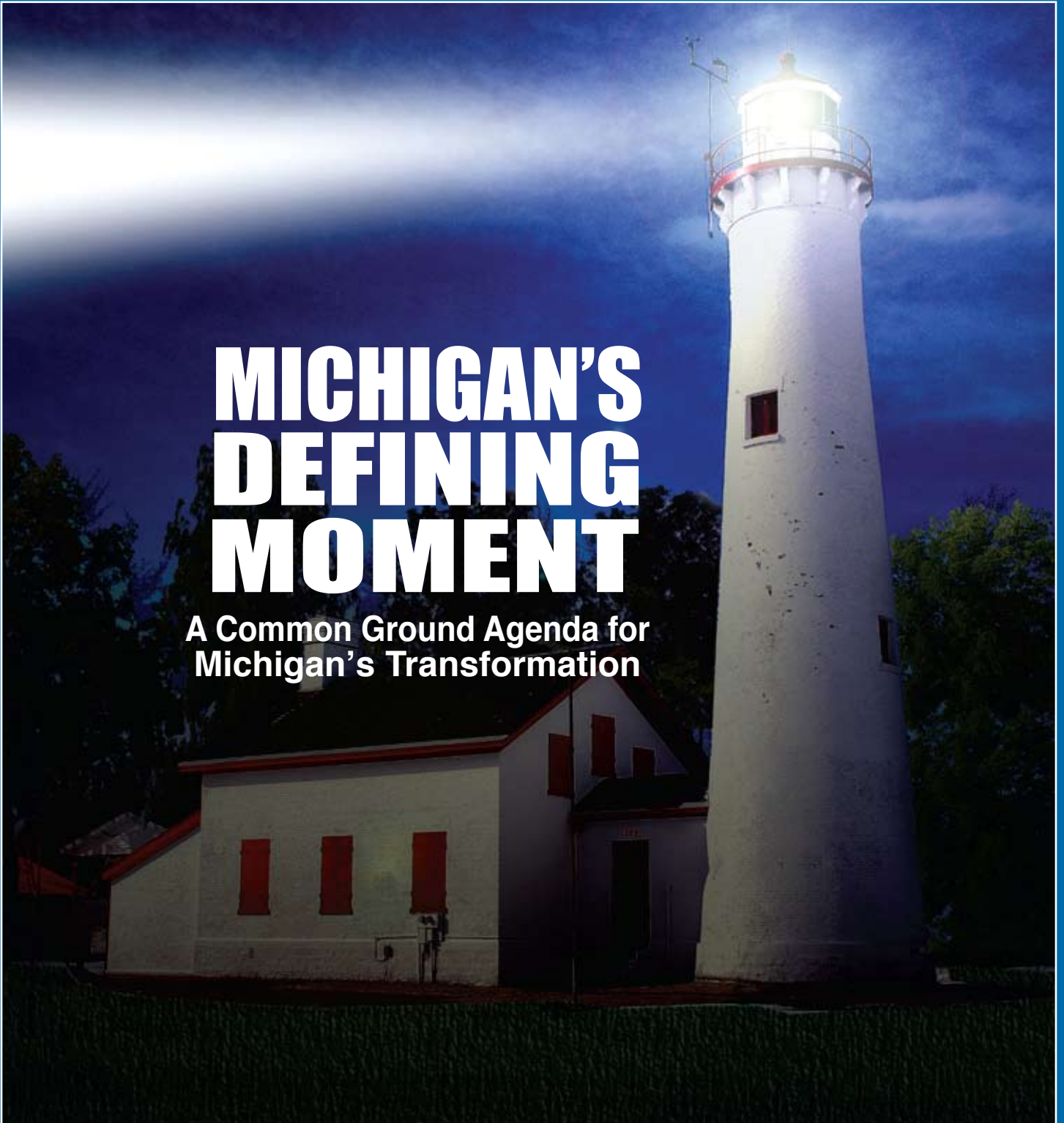




# MICHIGAN'S DEFINING MOMENT

A Common Ground Agenda for  
Michigan's Transformation



# FOUNDING CHAMPIONS

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Vernice D. Anthony  
John Axe  
Jim Baker  
Charles Ballard  
John Barfield  
Richard Bernstein  
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Rebecca Blank  
Richard Blouse  
Bill Bobier  
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Matt Clayson  
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Richard Cole  
David Cole  
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Matthew Cullen  
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Paul DeWeese  
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# CO-CHAIRS

Paul Hillegonds  
Mark Murray  
Phil Power  
Glenda D. Price  
Doug Rothwell  
Marilyn Schlack  
S. Martin Taylor

May 22, 2008

Dear People of Michigan,

Our state faces big challenges requiring far-reaching solutions. The decisions we make over the next decade will go a long way to determining our history for the next half century. Truly, now is our defining moment.

In a complex era when strong public leadership is crucial to Michigan's future, we face a watershed election in 2010. Michigan's governor, senate majority leader, speaker of the house, attorney general, and secretary of state will all be replaced because of term limits. Thirty of 38 current state senators and more than 70 percent of the Michigan House of Representatives will be gone by January 2011.

It is vital that Michigan's next generation of leaders cross the aisle, work together, and put the state's interests above party politics. However, cooperation in Lansing begins elsewhere, with strong leadership, communication, shared vision, and partnership among literally hundreds of business, non-profit, and public sector organizations that must do the hard work of identifying, and then achieving, common goals and aspirations.

In that spirit, we joined one year ago with the more than 100 statewide leaders listed on this letterhead to launch the Michigan's Defining Moment Public Engagement Campaign. We are Democrats and Republicans, from the private, non-profit and public sectors, diverse men and women, urban and rural, from east and west, north and south. Spearheaded by the non-profit Center for Michigan, this campaign seeks to develop a common ground vision and agenda for Michigan's transformation to a new era of prosperity.

The results to date have exceeded all expectations: More than 175 community meetings in every corner of the state. More than 1,800 participants. A combined 6,000 hours of volunteer deliberation about Michigan's future. But there is much more work to do.

This report outlines the common ground vision, agenda, strategies, and action steps that have emerged from this unprecedented, nonpartisan citizenship effort. More than a policy paper, the report is illustrated with dozens of photos and citizen sentiments that capture great passion for our great state. The report also details our plans for greatly expanding this public engagement campaign and starting the hard work of advancing the agenda so many community leaders and engaged residents have worked to create.

"MDM" is amplifying a common voice for Michigan's Transformation. Please join us.

*Paul Hillegonds*

**Paul Hillegonds**  
Senior Vice President  
DTE Energy

*Mark Murray*

**Mark Murray**  
President & CEO  
Meijer Stores, Inc.

*Phil Power*

**Phil Power**  
President  
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**Doug Rothwell**  
President  
Detroit Renaissance

*Marilyn Schlack*

**Marilyn Schlack**  
President  
Kalamazoo Valley  
Community College

*S. Martin Taylor*

**S. Martin Taylor**  
Retired Private/Public  
Sector Executive

# THANK YOU TO OUR INVESTORS

The Michigan's Defining Moment Public Engagement Campaign is made possible through generous financial contributions by many Michigan businesses, charitable foundations and individuals. MDM has grown through the equally generous contributions of time by more than 100 statewide "Founding Champions" who launched the campaign and more than 1,800 participants in "Community Conversations" across the state.

## BUSINESS INVESTORS

AT&T Corporation  
Davenport University  
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Meijer Corporation  
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## FOUNDATION INVESTORS

Dan Cameron Family Foundation  
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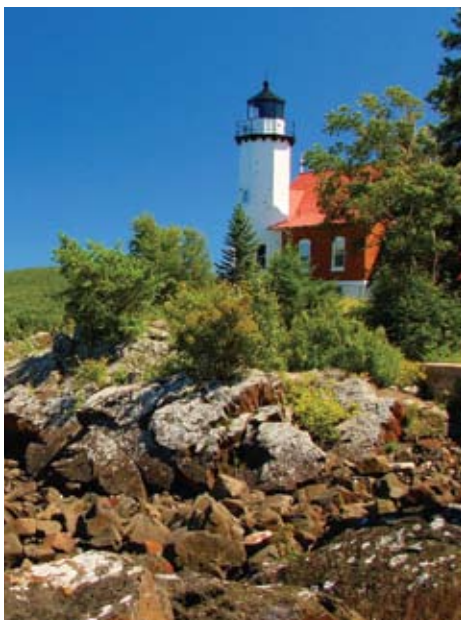
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Phil Roos  
Theodore St. Antoine  
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## ENVISION MICHIGAN STORY CONTEST SPONSORS

The following businesses provided technical support, college scholarships and vacation prizes for the Envision Michigan Story Contest.

Absolute Michigan/Leelanau Communications, Inc.  
Betsie Bay Inn  
Boyne Michigan Resorts  
Crystal Mountain Resort  
The Grand Hotel  
Presidents Council State Universities of Michigan  
Thunder Bay Resort





# EXECUTIVE SUMMARY

## MISSION

Michigan's Defining Moment (MDM) is a comprehensive, statewide public engagement and action campaign to:

- Involve thousands of community leaders and residents of all ages and backgrounds in deliberating on how best to position Michigan for growth and success, including the strategies and trade-offs necessary to achieve transformational changes.

- Produce a clear, far-reaching, shared public agenda for a new Michigan, an agenda tested and refined through in-depth public engagement that frames the debate for the crucial 2008 and 2010 elections and drives cohesive momentum for the change that is imperative for Michigan's future.

- Provide civic action tools to greatly increase public understanding of Michigan's economic predicament, take advantage of our bountiful assets and inspire citizens and local leaders to take action in their own communities.

In short, ignite and fan a citizen movement.



## SETTING AN AGENDA THROUGH COMMUNITY CONVERSATIONS

MDM began in spring 2007 when more than 100 diverse statewide community leaders from business, education, the non-profit sector, and the public sector came together in large roundtable meetings to develop a common ground agenda for Michigan's transformation. Those MDM "Founding Champions" endorsed three broad guiding principles for Michigan's future:

1. **A talented and globally competitive workforce.**
2. **A vibrant economy and great quality of life.**
3. **Effective, efficient, and accountable government.**

Next, the Center for Michigan and Public Sector Consultants, Inc. recruited more than 1,400 participants for roundtable "Community Conversations" throughout the state. Another 370 people participated through online versions of the meetings. In two rounds of Community Conversations, involving more than 6,000 hours of volunteer deliberation, the participants:

- Overwhelmingly endorsed the three guiding principles for Michigan's future proposed by the Founding Champions.
- Developed nine detailed, common ground strategies and numerous action steps necessary for Michigan to achieve the guiding principles.

The full agenda of principles, strategies and action steps is detailed on **pages 8-13** of this report. Those same pages also provide snapshots of "How Michigan Stacks Up" on more than three dozen benchmarks related to the MDM agenda. Those benchmarks are explained in greater detail in the "Michigan Scorecard" on **pages 15-24**.

To reach a common ground, statewide agenda, the Community Conversation participants engaged in numerous survey and voting activities. The detailed vote totals and methodology of those exercises are explained on **pages 25-33**.

The statewide common ground momentum for the MDM agenda is reflected in the diversity of the participants in the movement. As illustrated on **pages 30-31**, the participants represent the ethnic and geographic diversity of Michigan.



## A PASSION AND VISION FOR OUR STATE'S FUTURE

Beyond the admittedly policy-laden agenda outlined within, this report exemplifies the deep passion and commitment that so many engaged citizens and community leaders have for this state.

The Community Conversations also asked participants to outline their most hopeful visions for Michigan's future. Their many anecdotes are collected and summarized in the vision statement on **pages 4-5**. Through an Envision Michigan story contest, we posed the same question to state residents of all ages. More than 200 state residents, ranging from high school students to senior citizens, sent in their essays through a blog on the Center for Michigan web site. We are awarding more than \$30,000 in college scholarships and vacation prizes to the best visions for Michigan's future, as determined by a panel of statewide judges. **Page 14** of this report explains the contest in detail and includes inspiring quotes from participants.

Please enjoy the dozens of breathtaking Michigan photos that grace this book. Those shots are among the best from more than 120 Michigan photographers who have submitted some 5,000 photographs to the Center for Michigan's online archive at [www.flickr.com/groups/michiganphotos](http://www.flickr.com/groups/michiganphotos).

## WHAT YOU CAN DO: TAKE ACTION TODAY!

It's been a very ambitious first year, but we're just getting started! MDM seeks to greatly expand to engage more than 10,000 people through 2010. Next, we'll take the MDM agenda to candidates in more than three dozen open state House of Representative elections in 2008. The number of Community Conversations also will be greatly expanded in fall 2008 and beyond.

Please see **pages 6-7** for a checklist of ways you can **RECRUIT** new Community Conversation participants, **PROMOTE** the MDM agenda among leaders and citizens in your community, and **DRIVE THE AGENDA** by meeting with political candidates and holding your elected leaders accountable. We need your help!

## THANK YOU TO OUR INVESTORS

MDM would not be possible without generous financial contributions by nearly three dozen Michigan corporations, foundations, and individuals. A full list of those contributors is on **page 36**. Please join us in giving thanks for their tremendous investment.

As we travel the state and spread MDM, I've come to describe our small band of dedicated campaign staff as "professional citizens." It is an incredible privilege to be engaged in this work.

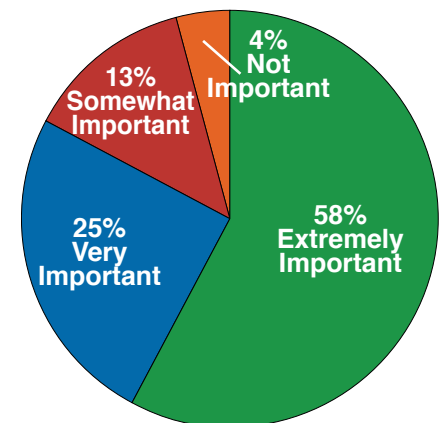
-- John Bebow  
Executive Director  
The Center for Michigan

## WANTED: COOPERATION AMONG LAWMAKERS

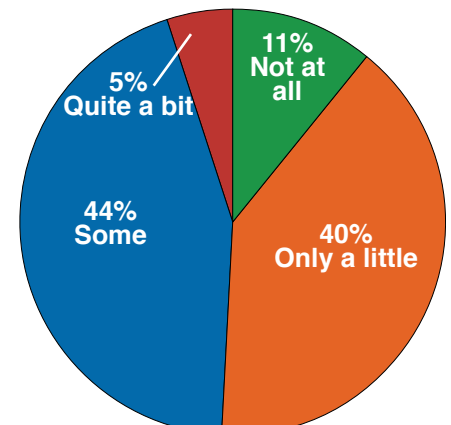
Michigan residents greatly desire bipartisan problem solving but do not see clear evidence that Democrats and Republicans are working together in Lansing.

Conclusions from a statewide survey conducted for the Center for Michigan in winter 2008 by the Michigan State University Institute for Public Policy & Social Research:

**How important is it to Michigan's future for Republican and Democratic state lawmakers to cooperate with each other in developing solutions to Michigan's problems and challenges:**



**How much do you think Republican and Democratic state lawmakers are currently working together to find solutions to Michigan's problems and challenges?**



IPPSR conducted the random phone survey of 1012 Michigan adults between late January and late March 2008. The survey had a margin of error of +/- 3 percent.





# VISION FOR MICHIGAN

What kind of place do you want Michigan to be?

What future does Michigan hold for you and your family?

What sort of Michigan would make your children and grandchildren want to stay here rather than moving away?

For the last eight months, more than 1,800 Michigan residents have gathered in Community Conversations throughout our state. In living rooms, restaurants, and conference rooms, they have envisioned the next Michigan. Coming from all walks of life, they have forged a common vision for our future. They showed no appetite for partisan, ideological, cultural, and geographic divisiveness. Their vision is not a snapshot or a momentary political poll; rather, it is the authentic outcome of thoughtful conversation among citizens who love our state.

Grounded in the passion of these 1,800 community conversation participants, here is a vision for Michigan, a vision that knits compelling themes together in a virtuous cycle of progress and growth.

## ECONOMIC DEVELOPMENT AND DIVERSIFICATION

Sustained by prowess in engineering and automotive research and advanced manufacturing, our economy grows and diversifies through the ingenuity of skilled and talented people. Inventions from our university and corporate labs fuel high-tech spinoffs. Our culture once again encourages and rewards the risk taking and innovation that entrepreneurs bring. Our vibrant economy provides a wealth of good jobs and fruitful careers that keep our best and brightest in Michigan.

## EDUCATION

We treasure and relentlessly foster the skills and talents of our people. A rigorous life-long education system—from early childhood to K-12 schools, to universities and community colleges, to training in the skilled trades—links our learners to the skills necessary to succeed in good jobs in the 21st century economy. We invest in education at all levels and demand concrete, nation-leading results.



## BETTER GOVERNMENT & CIVIC ENGAGEMENT

Our elected leaders work together to spell out and meet clear long-term goals that move our state forward. We discard old and dispiriting fights—east-west, city-suburb, labor-management, Democrat-Republican. Courageous political and civic leadership inspires and rewards collaboration among diverse interests to benefit our entire state. Investments in the public goods required to move us forward are matched by fundamental reforms of government. Our public sector is thrifty, flexible, adaptable, and accountable to our citizens. High civic engagement spurs citizen involvement at all levels of government and bolsters confidence that government and people are moving on the same track.

## DIVERSITY

Embracing Michigan's rich diversity—and bridging racial, ethnic, and other geographic divides—strengthens our state's uniqueness, enriches our culture, and fosters a more productive workforce. We welcome people with talent and ambition from around the globe.

## QUALITY OF PLACE: OUR NATURAL & CULTURAL RESOURCES

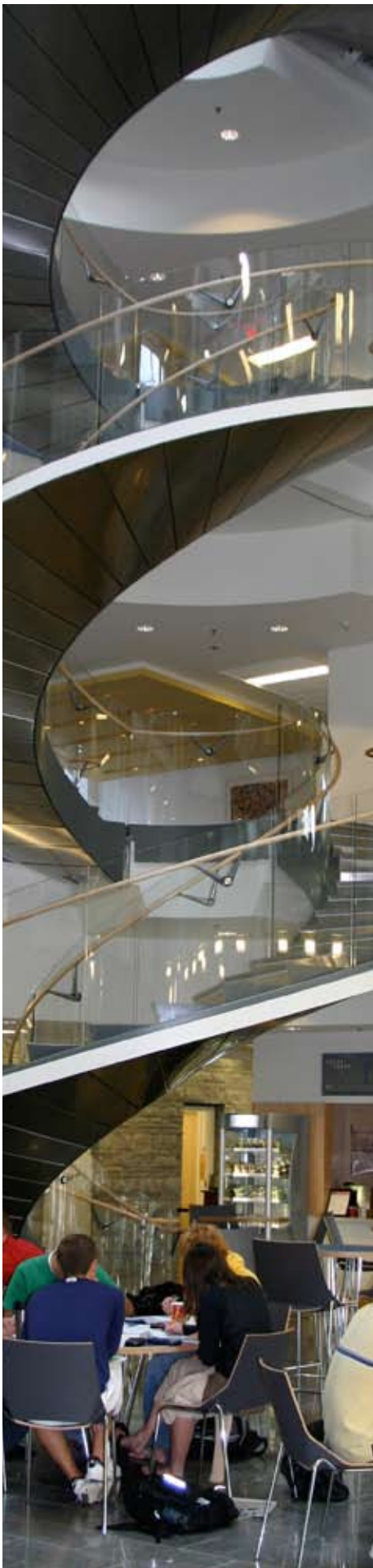
Michigan's enduring hallmark is our abundant natural resources, especially fresh water. We find a sustainable balance between preserving these resources and tapping them to spur the economy. We respect and crave the quiet and fun of rivers, streams, and lakes. Our cultural assets are bountiful. We revere our museums, performance halls, historical legacies, and artists. Our cities, especially Detroit, are revitalized. Vibrant urban areas across the state attract talented people, especially youth. Michigan, the nation's North Coast, is a magnet for people who seek to live, work, and retire in places marked by a high quality of life.

## PAST AND FUTURE

Together, we make Michigan's best future. We adapt to the global economy of the flat world and succeed in that competition. The things that make Michigan great—our woods and waters, work ethic and innovation, and common sense and common ground—etch Michigan as a place of unbounded possibilities and provide informed hope for all who cherish this state.







COMMON GROUND AGENDA: PRINCIPLE #1

# A TALENTED & GLOBALLY COMPETITIVE WORKFORCE

To prosper in the flat world of the 21st century, Michigan must greatly enhance the skills and potential of its people so they can compete with workers around the globe – and win. Affordable and accessible education—from birth and including lifelong learning—is critical to grow, retain, and attract talent.

## STRATEGY 1: PRE-K-16 EDUCATION

Dramatically improve overall learning and completion rates from early childhood to K–12 through higher education.

### ACTION STEPS:

Reform the structure of education by:

- Rewarding districts for using best practices.
- Reducing class sizes.
- Lengthening the school day and year.
- Encouraging creativity and flexibility.
- Rewarding good teachers.
- Measuring student achievement more broadly than standardized testing.

Develop curriculum that links students to the jobs and careers of the 21st century in Michigan by:

- Building learning partnerships between businesses and schools to develop in-demand job skills and talents.
- Expanding mentoring and internship opportunities, especially for minority students.
- Emphasizing opportunities and training for college-bound and non-college-bound students.

Expand pre-K-16 curricula that emphasize:

- Mathematics, reading, writing, and science.
- Critical thinking and problem solving.
- Global perspectives and languages.
- Community service.
- Music and art.

Provide equal access for all students to a quality education by:

- Assuring equitable funding across school districts.
- Strengthening financial aid and scholarship opportunities.
- Offering financial incentives for students who agree to stay in Michigan to work after they graduate.

Emphasize school readiness by expanding high-quality pre-kindergarten education that recognizes the importance of both academic and social development.

Build a culture of education by increasing parents' and students' recognition that education is essential for prosperity.

Strengthen parent involvement in children's education.

## STRATEGY 2: LIFELONG LEARNING

Assure affordable access to lifelong learning so young people get the skills they need to launch prosperous careers and workers in mid-career and beyond can best adapt to the rapidly changing economy.

### ACTION STEPS:

Integrate lifelong learning into the curriculum and delivery of pre-K-16 education.



# HOW MICHIGAN STACKS UP

Turn to the Michigan Scorecard  
on page 17 for details

“Michigan has a choice: either we get younger  
and better educated, or we get poorer.”

— Lou Glazer, President,  
*Michigan Future, Inc.*

“In the eyes of many, our state is doomed for absolute collapse. I am looking  
at the dawn of a new Michigan, one that relies on its most valuable resource:  
its citizens. Education has taken the assembly line’s place as our state’s  
most vital tool. When I finish my education, I hope to be one of these great  
entrepreneurs that jump-starts our economy. I will not cling to the idea that  
I cannot create my own destiny. The tools and environment for the future  
are here, waiting to be utilized by those who share my ambition.”

— Rob Schwartz,  
*Envision Michigan Story Contest Entrant*

HIGH SCHOOL  
COMPLETION

COLLEGE COMPLETION

INVESTMENT IN  
PUBLIC EDUCATION

NATIONAL READING,  
MATH, SCIENCE TESTS

ADEQUATE YEARLY  
PROGRESS IN SCHOOLS

COLLEGE AFFORDABILITY

PUBLIC FUNDING FOR  
HIGHER EDUCATION



# A VIBRANT ECONOMY & GREAT QUALITY OF LIFE

To best attract and retain job providers and talent, Michigan must invest in and protect those assets which differentiate it from other places—our quality of life, work ethic and pioneering history, business innovation and technology, education and health systems, natural resources, urban centers, and the diversity of our people and communities.

## STRATEGY 1: ECONOMIC DEVELOPMENT & DIVERSIFICATION

Reinvigorate and diversify our economy by forging unique niches that draw on established and emerging assets. These assets include our strong manufacturing brainpower, longstanding and new businesses thriving in the new century, and innovation and technology fueled by strong research and development activities in our universities and private enterprises.

### ACTION STEPS:

#### Create an environment for businesses to succeed by:

- Increasing collaborative regional economic development efforts.
- Assuring consistency in permit policies across communities.
- Treating the arts and culture as economic development assets.
- Improving core infrastructure.
- Linking university research and development with entrepreneurs.
- Putting an equitable business tax structure in place.

Create a business culture reliant on innovation and technology that encourages new business start-ups.

Invest in existing companies and workforce to help them recreate themselves and diversify.

Aggressively pursue opportunities for renewable/alternative energy.

## STRATEGY 2: ENTREPRENEURIALISM

Greatly boost economic development by (a) growing an entrepreneurial culture, growing venture capital and ensuring a competitive, simple, and predictable business tax structure; (b) providing greater recognition and support for our state's growing new economy of entrepreneurs and small businesses; and (c) embracing change and risk as key factors in 21st century personal and corporate success.

### ACTION STEPS:

#### Strengthen government support for entrepreneurs by:

- Simplifying the business tax.
- Lowering regulatory barriers.
- Using tax incentives and philanthropy to encourage new business development and incubators.

Encourage businesses to partner with school districts to develop an entrepreneurial curriculum.



# HOW MICHIGAN STACKS UP

Turn to the Michigan Scorecard on pages 18-20 for details

## STRATEGY 3: QUALITY OF PLACE

Rejuvenate communities to assure they have the amenities, culture, and diversity to develop, attract, and retain talented people. Effectively manage the size and cost of our infrastructure. Protect our natural resources.

### ACTION STEPS:

Revitalize and create vibrant cities where young people want to live, work, and play; regional mass transit is an essential ingredient in urban revitalization, especially in Detroit.

Engage many more citizens by making them feel that they can be agents of change in their communities and regions.

Create 21st century policies on land use, energy, and water that:

- Balance our natural resources with sustainable development.
- Use natural resources to become a global leader in alternative energy development.
- Make redevelopment a priority over new development.

## STRATEGY 4: REBRANDING MICHIGAN AS “THE NORTH COAST”

Re-brand Michigan as a vibrant “North Coast.” A place that is home to one-fifth of the world’s fresh surface water and other bountiful natural resources that support sustainable growth in industries such as agriculture, tourism, and forestry. And a place that grows ever smarter and more innovative.

### ACTION STEPS:

Market and brand Michigan as the home of abundant natural and cultural resources and business innovators.



PERSONAL INCOME & UNEMPLOYMENT

ECONOMIC TRANSFORMATION & NEW BUSINESSES

BUSINESS TAX BURDEN

RESEARCH & DEVELOPMENT

KNOWLEDGE ECONOMY

ENTREPRENEURS & VENTURE CAPITAL

POPULATION TRENDS

POVERTY & CRIME

AIR POLLUTION

RECREATION

PHILANTHROPY

HOME OWNERSHIP

RETENTION OF YOUNG ADULTS

TOURISM MARKETING

NORTH COAST STEWARDSHIP







# EFFECTIVE, EFFICIENT & ACCOUNTABLE GOVERNMENT

For Michigan to maximize the amount of tax dollars devoted to our most distinctive and competitive assets, our public sector must be nimble, thrifty, and accountable. State and local government, schools, and higher education must maximize efficiency to assure sustainable funding for Michigan's most pressing and strategic future needs. Public institutions must better serve people and embrace change. Citizen involvement must be encouraged as essential for effective and accountable government.

## STRATEGY 1: ACCOUNTABILITY & BIPARTISAN LEADERSHIP

Increase political accountability so that Michigan can rely on experienced, strategic, competent, and decisive leaders in elected offices—leaders willing to set aside traditional party politics to craft and implement bipartisan strategies to move Michigan forward.

### ACTION STEPS:

**Eliminate term limits to encourage lawmakers to build better bipartisan relations and take long-term responsibility for their actions.**

**Increase the public's involvement in decisions about Michigan's future by:**

- Promoting an informed electorate and improving voting rates.
- Engaging youth.
- Creating clear, widely available information about budget choices.

**Hold elected officials accountable by:**

- Institutionalizing Michigan's Defining Moment and the public's agenda for transforming Michigan.
- Disseminating objective information on issues, public expenditures, and voting records.
- Return to bipartisan civility and compromise to move Michigan forward.

## STRATEGY 2: CLEAR TAXING & SPENDING PRIORITIES

Establish a new "public purse"—a tightly focused, long-term, sustained taxing and spending strategy. Top spending priorities: education, economic development, marketing our state to the world, and quality of life investments in arts & culture, natural resources, health, and safety. Michigan must continually assess and modernize its tax structure to maximize and sustain those public investments that are crucial for the state's competitiveness in the global economy.

### ACTION STEPS:

**Redirect excessive corrections spending to education and infrastructure.**

**Revise the tax structure to make it fairer and less complex.**

**Develop public policy that encourages use of existing corporations and industrial infrastructure to create new ventures and gives Michigan companies more access to federal dollars for business development.**

# HOW MICHIGAN STACKS UP

Turn to the Michigan Scorecard  
on pages 21-22 for details

## STRATEGY 3: GOVERNMENT COLLABORATION & SERVICE SHARING

Increase collaboration and service sharing among Michigan's hundreds of school districts and local government units. Tax revenue sharing and state laws should reward collaboration, service sharing, efficiency, and best practices.

### ACTION STEPS:

Increase local government and regional collaboration and service sharing that have the potential for near-term economic gains.

"I do not see any hope whatsoever for a polarized Michigan that is driven through aggressive ideology and political and ideological intransigence. True leadership will seek this common and fertile ground. Michigan's governance systems need to be aligned to ultimately promote a more unified state and not continue to bolster or force wedge political extremism."

— Jon W. Allan,  
*online Community  
Conversation participant*

POLITICAL LEADERSHIP

LEGISLATIVE EFFICIENCY

VOTER PARTICIPATION

GOVERNMENT SPENDING  
PER CAPITA

EFFICIENCY IN  
GOVERNMENT  
EMPLOYMENT

EFFICIENCY IN  
GOVERNMENT  
PAY & BENEFITS

BURDEN OF  
INCARCERATION

ROAD CONDITIONS

PUBLIC SUPPORT  
FOR ARTS & CULTURE

GOVERNMENT  
FRAGMENTATION



# ROUND 1 COMMUNITY CONVERSATIONS: SETTING THE COMMON GROUND AGENDA

There were 98 Round One conversations involving roughly 8-15 people each. Demographics of participants are detailed on page 30. Another 350 participated in online versions of the Community Conversations. Participants in both the in-person and online conversations completed two voting exercises. First, they individually allocated 10 points across three proposed principles to determine which principle was most important to Michigan's future. Second, they scanned a lengthy list of possible ideas, discussed those ideas in detail, and individually chose the two best strategies to implement each principle.

As illustrated in the vote totals below, participants gave nearly equal weight to the importance of the three principles: 1) Talented, globally competitive workforce; 2) Vibrant economy and great quality of life; and 3) Effective, efficient, and accountable government.

Clear favorites emerged in the voting on particular strategies. The top three strategies were: 1) Increased political accountability; 2) Dramatic improvement of overall learning and completion rates from early childhood through higher education; and 3) Establishment of a new "public purse" – a tightly focused, long term, sustained taxing and spending strategy.

Complete vote totals:

| <i>Principle Tally</i>  |              |
|---|--------------|
|   | Total Points |
| <b>A Talented, Globally Competitive Workforce</b>   | <b>3620</b>  |
| <b>Principle:</b> To prosper in the <i>flat world</i> of the 21 <sup>st</sup> Century, Michigan must greatly enhance the skills and potential of its people so they can compete with workers around the globe – and win. That means we must grow, retain, and attract talent.   |              |
| <b>A Vibrant Economy &amp; Great Quality of Life</b>  | <b>4002</b>  |
| <b>Principle:</b> To compete globally and prosper, Michigan must invest in those assets which differentiate it from other places to best attract and retain job providers and talent.   |              |
| <b>Effective, Efficient &amp; Accountable Government</b>  | <b>3448</b>  |
| <b>Principle:</b> For Michigan to maximize the amount of tax dollars devoted to our most distinctive and competitive assets, our public sector must be nimble, thrifty, and accountable. State and local government, schools, and higher education must maximize efficiency to assure sustainable funding for Michigan's most pressing and strategic future needs. Public institutions must better serve people and embrace change. |              |



**Strategy Tally**

| <b>A Talented, Globally Competitive Workforce</b>  | <b>Total Points</b> |
|--|---------------------|
| Dramatically improve overall learning and completion rates from early childhood to K–12 to higher education.   | 752                 |
| Rejuvenate communities to assure they have the amenities, culture, and diversity to develop, attract and retain talented people. Effectively manage the size and cost of our infrastructure.             | 644                 |
| Assure affordable access to lifelong learning so young people get the skills they need to launch prosperous careers and workers in mid-career and beyond can best adapt to the rapidly changing economy. | 612                 |
| Greatly increase recognition that education and creativity are essential tickets to prosperity.  | 425                 |
| Make Michigan welcoming to all.  | 130                 |

| <b>A Vibrant Economy &amp; Great Quality of Life</b>   | <b>Total Points</b> |
|--|---------------------|
| Establish a new “public purse” – a tightly focused, long-term, sustained taxing and spending strategy. Top spending priorities: education, economic development, marketing our state to the world, and quality of life investments in arts & culture, natural resources, health, and safety. Michigan must continually assess and modernize its tax structure to maximize and sustain those public investments that are crucial for the state’s competitiveness in the global economy. | 720                 |
| Remake and re-brand Michigan as a vibrant and entrepreneurial “North Coast.” A place that is home to one-fifth of the world’s fresh surface water and other bountiful natural resources that support sustainable growth in industries such as agriculture, tourism, and forestry. And a place that grows ever smarter and more innovative.   | 586                 |
| Greatly boost economic development by growing an entrepreneurial culture, growing venture capital and ensuring a competitive, simple and predictable business tax structure.   | 583                 |
| Provide greater recognition and support for our state’s growing new economy of entrepreneurs and small businesses.   | 274                 |
| Embrace change and risk as key factors in 21 <sup>st</sup> Century personal and corporate success.   | 191                 |
| Continue to thrive as a manufacturing powerhouse, especially in high-tech manufacturing and engineering requiring highly skilled workers.  | 146                 |
| Intensify commercialization of university research.  | 91                  |

| <b>Effective, Efficient &amp; Accountable Government</b>   | <b>Total Points</b> |
|--|---------------------|
| Increase political accountability so that Michigan can rely on experienced, strategic, competent and decisive leaders in elected offices — leaders willing to set aside traditional party politics to craft and implement bipartisan strategies to move Michigan forward. Possible approaches to governance include lengthened term limits, a unicameral and/or part-time legislature, campaign finance reform, and redistricting. | 949                 |
| Increase collaboration and service sharing among Michigan’s hundreds of school districts and local government units. Tax revenue sharing and state laws should reward collaboration, service sharing, efficiency, and best practices.  | 625                 |
| Scrutinize and limit spending on corrections and general government operations that do not clearly contribute to the state’s future competitive stake.   | 273                 |
| Manage large and growing public sector pension and health care burdens so that those legacy costs do not erode public investment in Michigan’s most pressing and strategic needs.  | 269                 |
| Benchmark public sector practices and highlight and replicate the best and most efficient.   | 189                 |
| Continually examine public sector pay and benefits, weigh those costs against private market standards, and adjust accordingly to assure the public receives highest possible services at most reasonable costs.   | 179                 |

# ROUND 2 COMMUNITY CONVERSATIONS: ACTION STEPS TO SUCCESS

Participants in the fall 2007 Community Conversations reconvened in early winter 2008 for Round Two. There were 79 Round Two conversations involving roughly 8-15 people each. Demographics of participants are detailed on page 30. In Round Two, participants outlined essential, concrete and doable action steps to implement the three principles and nine strategies for Michigan's transformation that were agreed upon in the Round One conversations.

Round Two participants also discussed whether the action steps they developed required new public investment (such as tax increases) or if the actions could be achieved through reforms of how Michigan uses existing resources. Two perspectives were voiced repeatedly. There was pervasive support for reducing spending on state prisons and redirecting the savings to other critical needs. And, in many conversations, participants said essential actions do not require new spending. Instead, participants voiced strong support for bold changes in culture and political will to make possible reallocation of existing resources.

The charts below list the action steps that received the most support in the Round Two Community Conversations. Each conversation group was free to use its own descriptive language in creating their essential action steps. Wording and voting from each Community Conversation were analyzed and grouped by Public Sector Consultants to identify the action steps most frequently cited as "most essential."

## A TALENTED AND GLOBALLY COMPETITIVE WORKFORCE

| %<br>frequency<br>of mention | <i>Essential Actions for the Strategy of Pre-K-16 Education</i>   |
|------------------------------|---|
| 33%                          | <b>1. Reform the structure of education by:</b> <ul style="list-style-type: none"> <li>Rewarding districts for using best practices.</li> <li>Reducing class sizes.</li> <li>Lengthening the school day and year.</li> <li>Encouraging creativity and flexibility.</li> <li>Rewarding good teachers.</li> <li>Measuring student achievement more broadly than standardized testing now does.</li> </ul>   |
| 18%                          | <b>2. Develop curriculum that links students to the jobs and careers of the 21<sup>st</sup> century in Michigan by:</b> <ul style="list-style-type: none"> <li>Building learning partnerships between businesses and schools to develop in demand job skills and talents.</li> <li>Expanding mentoring and internship opportunities, especially for minority students.</li> <li>Emphasizing opportunities and training for college-bound and non-college-bound students.</li> </ul> |
| 15%                          | <b>3. Expand pre-K-16 curricula that emphasize:</b> <ul style="list-style-type: none"> <li>Mathematics, reading, writing, and science.</li> <li>Critical thinking and problem solving.</li> <li>Global perspectives and languages.</li> <li>Community service.</li> <li>Music and art.</li> </ul>   |
| 12%                          | <b>4. Provide equal access for all students to a quality education by:</b> <ul style="list-style-type: none"> <li>Assuring equitable funding across school districts.</li> <li>Strengthening financial aid and scholarship opportunities.</li> <li>Offering financial incentives for students who agree to stay in Michigan to work after they graduate.</li> </ul>   |
| 11%                          | <b>5. Emphasize school readiness by expanding high-quality pre-kindergarten education that recognizes the importance of both academic and social development.</b>   |
| 7%                           | <b>6. Build a culture of education by increasing parents' and students' recognition that education is essential for prosperity.</b>   |
| 5%                           | <b>7. Strengthen parent involvement in children's education.</b>  |
| %<br>frequency<br>of mention | <i>Essential Actions for the Strategy of Lifelong Learning</i>  |
| 100%                         | <b>1. Integrate lifelong learning into the curriculum and delivery of pre-K-16 education.</b>   |

## A VIBRANT ECONOMY AND GREAT QUALITY OF LIFE

| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Economic Development &amp; Diversification</i></b>  |
|-------------------------------|---|
| 44%                           | <b>1. Create an environment for businesses to succeed by:</b> <ul style="list-style-type: none"> <li>Increasing collaborative regional economic development efforts.</li> <li>Assuring consistency in permit policies across communities.</li> <li>Treating the arts and culture as economic development assets.</li> <li>Improving core infrastructure.</li> <li>Linking university research and development with entrepreneurs.</li> <li>Putting an equitable business tax structure in place.</li> </ul> |
| 26%                           | <b>2. Create a business culture reliant on innovation and technology that encourages new business start-ups.</b>  |
| 21%                           | <b>3. Invest in existing companies and workforce to help them recreate themselves and diversify.</b>  |
| 9%                            | <b>4. Aggressively pursue opportunities for renewable/alternative energy.</b>   |
| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Quality of Place</i></b>  |
| 50%                           | <b>1. Revitalize and create vibrant cities where young people want to live, work, and play; regional mass transit is an essential ingredient in urban revitalization, especially in Detroit.</b>  |
| 25%                           | <b>2. Engage many more citizens by making them feel that they can be agents of change in their communities and regions.</b>   |
| 25%                           | <b>3. Create 21<sup>st</sup> century policies on land use, energy, and water that:</b> <ul style="list-style-type: none"> <li>Balance our natural resources with sustainable development.</li> <li>Use natural resources to become a global leader in alternative energy development.</li> <li>Make redevelopment a priority over new development.</li> </ul>   |
| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Entrepreneurialism</i></b>  |
| 63%                           | <b>1. Strengthen government support for entrepreneurs by:</b> <ul style="list-style-type: none"> <li>Simplifying the business tax.</li> <li>Lowering regulatory barriers.</li> <li>Using tax incentives and philanthropy to encourage new business development and incubators.</li> </ul>   |
| 38%                           | <b>2. Encourage businesses to partner with school districts to develop an entrepreneurial curriculum.</b>   |
| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Rebranding Michigan as "The North Coast"</i></b>  |
| 100%                          | <b>1. Market and brand Michigan as the home of abundant natural and cultural resources and business innovators.</b>   |

## EFFECTIVE, EFFICIENT, AND ACCOUNTABLE GOVERNMENT

| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Accountability &amp; Bipartisan Leadership</i></b>  |
|-------------------------------|---|
| 45%                           | <b>1. Eliminate term limits to encourage lawmakers to build better bipartisan relations and take long-term responsibility for their actions.</b>  |
| 24%                           | <b>2. Increase the public's involvement in decisions about Michigan's future by:</b> <ul style="list-style-type: none"> <li>Promoting an informed electorate and improving voting rates.</li> <li>Engaging youth and young adults in deciding Michigan's future.</li> <li>Creating clear, widely available information about budget choices.</li> </ul> |
| 21%                           | <b>3. Hold elected officials accountable by:</b> <ul style="list-style-type: none"> <li>Institutionalizing Michigan's Defining Moment and the public's agenda for transforming Michigan.</li> <li>Disseminating objective information on issues, public expenditures, and voting records.</li> </ul>  |
| 11%                           | <b>4. Return to bipartisan civility and compromise to move Michigan forward.</b>  |
| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Clear Taxing &amp; Spending Priorities</i></b>  |
| 44%                           | <b>1. Redirect excessive corrections spending to education and infrastructure.</b>  |
| 38%                           | <b>2. Revise the tax structure to make it fairer and less complex.</b>  |
| 19%                           | <b>3. Develop public policy that encourages use of existing corporations and industrial infrastructure to create new ventures and gives Michigan companies more access to federal dollars for business development.</b>   |
| <b>% frequency of mention</b> | <b><i>Essential Actions for the Strategy of Government Collaboration &amp; Service Sharing</i></b>  |
| 100%                          | <b>1. Increase local government and regional collaboration and service sharing that have the potential for near-term economic gains.</b>  |



# DEMOGRAPHICS OF PARTICIPANTS

DATA COLLECTED FOR THE 1,447 IN-PERSON COMMUNITY CONVERSATION PARTICIPANTS

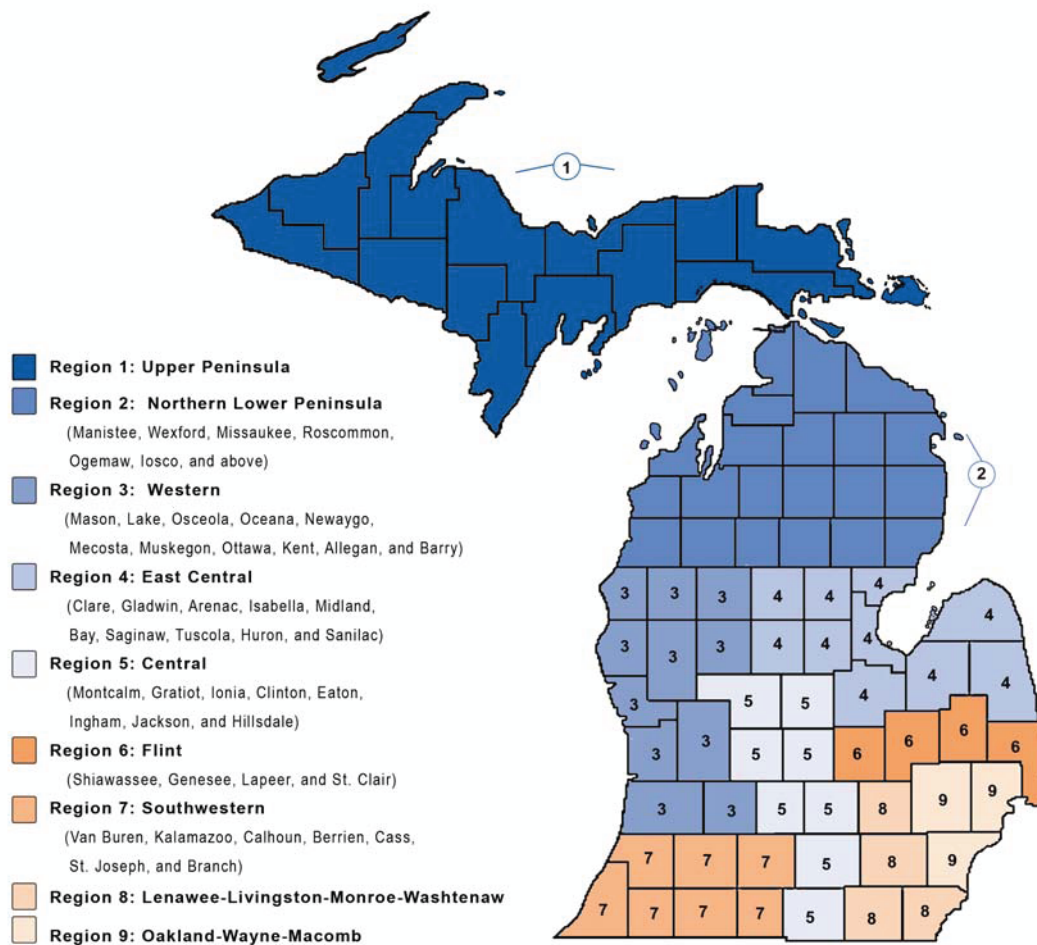
| Age                       |               |                                |              |
|---------------------------|---------------|--------------------------------|--------------|
| Conversation Participants |               | State of Michigan <sup>1</sup> |              |
| 16%                       | 24 or younger | 49%                            | 18-44        |
| 11                        | 25–34         |                                |              |
| 12                        | 35–44         |                                |              |
| 24                        | 45–54         | 35                             | 45-64        |
| 26                        | 55–64         |                                |              |
| 11                        | 65 or older   | 17                             | 65 and older |

| Race/Ethnicity            |                        |                                |                        |
|---------------------------|------------------------|--------------------------------|------------------------|
| Conversation Participants |                        | State of Michigan <sup>2</sup> |                        |
| 1%                        | American Indian        | 1%                             | American Indian        |
| 12                        | Black/African-American | 14                             | Black/African-American |
| 78                        | White/Caucasian        | 81                             | White/Caucasian        |
| 1                         | Asian/Pacific Islander | 2                              | Asian/Pacific Islander |
| 4                         | Latino/Hispanic        | 4                              | Latino/Hispanic        |
| 2                         | Multiracial            | 2                              | Multiracial            |
| 3                         | Other                  | n/a                            | Other                  |

<sup>1</sup> SOURCE: United States Census Bureau, <http://quickfacts.census.gov/qfd/states/26000.html>.

<sup>2</sup> SOURCE: United States Census Bureau, <http://quickfacts.census.gov/qfd/states/26000.html>. Numbers add up to more than 100 percent because people could answer Hispanic and another category.

# MAP OF COMMUNITY CONVERSATIONS BY REGION



| Region  | Total Number of Conversations |
|---|-------------------------------|
| Region 1: Upper Peninsula                     | 9                             |
| Region 2: Northern Lower Peninsula            | 20                            |
| Region 3: Western                             | 18                            |
| Region 4: East Central                        | 15                            |
| Region 5: Central                             | 21                            |
| Region 6: Flint                               | 10                            |
| Region 7: Southwestern                        | 8                             |
| Region 8: Lenawee-Livingston-Monroe-Washtenaw | 26                            |
| Region 9: Oakland-Wayne-Macomb                | 50                            |
| <b>Total</b>                                  | <b>177</b>                    |