab the attention of entrepreneurs. People still say they are going to work at “Ford’s” or “Chrysler’s,” even though the men who created these companies long ago passed away. But we often forget that little guys with big ideas, and the drive to make them happen, started those enormous enterprises. Today, we need to instill that entrepreneurial thinking – to get our residents and our young people imagining that they have the potential to be their own boss, the innovator, the producer of wealth and jobs, the next Peter Karmanos or Charles Stewart Mott.

And Michigan will attract and grow their businesses at every stage of development – from a big idea, to a promising start up, to a business wanting to double its growth and provide growing job opportunities along the way.

New ideas can create entire new industries almost overnight. But our best new ideas in Michigan can also die in the research lab or someone’s garage or migrate elsewhere if entrepreneurs don’t have access to capital here in our state. Tonight, I am announcing that my Administration, through the Michigan Economic Development Corporation, is creating three new financial tools to help businesses take root in Michigan and grow new jobs at every stage of development.

These new funds will leverage federal and private dollars to make more than half a billion dollars available for starting or expanding 21st Century businesses.

- The Emerging Business Fund will provide critical assistance to high tech firms trying to turn research conducted at Michigan universities into commercial products. Each matching state dollar we provide through the Fund will allow these companies to obtain eight dollars in federal Small Business Innovation and Research funding.
- The Venture Michigan Fund will give technology start-ups in our Technology Tri-Corridor access to the venture capital they need to become successful job producing businesses. I want to thank the Legislature tonight for its critical role in giving a leg-up to these start-ups.
- And our Small Business Growth Fund will give our small and medium-sized firms – the engines of so much of Michigan’s job growth – access to the capital they need to create new business and employment opportunities.

Together these three funds send a half-a-billion dollar message to entrepreneurs and businesses – we will help you grow your business and new jobs here in Michigan.

**DEVELOP A 21ST CENTURY WORKFORCE: NO WORKER LEFT BEHIND**

We must pave a third road to a powerhouse economy because businesses need more than access to capital. They need a flow of human capital – a skilled workforce to give Michigan’s businesses an edge when competition is fierce and margins are tight. In the last century, businesses came to Michigan looking for strong backs. Today, they also need strong minds ready for continuous learning, skilled hands, and an ethic of excellence.

To fill this need, I am announcing that we will completely re-engineer workforce training in Michigan. We will ensure that all job-seekers – whether they’re just entering the workforce or looking for a new line of work – will be trained to do the work that employers need now.

For example, we will follow the pioneering example recently set in Flint. When business, labor, education and community groups there identified a critical shortage of skilled health care workers, they came together to form a Regional Skills Alliance (known as the Flint Healthcare Employment Opportunities Program) to address the need. This Alliance steers the unemployed to training and jobs in health care, while helping hospitals hire first rate medical care workers. It’s a win-win for the Flint area. David Hollister, head of our Department of Labor and Economic Growth, will spur the creation of twelve such Regional Skills Alliances this year to focus on the various employment needs across our state.

And because engineers and technology workers are so important to the Michigan workforce, beginning in the next academic year we will make zero percent loans available to students in our public universities who pursue engineering and technology degrees. They’ll keep that zero percent rate as long as they continue to study and work in Michigan. We don’t want them just to study,
but to stay, and experts tell us they’re much more likely to stay if they find hot jobs in cool cities.

CREATE COOL CITIES

Michigan’s greatest economic successes have always been tied to the creative and productive power of our cities. From the Furniture City to the Motor City to the Cereal City – the fates of our industries and cities have been intertwined from their beginnings. So the fourth way we will grow the economy is by spurring strong regional economies anchored by cool cities. Over the last year, we’ve begun an important dialogue about how we can stimulate the rise of such cool cities in Michigan – cities that attract these young workers and the businesses that rely on their talents.

I am pleased to say that this is a bottom-up movement in which nearly 80 of our communities have local commissions on cool that are uncorking the bottle of creativity and unleashing the genie of possibility – planning everything from bike paths to bookstores to attract more people and new businesses. I applaud the creativity and enthusiasm of these cities from Calumet to Kalamazoo from Saginaw to Saugatuck.

Government can’t create cool, but we can and will target existing resources to support these local efforts to create vibrant cities, centers of commerce – as recommended by the Michigan Land Use Leadership Council. For example, our Michigan State Housing Development Authority, MSHDA, will pilot in 12 cities an offer of incentives and financing to create unique downtown developments where loft housing, art galleries and technology start-ups can all share the same historic brick building. The Department of History, Arts and Libraries will target arts and cultural grants toward main street revitalization in those cities. Young people are rediscovering Grand Rapids, Wyandotte, Ferndale, and Detroit. These coordinated efforts will accelerate that trend – which is an economic imperative. For the workforce of tomorrow wants to live where it’s happening, and employers will not come here if that future workforce – the technology workforce – has left us for New York or Boston or Chicago.

The cable that runs through all of these – not just cool cities, but retaining and attracting businesses, spurring entrepreneurship, and developing our workforce – is the cable of technology. Broadband – high speed internet access to information and customers – is no luxury. It’s a necessity to compete in our high-tech new world. Unfortunately, many areas of Michigan still lack this lifeline to our information-driven economy.

I am particularly pleased to announce tonight that by 2007 we will have brought high speed internet service to every corner of our state, through the work of the Michigan Broadband Development Authority. Just as 50 years ago we used the strength of steel to link our two peninsulas, we will now use the power of this new technology to link every community in our state to economic opportunity. Broadband will be this generation’s Mackinac Bridge.

While our plan will build these four roads to job growth and economic strength, we cannot focus on these approaches alone. To truly grow the state’s economy – to attract new business and new jobs – we must also focus on improving our quality of life. So the next three steps in our plan for economic growth focus on those things that both our citizens and our businesses value: education, health care, and the environment.

EDUCATION

Education offers the fifth road on our map to a powerhouse economy.

Never in history have businesses so badly wanted precisely what we as parents want – highly-skilled, value-oriented citizens who will be successful in life and in the new knowledge-based economy.

Several major approaches will highlight our efforts.

Focus on Early Childhood Learning

The first of these is early childhood learning. Last year we began a revolution in education when we publicly declared that education in our state will begin at birth, not when a child enters kindergarten. Breakthroughs in medical science have taught us that 85 percent of a child’s brain development occurs in the first three years of life. It’s now an accepted fact and groups from the American Academy of Pediatrics to the Business Roundtable have recognized that we must act on this knowledge to give every child a great start in life. And we are.

A year ago when I spoke before you I issued a call to arms asking all sectors of our state to help our youngest children realize their tremendous potential for growth and intellectual development.
Knowing the state of our budget, Michigan's foundations and corporations have answered the call. Through their generosity, for the first time we will be able to make Michigan's R.E.A.D.Y. Kit available to every one of the 130,000 children born in Michigan this year. As a parent I've often wished that my kids had come with an instruction manual. Well, starting this year, in Michigan, kids will. With books and videos, this R.E.A.D.Y. Kit gives parents the information they need to be their child's first teacher – and that is the most important job any of us will ever have. Our Intermediate School Districts too have taken up the challenge and are organizing early childhood networks at the local level, distributing these 130,000 R.E.A.D.Y. Kits, spurring home visits and local pediatrician partnerships to help new parents understand the information contained in the Kits. Our educators know that genius is created in the cradle.

Our Family Independence Agency, and their new director, Marianne Udow, have answered the call by training our FIA workers on early brain development. For the kids in protective custody, foster care, or in families where a parent is working to move from welfare to work, are often the children who are most at risk of irretrievably losing their brain's phenomenal potential.

Our state's childcare centers have also answered the call and are reading to kids a minimum of a half hour a day, as required by a regulation we created in September. Day care centers should not merely provide a bouncy seat and a crib. I have asked Director Udow to strengthen our standards and make child care centers places of active early learning.

Hold Schools Accountable to High Standards, Help Them Achieve Those Standards

Because we believe in our phenomenal teachers and we believe that every one of Michigan's children has the potential to learn, we will hold our schools accountable to high academic standards and help them achieve those standards.

This year our State Board of Education adopted new standards for math and reading for our elementary and middle schools. Our new standards have been judged among the top three most rigorous in the nation. In order to compete in a global economy, we must set the bar high. In Michigan, we do not run from high expectations.

We will embrace big goals because we know that Michigan's teachers will work to achieve them. Later this week, when educators get the reports that say whether they have achieved Adequate Yearly Progress under the federal law, they'll use that information to focus like a laser on how to improve teaching and learning. How do I know? Because it is happening. Tara Fry, the principal at Fairview Elementary in Lansing, and Denise Powell, the principal of Crary Elementary in Detroit – two schools that at one time didn't make Adequate Yearly Progress – didn't throw up their hands. They turned their schools around. Thanks to their dynamic leadership, both schools have now succeeded for three years in a row. Through a new Principal's Academy at the Department of Education, we'll be helping schools across the state replicate their success. It can be done. It must be done.

In our high-priority elementary schools – where our children have been the most challenged to demonstrate success and where families are most likely to need the human services that government provides – we are helping students meet high standards by bringing the assistance that families need directly to them. We've opened 20 full-time, in-school Family Resource Centers right in our neighborhood schools. These are Family Independence Agency offices right inside the school buildings. No longer do we ask families to come to us – to come to a state agency in some far-away office park. Instead services are delivered where they are most convenient, and where children can be best supported. We've been able to identify and prevent problems in ways we never could before. In just a few months these Family Resource Centers are making a dramatic difference to children, families and our schools. This year we'll open at least twenty more. This is no longer a pilot; this is a movement.

And thank you to George Heartwell, Mayor of Grand Rapids, for your recognition of the value of these School Resource Centers in your city, and in your call for Education Renewal Zones. I encourage the Legislature to support the creation of these zones across the state.

As we help our schools achieve high standards, we recognize that today far too many of our students drop out. These young people aren't just dropping out of school; they're dropping out of the economic life of Michigan. So, I have asked six of our Intermediate School Districts to create Learn to Earn centers that will give dropouts the skills they need to succeed in life and contribute to our economy. It is being done, for example, in Genesee County where Mott Middle College is helping hundreds of high school dropouts earn not just their high school diplomas, but college credit as well; and in Detroit where Focus Hope helps those who...
once had lost all hope gain the skills that lead to good jobs as
machinists and even engineers.

Because we have high expectations of all of Michigan’s children,
we will relentlessly and firmly bring them back. We will say to
those tens of thousands of children who drop out every year: we
will not give up on you, and you may not give up on yourself.

And we must also challenge our high academic achievers to stretch
for even more greatness. Each year, we award some 50,000 MERIT
Scholarships to those who demonstrate ability on our MEAP test.
But in my dictionary, “merit” does not only mean one’s ability to
pass a standardized test; to be meritorious is something nobler
than that. So, beginning with the 2005-2006 school year, in order
to collect the $2,500 scholarship, I will ask that every MERIT
scholar be required to demonstrate that they’ve served the
community for at least 40 hours prior to graduating from high
school. As a result of this added requirement, these students
will contribute over two million hours of service in their
communities – helping senior citizens, mentoring elementary
school students, volunteering in homeless shelters, or cleaning
up our rivers and streams. Schools that already have community
service programs tell us that their students grow as citizens of
the world through experiences giving back to the community.
As we see truly meritorious citizens fight for democracy abroad,
how could we not begin to instill a sense of duty and service to
others in our students here at home? Merit demands more than
high test scores. Merit demands high character as well.

Keep Higher Education Affordable

A well-educated workforce requires learning well beyond high
school. The truth is our Michigan universities are extraordinary.
They multiply possibilities for us as individuals and for our
economy. It’s their excellence that makes access to their
classrooms so vital.

That is why we must do all we can to make college more affordable
for those who choose it.

When I issued the executive order balancing this year’s budget, I
asked our universities and community colleges to follow the lead
of our state government, of our businesses, and of families across
our state: times are tough, so tighten your belts and hold the
line against tuition increases. Tonight, I reiterate this challenge
to our great universities and community colleges: keep tuition
affordable, and keep the American dream of college alive for our
young people.

I am pleased to announce tonight that Wayne State University is
the first to agree not to raise tuition beyond the rate of inflation.
I challenge others to follow their lead.

MAKE HEALTH CARE MORE ACCESSIBLE AND
AFFORDABLE

Few things affect the quality of our life and the quality of our
work more than our good health. So the sixth road to making
our economy stronger is making health care more accessible and
more affordable for the people of Michigan.

I offer several ways to improve Michigan’s health.

First, I am pleased to announce that this year Janet Olszewski,
director of the Michigan Department of Community Health, and
I will introduce a Michigan Prescription Discount Card, the MI-
RX Card, that will pool purchasing to allow as many as 200,000
senior citizens and working people with no insurance to cut the
cost of their prescription drugs by as much as 20 percent. In
2003, we realized $25 million in savings on the state’s prescription
drug bill by pooling our purchases with other states. Macomb
County has won national recognition for its prescription drug
discount card. So Nancy White, Chair of the Macomb County
Commission, in 2004, we are going to borrow a page from your
county’s playbook to save prescription drug costs for seniors and
the uninsured across Michigan.

Today our entire health care system is bearing the cost of the
high rate of chronic yet preventable diseases we experience in
Michigan. The choices we make as individuals not only increase
our medical risks, they contribute to the cost of doing business
for those who would invest here in Michigan. Next month, in
response, our Surgeon General, Dr. Kimberlydawn Wisdom will
unveil her Prescription for Michigan – a plan to spur Michiganders
to live healthier lives. Because experience teaches us how hard
it is to change the habits of a lifetime, Prescription for Michigan
will include a focus on improving the health habits of our children
through an all out effort to reduce obesity and prevent teen
smoking. One in every five Michigan teenagers smokes every
day! At least 90 percent of adults who smoke say that they started
as teens. If they keep on smoking to adulthood, their illnesses
will further overload the costs taxpayers and businesses shoulder for health care.

Second, we will continue to improve access to health care. In America we provide emergency room care to anyone who requires it. But this is a terrible way to care for people who are sick and a terribly costly matter for the individuals and businesses that end up paying for ER care. So we will expand access to basic care. In 2003, we opened or expanded three federally qualified Health Centers to provide better access to primary medical care to families in Grand Rapids, Saginaw and Detroit. This year we intend to open five more.

In 2003, we increased access to health care by reforming the laws governing the insurance market for small businesses, making it possible for many of those businesses to provide benefits to their employees. Thanks to the bill the Legislature sent me in July, we are now making sure that our health care marketplace works better for Michigan’s small businesses.

Today 850,000 Michigan children receive health care coverage through two successful programs, Healthy Kids and MIChild. But another 150,000 children who are eligible for these programs have never been enrolled. In the year ahead, we are going to mobilize schools, faith-based organizations and civic groups in an all-out effort to sign up uninsured children. Through this effort, we believe we can provide health care coverage to another 25,000 children in Michigan in the next year who would otherwise fall through the cracks of our health care system.

We will also focus on reducing the cost of health care for families and small businesses. Many small businesses often cannot afford to pay health insurance for their employees. Muskegon and Wayne counties have created “third share” health insurance programs to address this problem. Tonight, I am announcing Michigan’s own Third Share Partnership. The concept of our “third share” is simple. The employee pays a third of the health insurance premium, the company pays a third and the state pays a third through a tax credit to the business. The small business gets a healthier, more productive employee; the employee gets the assurance of comprehensive, affordable healthcare for their families; and the state gets a cost-effective way to keep citizens employed. We all benefit when we improve access to health care.

Just as tools for growing businesses, good schools and access to affordable health care are key components in growing our economy, so too is the seventh and final step, protecting our environment.

MAKE MICHIGAN A NATIONAL LEADER IN PROTECTING ITS ENVIRONMENT

We will continue as we did this year, to work in a bipartisan fashion to recapture Michigan’s national leadership in preserving and protecting our natural resources.

As residents of the Great Lakes State, we know we are the guardians of a proud environmental heritage. We love the UP whether it’s been our home forever or we’ve only enjoyed a once-in-a-lifetime trip there; we relate to the Mitt as if it’s our own flesh and blood; and we cherish the bridge and the water that make us One Michigan. Not only is our environment a source of recreation and pride, but three of Michigan’s top industries – agriculture, tourism and timber – depend wholly on a sustainable environment for their very existence.

So, we will continue to cast off the dated idea that economic growth and a healthy environment are enemies. Both must flourish and each serves as a powerful force to improve our quality of life and attract good jobs to our state.

I am particularly proud of the progress we have made this year both to reopen the environmental protection process to our citizens and to protect our Michigan land. The Michigan Land Use Leadership Council has delivered its recommendations to preserve our green spaces, forests and farmlands, and thanks to legislation you have passed and I have proudly signed, we are already implementing its recommendations.

In the past two months, with your help, we have enacted laws that will allow neighboring communities to plan together for their growth and development; that will allow neighborhoods to more quickly gain control of vacant buildings and land so that they can become assets for redevelopment; and that give residents of our cities new, powerful tools they can use to tackle head on the blight and decay in their neighborhoods. Together these new laws begin the work of ensuring that our communities continue to grow and to reflect the quality of life that attracted our citizens to them in the first place.

As for preserving our precious dunes and shorelines and forests, this has been a blockbuster year. I’m pleased tonight to report
that through the Michigan Natural Resources Trust Fund – in partnership with the Grand Traverse Regional Land Conservancy, CMS Energy, and the foundation community - we have been able to save and preserve more than 6,000 acres of spectacular sand dunes and woods and open fields on the shores of northern Lake Michigan. This is the largest one-time farmland preservation ever in the Midwest – we did it for our children, and we should be proud of our accomplishment.

We have been justifiably outraged to see our state become a favorite destination in the international trade in trash. A year ago I called for legislation that would finally allow us in Michigan to control the tide of trash that continues to stream across our borders. You have before you legislation to ensure that any trash shipped to our landfills meets our high Michigan standards – I urge you today to pass that legislation and to make it Michigan law. Michigan was not meant to be the region's trash can – let’s close the deal and ensure that we put a lid on it forever.

In the coming year, we must do as much to reclaim our role as the country’s leader in water preservation as we have done in ensuring our role as protectors of the land.

The Great Lakes power our economy, color our character, and literally define the shape of our state. One week ago, I outlined six specific proposals to protect and improve our waters, including the introduction of a new comprehensive statute, the Water Legacy Act, to protect our waters from unfettered withdrawals. Two years ago, the Senate in bipartisan fashion made recommendations to protect the water. They were good recommendations, and I want to make many of them law. I urge you again tonight to work with me on this bill and to take immediate action to ensure its passage by the end of this term.

Let’s promise the people of Michigan that we will not let any other state or country dip its straw, let alone its pipeline, into our waters without our explicit approval.

Developing the tools to grow business, creating world class schools for our children, providing quality health care to our citizens and preserving our God-given natural environment together generate a powerful plan to grow this economy. Like the individual strands of a steel cable, each is strong on its own, but only together can they do their strongest work.

PROTECT MICHIGAN’S CITIZENS AND THEIR HARD-EARNED DOLLARS

As I am confident about these measures to ensure there are good jobs in Michigan, I am also confident about steps we are taking to protect the security of our people – both their personal and economic security.

Homeland security doesn’t just happen in New York and Washington D.C. – we must be vigilant here. Michigan’s Homeland Security Team – headed up by Colonel Tad Sturdivant, Director of the Michigan State Police; Adjutant General Tom Cutler, Director of the Department of Military and Veterans Affairs; and Colonel Mike McDaniel, my Homeland Security Advisor – are focused on improving the state’s emergency preparedness.

This year, they’ve added some powerful patriots to their team.

The Michigan Community Service Commission has reached out to train 225 people to be effective first responders should a disaster strike our state. Each of these new responders will in turn train 50 more people – creating a network of citizen patriots prepared to help their fellow citizens recover from the shattered rubble of a tornado’s wake or the twisted steel of a freeway accident. By the end of the year, I expect that 15,000 volunteers will have been trained for disaster relief.

Keeping our hometowns safe in troubled times isn’t just a job for those in uniform, it’s something that can, and should, involve us all.

During the national blackout this summer, Michigan’s Homeland Security Team sprang into action, coordinating communication and support to ensure that citizens had water, food and a place to find respite from the heat. In this coming year, the Homeland Security Team will continue to focus on those key areas: communication and coordination.

During the blackout, our State radio system was the only public safety radio system in the state that performed flawlessly and continued to provide uninterrupted communication for police personnel, fire fighters and emergency medical teams. “Interoperability” – or the ability of public safety personnel at all levels of government and in all jurisdictions to communicate seamlessly and instantly with one another – will continue to be a vital goal for Michigan’s Homeland Security team.
Today many local law enforcement personnel are still unable to talk directly with their state-level colleagues in an emergency. Worse, despite having the busiest international border crossings in the country, United States Border Patrol and Customs officers cannot talk directly by radio with state and local officers patrolling the same border.

It is my goal that by 2008, every police officer, fire fighter, emergency medical professional and every first responder at every level of government will be able to talk directly to each other in any emergency. When Michigan’s citizens call for help, we must ensure that police and fire personnel can respond.

Citizens must be economically secure as well. When our consumers call for help, we must be there. As your Attorney General, I spent four years fighting to protect your hard-earned dollars from scam artists and swindlers, and I remain committed to doing everything I can to protect that economic security you work hard to attain.

First, we’ll work to make sure that our citizens are paying fair rates for their auto and homeowners insurance. I am directing Linda Watters, the Commissioner of Financial and Insurance Services, to curb the use of credit scoring in Michigan. Being late on your heating bill shouldn’t mean that you pay higher rates for your auto insurance.

Second, I will again make Michigan a leader in consumer protection. Former Attorney General Frank Kelley made the protections we enjoy in Michigan the envy of the nation. But in the last two years, changes in the law have eroded the protections afforded under the Michigan Consumer Protection Act. Fortunately, the Legislature has before it a bill that will - once again - allow consumers, and the Attorney General, to fight unfair and deceptive business practices simply and efficiently. I ask the legislature tonight to pass House Bill 5046 and allow the Michigan Consumer Protection Act to do the work it was intended to do.

We must also protect the lifetime of investment our citizens have built up in their homes. It’s time for Michigan to tell predatory lenders – those unscrupulous home-lenders and repair outfits who pack excessively high fees and closing costs into their so-called “low-cost” loans – that our citizens don’t need the kind of help they’re selling. I urge the Legislature tonight to end this practice of predatory lending in Michigan.

My administration will give special attention to those who have spent a lifetime raising and protecting all of us – our seniors.

I ask the Legislature tonight to work with me this year to stiffen the legal penalties for those who prey on senior citizens and vulnerable citizens with get-rich-quick schemes, fake prize giveaways and other scams. At least a dozen other states have enhanced the penalties for those who take advantage of our elders. Tonight, I am calling for new legislation that will add Michigan to that list – our seniors deserve nothing less.

I am also announcing that this year, Sharon Gire, director of the Michigan Office of Services to the Aging, and I will join with Prosecuting Attorneys from across the state to create Michigan’s first state-level Elder Abuse Task Force. Together, we’ll find ways to use the full weight of the law to crack down on those who target our parents and grandparents and wise elders.

**OUR EMPLOYEES AND LEGISLATURE**

Finally, let me share my gratitude and admiration for the employees of our state government. At 2 o’clock this morning, Team MDOT was steering snowplows all across our two peninsulas, a foster care worker was taking a scared toddler to a safe house, and a Michigan Army National Guard soldier was transporting food supplies near the dangerous Iraqi town of Fallujah. To them, and thousands like them, public service is a calling and a privilege, and I feel honored to serve with them and you, the Legislature. These are stressful times, for employees who are doing their work with 8,000 fewer co-workers than just three years ago, under tremendous pressure to be frugal, and while accepting significant economic concessions to keep this state whole. I ask you to share your thanks not only tonight but in the future, in the encouragement you offer to them, and especially in the words you choose to talk about them to others. They have earned our thanks and respect.

Let me close with this. Last year in Lansing we could have played a game of stalemate. It happens all too frequently in a building like this in Washington, D.C. We could have allowed our egos, our most trivial partisan instincts, and the cynics’ fascination with feuds and fights to take us away from what is best in us – to take us away from those things most necessary to negotiate agreements over very challenging matters: our patience, honesty, persistence, faith, common sense, and perhaps most important, our universally shared desire to make things
better for the Michigan people we serve. But we did not. We worked together to get good things done for the people of this state.

In a presidential election year, partisanship and politics inevitably heat up. With the work before us, let us commit anew to what is best in us. I have said repeatedly over the past year, that you will not find one person in this room who does not want Michigan to have the best education system in the country. Not one person. Despite degrees of difference, not a person here would raise their hand to say that they do not value our water, our land, our quality of life. There is not one person in this legislature – regardless of political persuasion – who does not want to us to have a growing economy with high skilled jobs.

Tonight let us set out together, knowing that the road to educational excellence expands the road to good jobs. The road to a healthy people in a healthy land merges with the road to good jobs. And the roads to a stronger business climate widen the highway to high quality jobs.

As it was said that all roads lead to Rome, let it be said of us that we have moved with focus and determination on those roads our citizens most need – the roads to quality jobs and quality of life.

And let it be said, my colleagues, that we did it together. Peace be with you.