

Governor John Engler



Making Michigan Number One: Continuing Our Mission of Change and Reform

An Action Plan for Our Future

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Making Michigan Number One Continuing Our Mission of Change and Reform

An Action Plan for Our Future

I. INTRODUCTION

In less than six years, the Christian calendar will mark the beginning of the third millennium. Passing this milestone on the path of human progress causes us all to stop and reflect upon the past and think about the future. It causes us to stop and think about the things that really matter: Will we be better off? Will we have meaningful jobs that pay decent wages? Will we be able to achieve the American dream of home ownership and still be able to save for retirement and to send our kids to college? Will we be safe and free to walk the streets in our own neighborhoods at night? Will our schools teach our children the skills they need to get a good-paying job or to get into college; will they teach them to become responsible adults and good citizens; will they nourish self-esteem, self-confidence, and a sense of self-worth?

These are important questions about the future of Michigan, and now is the right time to ask them.

I have three other reasons to think about the future as well.

First, I am asking Michigan voters to give me four more years to complete the job I started, to build upon the foundation I have laid, and to make a lasting change for the better for all Michigan citizens. Second, I care deeply about Michigan, and I care deeply about improving the quality of life for each and every citizen, young and old, rich and poor, citizens of every color, creed, and credo. Third, as I think about being a father, as I contemplate with awe the miracle of life, I also think about the awesome responsibilities of being a parent, a provider, and a role model for my children. I want to fill their lives, and the lives of all Michigan citizens, with opportunity, freedom, and prosperity.

As a prospective parent, I want my children to learn the same family values that I learned growing up on our family farm in the heartland of Michigan -- the same values that guide my governance of this great state: Faith in God to provide the moral compass to navigate life. The value of work to provide a sense of purpose, a stable income, a sense of self-worth, and to give something useful back to society. The value of citizenship and community, to embrace freedom tempered by responsible behavior, tolerance for diversity, and respect for the rights of others.

As a provider for my family, I share the same concerns and seek the same goals of Michigan families everywhere: The opportunity to earn a good day's pay for a good day's work, to own a home, to save, and to enjoy a high quality of life. As

Governor of Michigan, I have embraced the special responsibility to create the conditions where Michigan families can grow, prosper, and achieve their fullest potential.

The changes we have achieved over the past four years and the challenges of the future have renewed in me a sense of optimism and faith in the citizens of Michigan, and a firm commitment to make their lives better. I want the same things that every citizen in Michigan wants, and I am prepared to fight to continue to deliver:

- A Michigan that measures its success not by the number of government programs or the number of people they serve, but rather by the number of people who live their lives successfully and independently.
- A Michigan where young people want to stay, and others want to come to work and raise families because of our high quality of life, our excellent schools, and our unlimited job opportunities.
- A Michigan where all citizens fare well in life, and none are condemned to live life on welfare; where independence is rewarded and dependence is discouraged.
- A Michigan where people feel safe to walk in their neighborhoods at night, free from the fear of crime that holds them hostage in their own homes.
- A Michigan where personal incomes grow faster than government revenues; where work pays and crime does not.
- A Michigan where ingenuity, risk-taking, and entrepreneurship are encouraged.
- A Michigan where government protects its citizens from threats to personal freedom and private property, instead of threatening these basic rights.
- A Michigan where public schools can compete with the best in the world and do not retreat when our kids need discipline and basic education.
- A Michigan where people can trust their elected officials to keep their promises and stand up to special interests by putting taxpayer interests first.

The governance of Michigan is once again at the crossroads. One road reaches for the future, and one road reverts to the past. Michigan voters have a clear choice: We can continue on the road to less government and lower taxes, to world class schools, to more jobs and opportunity, and to greater personal freedom. Or, we can retreat to the old days and the old ways of more welfare and government programs, and the higher taxes it takes to pay for them, to higher unemployment and to fewer opportunities, and to the malaise of mediocrity that has plagued our public schools for the past two decades.

These are my goals, and this is my plan for the future. Now is not the time for complacency or retreat; now is the time to move boldly forward to finish the work that we have begun.

II. BEING MICHIGAN'S GOVERNOR: RESTORING TRUST IN GOVERNMENT

As I have travelled our great state, people have told me how they have lost faith in government. Feelings of alienation are up, and trust in elected officials is down. Many citizens believe that their elected officials care more about bowing to the special interests that prey upon government than about putting their interests, the interests of taxpayers, first. Many citizens believe that their elected officials don't care about what happens to them, what they think, or what they want. Sadly, all too often, they are right.

For nearly four years I have worked hard to keep my promises; to earn the trust of the Michigan public, and to restore their confidence in state government. I've kept my word.

Keeping one's word. Nothing angers people more than politicians who pander to polls during their campaigns, only to break their word once elected to office. It angers me, too. I am a man of my word, and when I make a promise, I deliver. My record speaks for itself:

- I promised to cut property taxes and cap assessment increases. I did that, and more. School property taxes were not just cut, they were virtually eliminated, and assessment increases were capped at 5% or inflation, whichever is less.
- I promised the working men and women of Michigan that they would keep more of what they earn by cutting taxes on individuals and businesses, and I did -- eleven times. I cut the income tax to its lowest level since 1975. I cut taxes on pensions by making the first \$30,000 of pension income for individuals, and the first \$60,000 of pension income for couples exempt from state taxation. I eliminated Michigan's inheritance tax, and I cut the single business tax four times in four years. As a result, the average Michigan family will keep \$1,000 more of their hard-earned paychecks this year alone.
- I promised to reduce the size and scope of state government, and I did. The number of state employees is down by 5,300, one state department has been abolished, services have been consolidated for greater efficiency, and there are fewer boards, commissions, councils, and committees to distract civil servants from serving the public. The rate of growth in state spending is the lowest of any four-year span in 30 years -- a real spending cut of 17%, and a real savings for taxpayers of nearly \$2 billion over the past 4 years.
- I promised to reform welfare by making it a helping hand in a time of need, not a handout, and I did. Michigan leads the nation in the number of welfare recipients who are earning income, getting the skills and education to become self-sufficient, and giving something back to society.
- I promised to get the Governor out of the clouds and back on the streets by getting rid of the Governor's personal jetcopter, and I did. I have driven more

than 200,000 miles across this vast state, visiting every one of Michigan 83 counties each year for four years.

- I promised to put the thugs, punks, and pushers that terrorize our neighborhoods where they belong -- behind bars -- and I did. We have added 13,500 new prison beds by opening seven new prisons and three new boot camps. Since 1990, nearly 10,000 more violent criminals have been taken off the streets and put behind bars.

Clean government. Nothing destroys public confidence in government like stories of scandal, corruption, and greed by government officials. The arrogant disregard for the law demonstrated by the House Fiscal Agency scandal is a case in point. The public demands and deserves the highest level of ethical conduct from the people it sends to public office, and so do I. Government leaders are role models, and their conduct should reflect the morality and decency of the people they lead.

I believe that public officials should be carefully selected and judged not only on their competence, but also on their character. I have lived by this principle in the selection of the leaders in my Administration. I believe in leadership by example, from the top down, because I care about the example we set and the public image we project. I am proud of the men and women I have placed in public office, they have kept their noses clean and their fingers out of the public till. They are my team and I am proud to say that after four years my team is still together.

Campaigning with citizen support. I believe that candidates for state public office should get the financial support they need to run their campaigns from the citizens they intend to govern, not from influential political action committees (PACs), and not from rich political activists from other states. Every dime I have raised for my re-election has come from the pocketbooks and savings accounts of the individual citizens who support me. I have not accepted PAC money, and I don't intend to start.

Diversity in government. I believe that government should reflect the diversity of the people it governs. As an employer, it should set an example for other employers to follow. I have paid particular attention to appointing women and people of color to key posts in my Administration because I care about the diversity of their experience, and the wisdom that this experience imparts to the advice I receive.

I have appointed more women to state boards and commissions than any Governor in Michigan history; over half of my personal staff, and two-thirds of my policymaking staff, are comprised of women. In 1991, just one quarter of the way into my Administration, the National Women's Political Caucus ranked Michigan among the top five states in the nation for appointments of women to leadership positions in the Cabinet and agencies of state government.

We have achieved many firsts: The first female director of the Department of Management and Budget, the first African-American woman to head the Department of Civil Rights in Michigan, the first woman to chair the Michigan

Tax Commission, the first African-American judge to serve on the Oakland County Circuit Court, the first woman to serve on the International Bridge Authority, the first woman to chair the Michigan Employment Relations Commission, and more.

Listening to people. I believe in an open government, so I opened my doors and the doors of my Cabinet members to hundreds of Michigan citizens, to listen to their ideas and to share their concerns, because I care about what they think. I have had personal, face-to-face meetings with over 700 citizens since I began holding open office hours.

Government that is closer to people. I believe that the best government is the government that is closest to the people it governs. I have ended the era of "Lansing knows best" by downsizing and decentralizing state government. I have increased local control over essential services like public and mental health. And, I have empowered local school boards to become "quality councils," to do their job of setting standards for educational excellence and improving the performance and quality of our schools and teachers, instead of worrying about how to pass the next millage.

During my visits to every county in Michigan for each of the past four years, I have taken the time to get to know the mayors and sheriffs, the judges and prosecutors, the commissioners and council members, and the people who are on the front lines of delivering services to the public, because I care about what they think. I care about the quality and efficiency of the services they deliver, and I care about making government more responsive to the people it serves.

As part of my county visits, I have enjoyed the opportunity to talk with folks across Michigan. I have found more common sense and good ideas in the diners and coffee shops of Main Street Michigan than in all the offices and committee rooms of Lansing.

I have worked hard to change the role of state government from the one-size-fits-all, cookie-cutter approach that characterizes big, top-to-bottom central government, to a role in which the state sets standards for quality, measures performance, and provides technical assistance to local service providers. Financing still comes largely from Lansing, but services are increasingly under the control of local units of government that can tailor services to meet community needs.

Smaller government. As Paul Harvey once said: "A government that is big enough to give you everything you want, is big enough to take away everything you have." I believe he is right, and that is why I have worked hard to limit the reach of government into the lives and pocketbooks of people.

Restoring fiscal integrity. I have managed the state budget just like Michigan families manage their household budgets -- living within our means and not spending more than we take in. The \$1.8 billion deficit I inherited is gone -- transformed into a surplus of over \$300 million. Our savings account for rainy days, the Budget Stabilization Fund, will be the largest in America by the end of

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1995 -- nearly \$900 million. The credit-card mentality is gone. Creditors have been paid off, and our credit worthiness has been restored.

I restored trust in the Veterans' Trust Fund by committing to pay off the eighteen-year-old debt from the overspending of the past, from the sale of the Accident Fund. Michigan's veterans were there for Michigan in our time of need, Now Michigan will be there for our veterans should their need arise.

I restored trust in our Unemployment Insurance Trust Fund by paying off a fifteen-year-old debt to the federal government and relieving employers from the burden of the penalty tax. Employers have more to invest, and employees are insured by a solvent and stable Trust.

I also committed to restore trust in the Natural Resources Trust Fund by helping to put Proposal P on the fall ballot. If passed, this proposal will provide a permanent source of support, \$10 million per year, for our state parks without raising taxes.

I care deeply about restoring trust and confidence in state government. I care what people think about the quality of public services, and I care about the competence and character of the people who deliver them. But, I care most about the working men and women of Michigan who deserve to keep more of what they earn, and to get more for their money.

Looking to the Future

In my second term, I intend to build upon the foundation for reform that I have established by undertaking the following initiatives:

1. Putting taxpayers first. I will implement the recommendations of the Secchia Commission on Total Quality Government. The Commission is chaired by former U.S. Ambassador to Italy, and successful businessman, Mr. Peter Secchia. The Commission's work is guided by the view that taxpayers are the customers of government. It will make recommendations to improve customer services, and reduce customer costs.

2. Keep cutting taxes. I will work to make sure that the growth of personal income exceeds the growth of government revenues. One way to do this is to continue to cut taxes and reform welfare.

3. Smaller state government. I will continue the work that I have begun to reduce the size and cost of state government by reducing the number of state employees by 5% more over the next four years. This can be done largely through normal attrition.

4. End unfunded federal mandates. I will work to make the federal government pay for its promises and stop sticking state government and our taxpayers with the tab. A mandate is just a fancy word for higher taxes that Washington politicians like to use to try to fool the public into believing that they are going to get something that somebody else is going to pay for. Currently, unfunded federal

mandates cost state government and Michigan taxpayers over \$400 million per year. The Michigan Constitution prohibits state government from passing on costs to local governments, and I want Congress to stop passing the bill to state and local governments.

5. Keeping our Constitution. Periodically, the Michigan Constitution gives voters the opportunity to call for a convention to make changes in the state Constitution. I believe that the Michigan Constitution has served Michigan very well, and therefore, I will not support Proposal A.

6. Assuring that state and local governments follow the Michigan Constitution. I will implement recommendations from the commission I established to evaluate the compliance of state and local units of government with the Headlee Amendment to the Michigan Constitution. This amendment, approved by the voters in 1978, sets limits on taxation, guarantees a fair share of state spending for local units of government, prohibits the state from imposing unfunded mandates on local governments, and gives voters the right to approve or reject proposals to increase certain taxes.

III. EDUCATION AND ECONOMIC OPPORTUNITY: RECONNECTING SCHOOL TO WORK

There are no two issues that are more important, or that are more tightly bound together, than the quality of our schools and the economic opportunity of the young people they educate. Nothing is more vital to our future prosperity than the quality of our human resources. If Michigan is going to continue to become the high-wage, high-quality-of-life state that I want it to be, then the knowledge, skills, and ingenuity of our people must be nurtured, encouraged, and invigorated as never before.

Michigan's economy stands on three strong legs -- manufacturing, agriculture, and tourism. It is primarily a state where we make things that other people buy; where working men and women, our human resources, shape our natural resources into the products that America wants to keep its high quality of life.

The future growth of Michigan's economy is growth that will come from within. Over 90% of the 400,000 new Michigan jobs that have been created during my Administration have been created by people and companies that were already in Michigan. This fact underscores the guiding principle of my Administration: to create the conditions and climate for growing jobs and investment, and for creating a state where economic success is understood, embraced, and sought.

Knowing that economic growth comes from within makes it easy to understand why our people are our most valuable resource. It also makes it easy to understand why education is so important to our economy -- it is an investment in the development of our human resources. Global competition, in its simplest terms, is a race to develop human resources, and education is the track upon which it is run. As H.G. Wells has noted: "Human history becomes more and more a race between education and catastrophe." It is a race we cannot afford to lose; it is a race that I am determined to win, because the learning power of our students directly affects the earning power of our workers.

When I graduated from Beal City High School in 1966, my classmates and I had three choices about what to do next: We could return to the family farms that many of us, including myself, grew up on, knowing that some day the family business would become our own. If we worked hard and got good grades, we could pursue higher education knowing that it would eventually lead to a good career. Or, we could move to cities like Grand Rapids, Bay City, Saginaw, Flint, or Detroit where we knew we could find high-paying factory jobs with a stable future, jobs that could support a family, and put a roof over our head.

I was fortunate to have had three choices, because the vast majority of the young adults of my generation did not have the option of returning to the family farm. For the thousands of my classmates across Michigan who did not go on to college, who were average students armed with a high school diploma, my generation may have been the last to have had the opportunity to get the high paying jobs that the plants and factories of the day provided.

The Michigan economy of the '50s and '60s was dominated by a single industry that faced limited competition and provided a large number of jobs requiring relatively low skills. The economies of Germany and Japan were still recovering from the devastation of world war. Manufacturing was based on the technology of the assembly line and mass production, requiring large numbers of workers to do repetitive, physical tasks. It needed dependable, honest workers who respected authority, could follow directions, and were physically fit. Together, they made the Michigan economy the envy of the nation, they put America on wheels, they built the arsenal of democracy, and they created the highest quality of life on the face of the earth.

The schools of the '50s and '60s were able to meet the needs of the manufacturing economy. They taught students the basics, how to read, write, and count. They rewarded obedience and respect for authority, and they disciplined those who did not follow directions, or show up when, and where they were supposed to. They taught by the technology of repetition, and physical education was not an elective.

Essentially, the schools of the '50s and '60s produced the young workers that the plant managers and job providers of the day wanted. There was harmony and synchrony between education and the economy. Parents were happy that their kids could complete their high school education, find a high paying job, and achieve a high quality of life without much difficulty. Their schools were serving them well; they were getting value for the taxes they paid.

Michigan's affluence created an appetite for more government services, more parks, and an extensive transportation system. Compassion for the relatively low numbers of poor people fed the development of one of the most generous social welfare systems in America. A prosperous, profitable manufacturing economy and high personal incomes afforded Michigan the opportunity to create an extensive array of government services without being overly expensive to individual taxpayers.

But during the 1970s, things began to change. The dominance of the Big 3 gave way to global competition; the dominion of a single industry gave way to reliance upon thousands of small, diverse, dynamic companies. The pace of change accelerated. The old technology of mass production gave way to the high technology of high-performance, flexible manufacturing. Demands for efficiency and higher productivity soared. Firms required more from their workers than dependability, honesty, and the ability to follow directions. They wanted the high skills required by high technology, and they sought partners in production who had the confidence to question authority and improve productivity because they understood the manufacturing process, and they knew their livelihoods depended upon the company's success. New signals were sent to our schools.

But even as Michigan manufacturers decentralized production, introduced new technology, and became increasingly flexible, Michigan's education establishment became more bureaucratic, more rigid, and increasingly out of step with the needs of the economy. They sought the lowest common denominators. Instead of rewarding excellence, they encouraged mediocrity. Instead of building on the basics to enhance technical literacy, they lost sight of

6. I will work with Michigan's Congressional delegation to secure the renewal of the federal Clean Water Act and continue to maximize federal support to combat combined sewer overflows. Combined sewer overflows (CSOs) pollute our lakes and streams with raw human sewage during times of heavy rain. Next year, when the Clean Water Act is renewed, I will fight for Michigan's fair share of the tax dollars we send to Washington to invest in new ways to stop CSOs.

7. I will support Proposal P to restore "trust" in the Natural Resources Trust Fund and provide up to \$10 million per year to improve and maintain our state parks. I helped to put this issue on the ballot, and I will work hard for its passage during my campaign for re-election.

8. I will direct the Department of Natural Resources to recommend changes to Michigan's permitting processes to provide greater flexibility and responsiveness. As Michigan manufacturers become increasingly agile and flexible in response to global competition, so must our regulatory processes become more flexible. One way to accomplish this objective is to allocate wasteloads to manufacturers, set clear goals for the pollutant discharges, and then let industry determine the means to meet the goals. This will dramatically simplify the permitting process, and reduce the delays associated with constantly modifying permits every time a production process is changed.

9. I will make Michigan the first state in the country to adopt a comprehensive Environmental Code. Already a great deal of work has been done by my Environmental Code Commission. The new Environmental Code will consolidate and simplify the hodgepodge of over 100 environmental laws into one understandable, easy to use, and consistent code.

10. I will complete the bipartisan work I have begun with my fellow governors from Ohio, Pennsylvania, and Indiana to keep Michigan from becoming the dumping ground for trash from other states. Already, bills have been introduced in the Congress. If this legislation is not signed into law this year, I will renew my efforts in 1995.

11. I will expand the successful and award-winning Great Lakes Recycle partnership to include soft paper products, and re-refined oil and retreaded tires for state automobile fleets. By using their combined purchasing power, the eight Great Lakes States have saved taxpayer dollars and established much-needed markets for recycled paper; the practice should be extended to other recycled products used in large quantities by government.

12. I will work with the Legislature and the mayors of our major cities to reform the Michigan Environmental Response Act to speed cleanups, spur redevelopment of urban industrial sites, and create jobs. Cleanup rules must be flexible enough to consider the intended use of the property and the relative risks to public health on a site-specific basis.

13. I will implement a long-term plan to keep the shores and beaches of Lake St. Clair clean. One way to do this is to develop partnerships with farmers to use harvested seaweed to enrich their soil.

E. RESTORING TRUST IN GOVERNMENT

In my second term, I intend to build upon the foundation for reform that I have established by undertaking the following initiatives:

1. Put taxpayers first. I will implement the recommendations of the Secchia Commission on Total Quality Government. The Commission is chaired by former U.S. Ambassador to Italy, and successful businessman, Mr. Peter Secchia. The Commission's work is guided by the view that taxpayers are the customers of government. Recommendations are under development to improve customer services, and reduce customer costs.

2. Keep cutting taxes. I will work to make sure that the growth of personal income exceeds the growth of government revenues. One way to do this is to continue to cut taxes and reform welfare.

3. Smaller state government. I will continue the work that I have begun to reduce the size and cost of state government by reducing the number of state employees another 5% over the next four years. This can be done largely through normal attrition.

4. End unfunded federal mandates. I will work to make the federal government pay for its promises and stop sticking state government and its taxpayers with the tab. A mandate is just a fancy word for higher taxes that Washington politicians like to use to try to fool the public into believing that they are going to get something that somebody else is going to pay for. Currently, unfunded federal mandates cost state government and Michigan taxpayers over \$400 million per year. The Michigan Constitution prohibits state government from passing the buck to local governments, and I want the federal government to stop putting state and local governments on the receiving end of unfunded mandates.

5. Keeping our Constitution. Periodically, the Michigan Constitution gives voters the opportunity to call for a convention to make changes to our State Constitution. I believe that the Michigan Constitution has served Michigan very well, and, therefore, I will not support Proposal A.

6. Assuring that state and local governments follow the Michigan Constitution. I will implement recommendations from the commission I established to evaluate the compliance of state and local units of government with the Headlee Amendment to the Michigan Constitution. This amendment, approved by the voters in 1978, sets limits on taxation, guarantees a fair share of state spending for local units of government, prohibits the state from imposing unfunded mandates on local governments, and gives voters the right to approve or reject proposals to increase certain taxes.

Charter Public Schools can take any number of forms. Imagine: A mother and child school where mom finishes high school while, down the hall, her children are in Head Start or pre-school. A math-science school where children learn the skills to get into the best universities in the world. A history school at Greenfield Village where young people not only study the past, but live, work, and breathe the past. A highly disciplined training school where kids on probation learn to distinguish between right and wrong, and respect for authority as well as how to read, write, and count. A technical school at the UAW-Ford Education Center where students can learn to design and assemble the products of tomorrow. Schools without walls, and schools within the walls of factories and firms across the state.

Charter schools have a rich and vibrant history in Michigan. The very first charter schools, although they were not called charter schools then, were developed by Henry Ford to train the skilled work force needed at the River Rouge plant. Henry Ford, Edsel Ford, and River Rouge High Schools all operated within the walls of the River Rouge plant. At one time, 100% of the machinists and skilled tradesmen working at The Rouge finished their high school education on the factory floors. German and Japanese entrepreneurs who visited these "working schools" marvelled at the ingenuity of the idea, copied it, and are using it today to successfully compete with manufacturers in Michigan and around the world.

As Michigan's manufacturing economy becomes more diverse, more flexible, and more technology intensive, the demand for skilled tradespeople is rapidly increasing. Already, up to 25% of the workers in our factories are skilled tradespeople, and in the foreseeable future, that number will only grow. The average age of a journeyman today is 58, and massive retirements are expected before the end of the century. Today, with the potential of Charter Public Schools, Michigan manufacturers once again have the opportunity to work together with teachers to train the workforce they need for the high-paying, high-skill jobs they provide.

School to work is one mission made possible by the advent of Charter Public Schools. It can be applied across the diverse spectrum of employment opportunities in our economy from manufacturing to the medical arts, and from accounting to agriculture. They can restore the hope that a high school education can still lead to the high-pay, high-skill jobs in today's economy, and dissolve the despair of students who do not plan to go to college. They can stimulate nothing less than an education renaissance. The possibilities are unlimited.

Choice, competition, and dollars following students. I believe in the freedom of parents to choose the school that they think is best for their children. Freedom of choice is one of the founding principles of America; it forms the foundation for our entire free-enterprise economy. It is ironic that parents can send their children to the pre-schools and colleges of their choice, but when it comes to primary and secondary education, their choices are limited by the school district in which they live. Sure, they can move, but I think that is a poor way to exercise choice because it means that only the wealthy can afford to choose. And this is wrong.

While I advocated complete freedom of choice for parents, the Legislature limited that choice by saying that parents must first get permission from their local school district to release their child, and then get permission from the receiving school district to admit their child. It is a small step, but it is a step in the right direction, and with the advent of Charter Public Schools, the virtual elimination of school property taxes, and the establishment of a portable, per-pupil grant that will follow students wherever they go, a whole new world of choice and competition is being created.

Public education is a government-run and publicly financed monopoly, and monopolies don't work because they build complacency. One of the reasons that the automobile industry went through wrenching changes in the '70s and '80s was that it had to shake the complacency of the market domination it once held to adjust to the realities of global competition. Fortunately, it survived, it changed, and today it's stronger than ever. Similarly, one of the reasons that public education has lagged behind the changes in our economy is that the local public school is the only show in town. The difference is that the public school will not go out of business even if it produces a poor product that nobody wants.

The only way to change public education is through political leadership and the determination to fight the defenders of the status quo. They fear competition and consumer choice because it forces them to work harder and smarter to keep customers that are no longer part of a captive market. But I believe that competition based on consumer choice will improve the quality of our public schools, and synchronize them with the demands of today's economy.

Informed consumers. I believe parents not only deserve the right to choose the schools they send their kids to, but they also deserve the right to make an informed choice. That is why I created the Michigan School Report, a building-by-building annual report on the costs, quality, and performance of every public school in Michigan. Parents can go to any store or showroom in America and find out more about the clothes or cars they buy than they can about the schools where their children will spend their formative years. The Michigan School Report is distributed to every library in Michigan, and is available to computer users over America Online.

The Michigan School Report is in its early phases, but already it provides information on costs, graduation rates, test scores, and other valuable information that can help parents learn more about their schools and make informed choices for their kids. It is also a valuable tool for involved parents, business people, and school board members who want to make a difference in education. Finally, the Michigan School Report is also the means to make competition work by letting competitors -- school administrators and teachers -- know how the competition is doing.

Higher standards, longer hours, and better technology. To prepare students for the new demands of an increasingly complex and knowledge-based economy, we are establishing a more demanding core curriculum, a process to regularly measure student mastery, and a gradual increase of 20% in the length of the

school year. I also initiated the Michigan Information Network, an interactive data and video network that will allow students, teachers, workers, and employers to access information contained in libraries and laboratories across the globe.

Michigan is in the midst of a decades-long transition from the Industrial Age to the Age of Knowledge -- a new era in which educated people and ideas are the key strategic commodities that determine our economic prosperity, security, and quality of life. Our kids no longer compete with kids in Ohio and Indiana; they compete with kids in Beijing and Brussels. To keep up with the rest of the world, students must first master how to read, write, and count, but then be challenged to move beyond the basics. Students must learn to travel the information highway to find the best texts and teachers in the world.

Our schools already have computers; what they need today are networks, last mile connectivity, and real-time data and video connection to the rest of the world. The Michigan Information Network has just begun to reach for these critical goals.

Cost containment. To make sure that parents were getting the maximum amount of educational value for their tax dollar, we enacted laws to let local school boards get competitive bids for health insurance, materials and supplies, bus service, and other non-instructional services. And, yes, we put some teeth into a 30-year-old Michigan law prohibiting teacher strikes and unfair lockouts by school boards.

Michigan's educational system is founded on the principle of strong local control. It is a principle that I believe in, and one that had to be strengthened to give communities the tools and authority to use it to contain costs and secure the greatest value for our educational dollars.

The success of the school finance and education reforms that we have achieved are the talk of the nation. States across the country are looking to Michigan as they confront the same challenges of high property taxes, and realigning education to meet the needs of their economies.

While it is critical to re-forge the link between school and work, it is also extremely important to empower schools to create an environment that is conducive to learning. Schools should be sanctuaries for learning, where students can quietly concentrate without disruption. Just as no kid should be forced to attend a bad school, no school should be forced to keep a bad kid. I firmly believe that schools must be allowed to establish a code of progressive discipline for students who consistently disrupt classes, and that alternative school settings must be made available to take kids that have not yet learned to respect authority or the rights of their fellow students.

As I look forward to the future, I am determined to build upon the historic changes we have wrought to restore our economy, reform education, and create the conditions under which Michigan citizens can achieve their fullest potential.

Looking to the Future

As I look forward to the next four years, I will implement the following eight-point plan to build on our education reforms, restore safety and discipline, and re-establish the essential bond between learning and earning a living:

1. Stimulate the development of Charter Public Schools for the skilled trades and other occupations for the non-college bound. The last two years of high school must become more connected to work. Michigan's economy, in particular, its manufacturing economy, needs young, skilled workers who can compete in the age of robots, computers, and information. It is my goal to develop school-to-work programs, including apprenticeships, in every school district in Michigan.

2. Complete the job we have begun to provide complete freedom to parents to send their kids to the public schools of their choice. With the virtual elimination of local school property taxes, and the creation of portable, per-pupil education grants, the logic of restricted choice no longer holds.

3. Fully implement the Michigan Information Network. Achieving last mile connectivity for Michigan schools will bring the best texts and teachers to the fingertips of students across Michigan. The pending renewal of Michigan's Telecommunications Act provides the opportunity to achieve this milestone on the road of progress from The Industrial Age to The Age of Knowledge.

4. Support the establishment of Charter Public Reform Schools to provide a more highly disciplined learning environment for bad kids that have been removed from regular classrooms for consistently disruptive behavior. Charter Public Reform Schools will meet the same high standards as other public schools, but they will also emphasize discipline and respect for authority. Some of these schools may need to be single sex and residential in nature. Portable, per-pupil grants will follow children removed from regular classrooms to these reform schools.

5. Continue to lead the fight against outcome-based education (OBE) by keeping the control of our schools in the hands of parents and locally elected school boards, and out of the hands of big government. We must not allow affective education based on psychological pedagogy to replace effective education built on the basics.

6. Develop a "Safe School Profile" for inclusion in the Michigan School Report so that parents can make school choices based on quality, performance, and the ability to provide a safe sanctuary for learning. This addition to the Michigan School Report will help parents judge the relative safety of the schools they choose for their children.

7. Ask the Legislature to pass a bill requiring the immediate expulsion of any student who brings a deadly weapon to school - any kid who brings and handgun to school will be gone.

8. Ask the Legislature to pass a law providing for civil fines for parents who allow children less than 16 years old to become truants.

Economic Development: Beyond the Best Schools in America.

While I believe that the key for Michigan to compete successfully in an era of global competition is the development of a highly educated, highly skilled workforce, our success will depend on more than the quality of our human resources. Our success will also depend upon the climate we create for investing in job-creating businesses and industries. Whether existing job providers stay in and grow in Michigan, and whether new businesses look to Michigan as a place to locate also depends on whether doing business in Michigan will be more profitable than doing business somewhere else.

When business and industry leaders weigh the potential profitability of staying in, or coming to Michigan against alternative locations, they carefully evaluate not only the quality of our schools and the young workers they produce, but also the relative burden of taxes and regulations, and the quality of our transportation and information infrastructures. High taxes and regulatory costs, and inferior systems for transporting both products and information, mean costly delays that can make the difference between winning or losing consumers. I believe that it is an indisputable truth that Michigan cannot tax or regulate itself into prosperity because money is mobile, and in the long run, investors will find the best locations, and the best climate in which to make it grow.

Throughout the 1980s, Michigan earned the image of being a state of high taxes and costly regulations -- an altogether unfriendly place to create jobs and do business. Regional and national organizations that evaluate business climates routinely rated Michigan's as being among the worst. This high-cost image was translated into real decisions in boardrooms across the country to reduce business in Michigan, and to locate new plants, offices, and jobs where they were more welcome. Competitor states were quick to take advantage, and like sharks after wounded prey, they pursued remaining Michigan businesses with thousands of letters and invitations to come and locate in Tennessee, Texas, Indiana, and other low cost states.

When I was elected, I promised to make the tough decisions necessary to bring Michigan back by cutting taxes, reducing regulations, and maintaining one of the best transportation systems in America. Over the past four years, we have met with a great deal of success: Property and single business taxes have been cut, unemployment insurance costs have been cut, regulatory backlogs and delays have been eliminated or reduced, new regulations have been limited to those required to comply with federal laws, and the largest investment ever has been made in building and maintaining our roads and bridges without raising taxes. But most importantly, Michigan has sent a clarion call to job providers at home and across America that doing business in Michigan is good business.

Looking to the Future

We have reversed the trend to high taxes, tougher regulations, and fewer jobs; we have brought Michigan back! But, our job is only half done. While we have caught up with America, we must now take bold new steps to lower taxes, reduce

regulations, improve regulatory response times, and an improve our transportation infrastructure for people, products, and information to move Michigan ahead of the nation. As I look forward to the next four years, I am determined to implement the following initiatives:

1. Single business tax reform. Michigan's single business tax is the only one of its kind in the nation. It is very complicated, often unfair, and even more often, a deterrent to job creation. The Michigan Legislature has already begun to evaluate ways to replace or reform the single business tax to encourage investment and job creation. I will work with the Legislature to make reform a reality so we can stimulate job growth, and investment in Michigan.

2. New Michigan Trade Ports. I will direct the Michigan Jobs Commission and the Department of Commerce to prepare recommendations on how to expand the concept of "port districts" as provided in Article IV, Section 42 of the Michigan Constitution, to facilitate the development of port authorities for the transportation and distribution of information as well as products.

3. Michigan Economic Growth Authority. I will continue to push for the passage of legislation authorizing the creation of the Michigan Economic Growth Authority to create enterprise zones in all 83 counties and provide job-creating tax incentives to speed additional economic development.

4. High-speed rail corridor. Michigan's Detroit-Chicago corridor won designation from the U.S. Department of Transportation to be one of five high-speed rail corridors in the United States. I will direct the Michigan Department of Transportation to develop plans, detail costs, and begin construction of this important new corridor of commerce which will serve over 14 million people. It will connect the nation's third and fifth largest metropolitan areas, as well as major manufacturing, research and education centers.

5. Reforming the Department of Natural Resources. I will continue to work with the Michigan Legislature to reform the Department of Natural Resources to keep permit backlogs to a minimum, to remove penalties for reinvesting in old urban industrial sites, and to move beyond compliance with command and control regulations to creating cooperative partnerships for pollution prevention.

6. New apprenticeship programs. I will direct the Michigan Jobs Commission to work with Michigan manufacturers and teachers to develop apprenticeship programs for the skilled trades that begin during the last two years of high school. This can be accomplished either by creating new charter public schools, or by cooperation between existing public schools and businesses.

7. Job Training and Re-training. I will continue to utilize the Michigan Jobs Commission to support the training and re-training of Michigan workers to learn the new skills required by new technology.

8. Maximize the return of federal highway tax dollars to Michigan. I will take steps to make sure that Michigan captures every available federal dollar for investment in building and maintaining our roads and bridges.

Agriculture: Keeping our food safe and the right to farm strong.

As the first Michigan Governor in fifty years to come from an agricultural background, I care deeply about keeping our food and agricultural industry among the most productive and diversified in the nation. Michigan is second only to California in the diversity of our crops and commodities, and with our abundant fresh water supply, rich soils, and temperate climate, agriculture will remain a sturdy source of economic strength far into our future.

As a boy growing up on our family farm, I learned the values that held our family together: Faith, work, and community. These same values remain the core of farm life today. As a student of agricultural economics at Michigan State University, I learned what it takes to keep the business of farming strong and profitable: Know your markets, add value, keep input costs to a minimum, conserve, and stay up-to-date with research and new developments.

During my first term as Governor, I have worked hard to keep my commitments to Michigan farmers. I have made food safety the top priority of the Department of Agriculture by strictly enforcing some of the highest standards of quality in America. I have appointed the best men and women I could find to key agricultural posts. I have fully funded the \$70 million animal agricultural research and development initiative at Michigan State University to sow the seed corn for our future. I reduced the size and scope of state government, and I have protected personal property rights. I eliminated the inheritance tax. And, I kept my promise to cut property taxes -- Michigan's farm property taxes went from being 300% above the national average, the highest in America, to 30% below the national average with the passage of Proposal A.

I am proud of the new partnerships that have been created between Michigan farmers and my Administration. Together, we have helped to feed the needy by raising over \$900,000 and 1.5 million pounds of food at our annual Harvest Gatherings. Together, we have worked to protect our environment and leave our land to future generations better than we found it through initiatives like Michigan Clean Sweep and Clean Stream, and through better technical and educational assistance to conserve our soil and water resources. And, together we have created a better business climate that is enjoyed by farms, firms, and workers across Michigan. But our job is only half done.

In order to realize the full potential of our agricultural industry, our goals must be to continuously strive to increase crop diversity, develop new value-adding processing capabilities, maintain a steadfast commitment to protect the safety and quality of our food, and relentlessly pursue policies that improve Michigan's business climate by promoting profitability and economic growth. At the same time, we must continue to conserve our land and waters, and commit to environmental stewardship by employing farm management practices that are based on sound science and pollution prevention. Composting, integrated pest management, and the prudent use of pesticides, fertilizers, and biotechnology are becoming increasingly important to the future of farming.

As I look to the next four years, I intend to achieve these goals by implementing the following eight-point plan:

1. Increased crop diversity. I will direct the Michigan Department of Agriculture, the Rural Development Council of Michigan, and the Michigan Jobs Commission to work together to attract more food and agricultural processing plants to Michigan, including corn processing/ethanol plants as well as other dairy, meat, soybean, fruit and vegetable processing facilities. The establishment of aquaculture and cranberry industries holds particular promise.

2. Keep Michigan's interests strong on the 1995 Farm Bill. I will work with our Congressional delegation and the National Governors' Association, as well as leaders in agriculture and conservation, to help craft a 1995 Farm Bill that addresses Michigan's special needs.

3. Revise Michigan's Drain Code. I will direct the Michigan Department of Agriculture to take the lead in developing legislation to implement their task-force recommendations on revising Michigan's Drain Code to simplify and improve procedures for drainage projects to enhance agricultural productivity, provide fish and wildlife habitat protection, and encourage local governments to manage storm water consistent with watershed-management needs. As a first step in revising the Drain Code, a statewide drain inventory should be completed.

4. Increase agricultural exports. I will direct the Department of Agriculture to take the lead in working with the Michigan International Trade Authority, commodity groups, and others to develop a coordinated action plan to expand exports of Michigan agricultural products. One way to increase exports is to extend Michigan's successful, self-funded marketing programs to more commodities.

5. Strengthening the right to farm. I will direct the Department of Agriculture to review Michigan's right to farm law to recommend steps to assure that every person who wants to farm can, free from expensive nuisance and liability lawsuits and other forms of legal harassment when farmers voluntarily follow Generally Accepted Agricultural Management Practices.

6. Staying on a level regulatory playing field. I will continue to support a Michigan strategy of complying with federal standards when they are reasonable, challenging them when they are not, and not putting Michigan at a competitive disadvantage by seeking to exceed them.

7. Keeping food safety our top priority. I will keep food safety the top priority for the Department of Agriculture by modernizing laboratory and weights and measures facilities. In addition, I will establish a Food and Agriculture Code Commission to develop a comprehensive Food and Agriculture Code that is understandable, consistent, and user-friendly.

8. Reducing non-point source pollution through voluntary pollution prevention and education. As co-chair of the National Forum on Non-Point Source Pollution sponsored by the National Geographic Society, I will work with farmers and

others in agriculture to reduce the threat that non-point source pollution poses to our lakes and streams. Education and pollution prevention are essential tools because non-point source pollution is not amenable to traditional command and control regulations. Michigan's venerable Agricultural Extension Service will play an important role.

Tourism: Saving Yes to Michigan.

Tourism is the second largest segment of Michigan's economy, it will make a net contribution to Michigan's economy of over \$7.1 billion in 1994, and over half of this income will come from out-of-state visitors. Over 114,000 jobs are supported by our thriving tourism industry. It is an industry that touches and compliments every economic-development initiative that state government is engaged in, and it contributes greatly to the high quality of life we have come to enjoy as Michigan citizens.

I am proud to govern a state that is home to so many excellent vacation destinations from Mackinac Island and Greenfield Village to Frankenmuth, Tahquamenon Falls, the Soo Locks, our prize winning wine country, the Gerald Ford Museum, the historic State Capitol, the Detroit Zoo, the Traverse Bay region and on and on. Our beautiful beaches, excellent parks, challenging golf courses, unlimited water sports, and bountiful natural resources make Michigan a magnet to multitudes of visitors every year. And, I want to invite people across America and around the world to come to Michigan and enjoy our wonderful vacation getaways.

Knowledge of Michigan's bountiful tourism destinations comes easy to those of us who are native Michiganians, our challenge is to spread the good word to people in other states and countries. That is why I have shifted the focus of our \$6 million Yes Michigan promotional campaign to target population centers outside of Michigan in places like Chicago and Toronto -- over 70% of our promotional resources are focused on increasing tourism exports by attracting visitors from outside of Michigan. Michigan has also taken the lead among the Great Lakes states and the Province of Ontario to promote the Great Lakes region as a tourism destination to the United Kingdom and Germany. In addition, I had the pleasure to host the first international tourism and trade show ever held in this region in Detroit in the fall of 1993.

I believe that the role of the Michigan Travel Bureau should be more than that of a simple promotional agency, it should include a complete picture of statewide tourism development. We must work with the travel and tourism industry worldwide to not only bring in more visitors and their dollars, but to send the message to an ever increasing audience that Michigan is a wonderful place to live, work, and visit. We are working to leverage our promotional dollars by entering into marketing agreements with airlines, including our first of its kind agreement with Northwest Airlines to promote Michigan travel destinations and products throughout the U.S. and Europe.

One way that my Administration has worked to more fully develop tourism statewide is through the initiation of the Michigan Travel System (MITS), a

unique and trend-setting partnership between the Travel Bureau and the private sector to instantly provide customized travel information to callers seven days a week over fax and electronic mail lines. The MITS is being looked at as a new national model for getting instant, accurate information about travel destinations to potential visitors upon demand. It also has enabled the development of new marketing techniques, and the ability to measure the success of promotional campaigns by market. Not only is MITS a smarter, faster, and more useful tool to our tourism industry, it has cut the cost of advertising per inquiry by more than half since 1990.

Increasing the expertise of Michigan's travel industry to compete successfully in our region, across America, and around the world is an important goal of my Administration. Through educational seminars and close collaboration with local communities and Convention and Visitors Bureaus, modern travel product development is growing across Michigan.

As I look to the future, I intend to build upon the promotional, marketing, and tourism-development initiatives we began during my first term as Governor by implementing the following initiatives:

1. Travel Trade Response Center. I will launch this first of its kind marketing approach to focus on the 35,000 travel agents and wholesale suppliers nationwide to encourage them to develop and market Michigan as a tourist destination. The Travel Trade Response Center will use the MITS technology to allow travel agents access to a data base of travel products developed specifically for them.

2. Extending MITS to Convention and Visitor Bureaus and Regional Marketing Associations across Michigan by adding ONSITE, a micro version of MITS, that will give these groups the same capabilities that the state Travel Bureau now enjoys. The ONSITE will connect directly to MITS and will allow the completion of the "tourism information superhighway" to the local businesses that represent tourism around the state, and give them an advantage in this highly competitive market.

3. Expanding private-public partnerships to promote Michigan tourism. I will continue to expand partnerships between government and our tourism industry such as the current cooperation with Midwest Living magazine, Meijer stores, Northwest Airlines, AAA, and McDonald restaurants to stretch our limited resources to reach the worldwide audience. We will also expand our targeted use of new marketing media such as mailing list marketing, cable TV, and focused publications to reach ever greater audiences.

4. Thunder Bay National Marine Sanctuary. I will work with the National Oceanic and Atmospheric Administration to make Lake Huron's Thunder Bay the Great Lakes' first National Marine Sanctuary. The national Marine Sanctuary Program applies comprehensive resource management strategies, research, and education to increase public understanding and enjoyment of aquatic ecosystems. Thunder Bay's proposed designation consists of underwater limestone sinkholes, the large number of historical shipwrecks, the diverse plant

and animal life, and the proximity of the Michigan Islands National Wildlife Refuge that are attractive to scuba divers, boating enthusiasts, and naturalists.

IV. REFORMING HEALTH AND WELFARE: INCREASING ACCESS, AND MAKING WORK PAY

I care deeply about improving the health and welfare of all Michigan citizens, and I know that the best way to achieve this goal is by creating the conditions under which each and every individual can reach his or her fullest potential for economic success. The most important health policies, the ones that make the greatest difference in the health status of our population, are policies that improve education and create jobs and economic prosperity for citizens.

The single most important determinant of the health status of any individual, indeed, of any population, is income. The prestigious New England Journal of Medicine recently reinforced this fact by reporting that even in countries that have had socialized medicine for many decades, low-income people are less healthy, suffer more disease and premature death, and have higher rates of infant mortality than their fellow citizens who earn higher incomes. No health insurance card, no government guarantee, and no government program can alter this indisputable fact.

At the same time, there are some serious problems in our health-care system that need to be addressed. Costs are still too high and they are getting higher too fast, and too many people are unable to afford decent health-care coverage. There is no shortage of ideas about how to address these problems; hundreds of well-meaning bills are introduced every year. The real challenge is to weed out the good ideas that make a positive difference from the bad ideas that can be downright dangerous. It takes a deep understanding of the complexities of health care and a consistent set of guiding principles to make these tough choices.

I have established a sound set of principles to guide the decisions of my Administration in the making of health-care policy. Each and every piece of legislation, every rule, and every administrative action that would affect Michigan's health-care system is carefully analyzed and judged according to the following three principles:

1. Access. Increasing access to health-care coverage is a goal that all citizens and public officials agree with. The challenge is to do it in a way that does not increase costs and end up reducing access. Mandates are a classic example. Each year there are dozens of proposals to mandate that all insurance policies cover a given service. The idea is to increase access to the service, but the opposite result is more often achieved because mandates increase the cost of coverage, and fewer people can afford to buy the insurance. For example, a study done by Wayne State University a few years ago found that if all of the mandated coverages currently required by Michigan law were repealed, up to 20% of our uninsured population could afford to buy health insurance. There are a few exceptions to this rule, like childhood immunizations, but most mandates increase costs and decrease access.

2. Affordability. The high cost of health care generates many ideas about how to contain costs and make coverage more affordable. The challenge is to reduce costs without reducing access. Global budgets and price fixing are examples of

proposals that keep costs down, but at the price of reducing access. When budgets are exhausted, as they were in Canada last December, hospitals shut down and services stopped. When prices are fixed, like they were for gasoline in the mid-1970s, waiting lines and rationing occur, and sometimes people stop providing the service altogether because the price they are paid is just too low. On the other hand, proposals to increase competition between health-care plans achieve the desired result by increasing affordability and efficiency.

3. Quality. Americans enjoy the highest quality of health care on the face of the earth. The challenge is to increase access and affordability without reducing quality. Reliably measuring quality remains an uncertain science that deserves more attention.

The job of reforming health care to achieve the goals of universal coverage and affordability, without compromising quality, is a complex task that must be handled with great caution and careful judgment because it impacts the life of every citizen. In the headlong rush to reform, it is wise to remember the words of Hippocrates: "First, do no harm."

Federal Health Care Reform: "First, do no harm."

I am deeply concerned about the President's plan to impose radical government reforms upon the American health-care system. I wonder how a federal government that is over four trillion dollars in debt will pay for the largest new social entitlement program in the history of the world. I worry about plans to vastly expand the federal government's control over one of the most private aspects of our lives. I am suspicious about plans that take 1,350 written pages to describe and proposed laws the thickness of a Manhattan phone book to implement. And, I am concerned about putting the job in the hands of a Congress that can't even balance its own checkbook or deliver the mail on time.

As a Governor who has succeeded in transforming a \$1.8 billion deficit into a surplus of over \$300 million, I am also concerned that Congress will pass a program that states will be forced to pay for. Governors of both political parties across America are fed up with paying for the promises of Congress, and we have resolved to stop these unfunded mandates. Unfunded Congressional mandates currently cost Michigan taxpayers over \$400 million a year. Analyses of the various health-care plans currently pending before Congress show that they would impose another \$300 to \$800 million dollars of unfunded mandates on Michigan.

I have kept a wary eye on Washington, D.C., but I have also taken steps to move Michigan toward the goal of affordable coverage for all of our citizens.

- After two decades of fighting to reform Michigan's medical liability laws, we succeeded in restoring the balance between protecting the rights of injured patients, and protecting doctors from frivolous and wasteful lawsuits. These reforms will bring skyrocketing malpractice insurance costs, which had become the highest in the nation, under control, and reduce the costly

practice of "defensive medicine" where doctors order unnecessary tests and procedures just to protect against lawsuits.

- Through my Healthy Kids Initiative, I have expanded Medicaid coverage to include over 80,000 uninsured, low-income children. This \$51 million initiative, will provide coverage that is more comprehensive than the coverage proposed by the President for every uninsured child in Michigan who is below age sixteen, and who lives in a family whose income is below 150% of the federal poverty level -- that's over \$17,000 for a family of three.
- By establishing screening programs for breast and cervical cancer for uninsured women at fifty locations across Michigan, greater access to early detection and treatment will help save lives. Already, over 10,000 uninsured women have benefitted.
- Through my managed-care initiative in Medicaid, we have directly connected over half of Medicaid beneficiaries with a family doctor and a medical home. This initiative not only provides better, more consistent care for patients, but it saves taxpayer dollars -- over \$75 million last year alone. It has also cut the rate of Medicaid cost inflation to half the national rate, and Michigan is on track to become the first state in the nation to enroll one million Medicaid beneficiaries in managed care.
- By reforming the licensing of physicians and other health-care professionals to include more public participation on licensing boards and tougher disciplinary tools, quality will be improved and protected.

Michigan is a state of great compassion for its less fortunate citizens. We have built and maintained one of the most comprehensive Medicaid programs in America, covering more services and more citizens than virtually any other state. Between the generous coverage provided by most Michigan employers, and the coverage provided by Medicare and Medicaid, over 91% of our population is insured, compared to an average of 85% in other states. And, when my Healthy Kids initiative is fully implemented, more than 92% of our population will be insured.

Looking to the Future

I will continue to work to increase the number of people who have health-care coverage, to keep costs under control, and to make sure that we do not sacrifice quality in the name of reform. More specifically, I will work to implement the following seven-point plan for health-care reform:

- 1. Insurance reform.** I will ask the Legislature to make health-care insurance portable from job to job, simplify insurance rating rules, limit the use of pre-existing conditions, and guarantee the issuance and renewal of health-insurance policies. In addition, I will recommend that three basic benefit packages ranging from comprehensive to catastrophic coverage be offered by all insurance plans doing business in Michigan to help consumers do comparison shopping among the same benefit packages to find the best price and policy to meet their needs.

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2. Voluntary purchasing groups for small business. I will support the establishment of voluntary health-insurance buying groups for small businesses to help them save money by reducing administrative costs, build their business commonality, and aggregate purchasing power to achieve large group discounts from health plans and providers.

3. Public/private partnerships. I will work to save taxpayer dollars by making state government a partner with other employers in areas with large numbers of state employees to join in forming purchasing groups to obtain discounts and reduce the cost of employee health care.

4. Quality. I will direct the Department of Public Health to work with hospitals, physicians, HMOs, and other health-care plans to develop recommendations on how to reliably measure health-care quality and outcomes, as well as how to make this information available to consumers to improve their ability to make purchasing decisions based on both price and quality.

5. Mandated benefits. I will continue to oppose mandated benefits that increase the costs of health-care coverage, and decrease access.

6. Increasing access. I will continue to explore alternatives, including federal waivers, to increase access to affordable health-care coverage for Michigan's low-income and uninsured people. One way to do this may be to seek federal permission to allow these individuals to buy low-cost, comprehensive coverage by paying the state matching cost for Medicaid. This simple approach would bring comprehensive coverage within the reach of the vast majority all of Michigan's uninsured population.

7. Implementing federal reform. While it is unclear what, if any, health-care reforms will emerge from Washington D.C., I am prepared to implement them in Michigan. In doing so, I will follow the principles of maximizing choice, minimizing costs and mandates, and relying upon free markets to the greatest extent practicable.

Protecting the Public Health: Prevention is the key.

It is one of the fundamental responsibilities of state government to take measures to protect and promote the health of the population it serves. It is a responsibility I have taken seriously, and it is one that I am determined to uphold because I care deeply about improving the health status of all Michigan citizens.

Unlike our private health-care system that takes care of individuals once they become sick, the concern of public health is to prevent disease and promote the health of whole populations. Epidemiology is its basic science, and its tools include immunizations, nutrition, sanitation, health promotion, and a constant vigilance over the causes of disease and death.

Recently, the Harvard School of Public Health reported that 85% of the premature deaths in America are due to the life styles that we lead. Smoking, obesity, and stress are the main causes of the heart disease, cancer, and strokes that kill the majority of Michigan people. Smoking alone causes over 15,000 preventable deaths in our state each year -- more than twice as many deaths as the combined number of deaths due to homicide, suicide, alcoholism, auto accidents, heroin, cocaine, and AIDs!

In the short-term view of most politicians, investing in public health is a loser, because the payoffs are too far down the road to matter. I have taken a different view, because my vision is focused on achieving long-range, lasting improvements in health status. For this reason, I have increased funding and support for public health by 60% -- the largest increase for disease prevention and health promotion in Michigan history!

Improved funding is just one step towards a healthier Michigan. We have taken many others, including:

- Passing new laws to discourage smoking and protect children from second-hand smoke by creating smoke-free schools and daycare centers. The fifty-cent per pack tax increase on cigarettes that was passed by the voters with Proposal A will save 69,000 lives by getting smokers to stop and discouraging young people from starting.
- Keeping the promise I made in 1990 to evenly share the costs of public-health services with local units of government by increasing the funding for cost sharing by over \$15 million -- achieving the goal set in 1978 for the first time ever.
- Increasing funding to make pregnancy prevention services a basic health service available to all Michigan citizens for the first time ever. Abstinence is stressed as the primary way to prevent teen pregnancy, and contraception is available to those who can't say "no."
- Making Michigan one of only a few states in the nation that provides free vaccines to its children. It is also one of only two states that makes its own vaccines. I have taken steps to assure that we can continue to protect the public from preventable disease by entering into an historic agreement with SmithKline Beecham to create new combination vaccines that will reduce the number of shots and protect against more diseases than ever before, making it easier to reach at-risk kids. In addition, SmithKline is selling Michigan-made vaccines across the country for the first time, saving taxpayer dollars and providing a significant new source of support for our immunization efforts.
- Improving outreach has enabled Michigan to capture more federal funds than ever before for the Women, Infants, and Children (WIC) program, increasing the number of young families served by 20% since 1991.

The results of teenage pregnancy, mortality rates, the infant mortality rate as a percentage of the infant mortality rate demonstrate everyone.

Looking forward health status following six:

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The results of these efforts are beginning to pay off. For example, the rate of teenage pregnancy has fallen to the lowest level since 1986, and our infant-mortality rate has declined to the lowest level in Michigan history. The decline in the infant mortality rate is extremely significant because most economists use this rate as a measure of the economic prosperity of nations. And, the fact that infant mortality declined most among our African-American population demonstrates that Michigan's economic recovery is slowly, but surely helping everyone.

Looking to the Future

Looking forward to the next four years, I will continue our efforts to improve the health status of the Michigan population. More specifically, I will implement the following six-point plan for public health.

- 1. I will ask the Legislature to pass a bill to ban billboard advertising of tobacco and alcohol products.** Not only does such advertising attempt to glamorize smoking and drinking, especially among young people and minorities, it adds to the visual pollution of our landscape.
- 2. I will ask the Department of Treasury for recommendations on how best to divest State of Michigan pension funds of holdings in companies that manufacture tobacco products.** Just as we sent a strong message to South Africa to end apartheid, we will send a strong message to tobacco companies to stop targeting our children with their advertising and marketing schemes.
- 3. I will direct the Department of Public Health to prepare plans to phase in the vaccination of Michigan children against Hepatitis B.** New, effective vaccines are now available to prevent this costly, destructive, and life-threatening disease, and our children deserve the best protection available. In addition, I will direct the Department to develop plans to target adolescent health clinics and STD clinics for the Hepatitis B vaccination. Hepatitis B is transmitted through blood, saliva, and sexual contact, and it can become a life-long disease that ultimately leads to liver failure and death.
- 4. I will introduce new combination vaccines that can prevent up to six diseases in a single shot, making it easier to reach at-risk populations, particularly in our urban areas.** In addition, I will implement a new Childhood Immunization Registry to keep track of the immune status of our population, and to help target public health programs to high-risk populations. It is my goal to achieve 90% immunity for Michigan infants below age 2, by 2000.
- 5. I will put mobile public-health clinics on the road to bring immunizations, health screenings, health education, and pregnancy prevention services to people who would otherwise have little access to these basic health services.**
- 6. I will encourage the establishment of independent Charter Public Schools for pregnant girls who want to complete their high-school education, while at the same time learning essential job and life-skills.**

Mental Health: Providing care in the least restrictive, clinically appropriate environment.

State government has a legal and moral responsibility to provide for the care and treatment of its most vulnerable citizens, people who have a serious mental illness or a developmental disability. I take this responsibility seriously, not just because it is my job as Governor, but because I care about these citizens and their opportunity to reach their fullest potential.

The guiding principle that I have applied in my approach to mental-health services is the principle of providing care in the least restrictive, clinically appropriate environment. I believe in community-based care, care that is delivered where people live, close to family, friends, church, and other social supports that are critical to people who may be experiencing one of the most vulnerable periods in their lives.

When I voted for the passage of the Mental Health Code as a second-term legislator in 1974, I shared its vision to create a locally controlled, community-based mental-health delivery system where the community was the single door people enter for care. Little did I know then that it would take over twenty years to see this vision through, and that I would be able to complete the job.

Twenty years is too long to wait for a stable and independent home for a family member who has mental illness or a developmental disability. The shift to community-based care is closer to completion than it has ever been, but it is not done yet. In my second term, I will finish the job, and every Michigan citizen will be assured of receiving appropriate mental-health care in their own community.

Under my Administration, the transition from a state-run, centrally controlled, one-size-fits-all mental-health delivery system, to one that is largely state financed, but decentralized, locally controlled, and tailored to the needs of communities is nearly complete. I have changed the role of state government from one of exercising complete control over everything, to a limited role -- the role of setting standards for quality, performance, and outcomes, and giving local providers technical assistance on how to achieve them.

For the first time ever, all of Michigan's fifty-five community mental health boards are now "full management" boards, where local communities can determine how to meet local needs. These community boards are the single door to enter and exit a comprehensive array of services ranging from respite care to hospital care. Once again, Michigan is a national leader in the movement to community-based care.

Communities now directly manage over \$1 billion of the state's \$1.5 billion mental health budget, including our \$400 million home and community-based Medicaid program, one of the largest in the country. Communities have shifted away from using state-owned and operated institutions to private local hospitals, because they can provide care that is closer to patients and less costly to Michigan taxpayers. Under Medicaid, when a person is admitted to a state institution, Michigan taxpayers pay 100% of the bill. But when a person is admitted to an

accredited private hospital, Michigan taxpayers pay only 44% of the bill, the federal government pays the rest, and Michigan recaptures some of the hard-earned tax dollars it sends to Washington, D.C. With high-quality care available locally, the choice is clear.

As communities have made the logical choice to use private, local hospitals instead of distant state institutions, the use of state institutions has declined, and closures and consolidations have been made possible. Today, more than 90% of all Michigan adults who are hospitalized for mental illness are treated in private, local hospitals, and these hospitals have ample capacity to meet the needs of the entire state.

The transition from a policy of shutting away patients in remote, state-run institutions and asylums, to a policy of enabling people to remain in their own homes and communities has been difficult. It has been difficult for the state employees who worked in the institutions and are now successfully finding work in the private sector. The transition has also been difficult for communities who have learned to adjust and accept fellow citizens who have faced the potential devastation of mental illness or the lifelong challenge of developmental disability. But the benefits to patients have been worth it.

One of the most difficult decisions I made was closing Lafayette Clinic. At the time of its closure, Lafayette Clinic had 37 patients, a staff of 228, and a budget of \$17 million -- over \$500,000 per bed. Research at the clinic had not produced a single new drug or treatment in over 15 years. In short, the struggle over the closure of Lafayette Clinic was not a struggle over patient care or rights, but a struggle to protect the special interest of state employees at the expense of patient rights. It may have upset state employees, but it was the right thing to do for the people who are now served in private hospitals, in their own communities, and in their own homes.

The research that was conducted at the Lafayette Clinic continues today at the new Joseph E. Young, Sr., Research and Training Program at Wayne State University. All active outpatient cases were transferred to this program, and the number of people served has been increased by over 150%, from 400 to over 1,000.

As the state has reduced the number of facilities it operates, the dollars it took to operate those institutions have followed the patients back into the community. Over \$130 million has been shifted to communities to care for people previously served in state institutions. And, for the fourteen remaining state hospitals, redeployed dollars and better care has made it possible for every single one to achieve national accreditation for the first time in Michigan history.

Under my leadership, Michigan has continued to invest in the care and treatment of its most vulnerable citizens. We rank in the top five nationally in the funding we provide per person served, we rank third in our investment in research, and we lead the nation in the development of a customer-centered, community-based system of care.

I am proud of these achievements, because they represent the final stretch to the finish of the decades-long transition to a new philosophy of care for our most vulnerable citizens. The philosophy of independence and inclusion is replacing the philosophy of confinement and exclusion.

It is a change that is right for people who need care, and it is right for Michigan.

Looking to the Future

As I look forward to the next four years, I will complete the transition to community-based care that was envisioned by the Legislature when the Mental Health Code was enacted into law twenty years ago. I will implement the following four-point plan:

1. I will continue to support the provision of appropriate acute mental health care in local communities, and I will continue to bring back Michigan tax dollars sent to Washington, D.C., by continuing to encourage the use of private psychiatric hospitals.

2. I will implement a first-of-its-kind managed-care program for mental-health services that will provide cost-effective, high-quality care through approved networks of mental health professionals. Managed care can potentially save up to 10% of the cost of care, thereby enabling us to reach more people with the same amount of dollars.

3. I will direct the Department of Mental Health to propose legislation to update Michigan's twenty-year-old Mental Health Code. Objectives of the update will include increased flexibility and authority for community mental health boards, increased consumer and family participation, stronger certification standards to improve quality and performance, and the establishment of service priorities to make sure that people suffering from severe mental illness, emotional disturbance, and developmental disability are first in line for care and treatment.

4. I will explore the extension of the Charter Public School, portable per-pupil grant, and parental-choice concepts that have been adopted for primary and secondary education to special education. Parents of special children deserve the largest number of choices possible to meet their child's individual needs. One way to maximize those choices is to provide parents with a portable, per-pupil grant equal to the amount that is spent for special education. The grant could be used to buy special education from the local school district just like today, or it could be used to buy educational, rehabilitative, transitional, or other services that are consistent with their child's individual needs, and chosen by the parents.

Reforming Welfare: Making work pay.

In Washington, D.C., there is a lot of talk about "ending welfare as we know it." In Michigan, we are doing it. Reform is becoming a reality. We began reforming welfare long before it became the popular thing to do, and unlike many of the plans that have been proposed in Washington, D.C., my plan is saving taxpayer

dollars instead of spending more, by getting people off of welfare rolls and onto payrolls.

My vision for welfare reform is based upon four fundamental values that have served as the cornerstones of American society since the birth of this great nation: Family, personal responsibility, community, and work.

In October of 1992, I presented a bold and innovative welfare reform plan to the Michigan Legislature. The name of the plan defined its goal: "To Strengthen Michigan Families." Strengthening families must be the goal of welfare reform because our families are our primary source of social, emotional, and financial support. The family is where we develop our sense of who we are, what we stand for, and where we can turn to in time of need. Reforming welfare means reforming programs that substitute dependence upon government for reliance upon family.

Rising rates of out-of-wedlock births, divorce, and the decline of two-parent households have changed the face of the American family. In Detroit alone, 95% of the teenaged girls who mother children do so outside of marriage, and of these young families, 80% end up on welfare. I believe that reforming welfare means reforming policies that encourage these destructive social trends and restoring personal responsibility for supporting families and children.

I believe that every person has value, worth, and skills to contribute something to their families and their communities. They have a personal responsibility to contribute productively and to become self-sufficient with our temporary support. Reforming welfare means rewarding personal responsibility, independence, and self-reliance.

Work is the key to building strong families, encouraging personal responsibility, and contributing to strong communities. I believe that everybody can do something, and that people have a personal responsibility to put in a good day's work to support themselves and their families, and to give something useful back to their community. Welfare recipients must learn that there is no such thing as a bad job, and that it is better to do something than to be on the dole. The key to ending welfare as we know it is to encourage work, not to expand programs we know don't work.

I recognize that some individuals and families face enormous challenges, but I believe that there is no obstacle that cannot be overcome. Whether it is illiteracy, drug dependency, inter-generational poverty, or a developmental disability, every person has something special to offer, can make a contribution, and must have the opportunity to do so.

The essence of my approach to reforming welfare has been to rewrite our social contract by requiring all recipients of public assistance to work, to get a skill through education or job training, or to perform community service in exchange for their welfare checks. But real reform means going beyond the requirement to work, it means changing programs and policies to make work pay, to reward saving, and to build personal responsibility for managing a household budget. It

also means breaking the cycle of dependency by tearing down barriers to employment like the loss of health-care coverage.

During my campaign for the Governor's office in 1990, I promised to shake up our welfare system, to put people back to work, and to transform welfare from a handout to a helping hand. Through determination and hard work, we have overcome adversity, and we have begun to achieve true reform. The following briefly highlights some of our successes.

Welfare for single, able-bodied adults ended. In 1991, we joined fifteen other states by eliminating general assistance welfare for over 80,000 single, able-bodied adults. Michigan continues to provide support to the relatively small number of people who are physically unable to work due to ill health or disability. This bold step saved a quarter of a billion dollars a year for Michigan taxpayers.

New social contract. We have fundamentally rewritten the social contract between taxpayers and welfare recipients. Welfare recipients are asked to commit to a minimum of twenty hours per week of work, education and job training, or community service in exchange for their benefits. Today, three out of four AFDC parents are participating in the new social contract.

Making work pay. To encourage work, we eliminated past policies that penalized work by reducing welfare payments for earned income. Instead, we established a new policy that permits welfare recipients to keep the first \$200 of earned income each month, and 20% of earnings over this amount. In addition, we abolished the past policy that prohibited welfare payments to two-parent families where one of the parents worked more than 100 hours per month. As a result of these changes, Michigan now leads the nation in the percentage of welfare families that are earning income -- nearly 25% of Michigan's welfare families are earning income compared to just 8% nationally. Last year alone, over 22,000 AFDC cases were closed due to income from employment, saving taxpayers over \$28 million. Instead of increasing grants and paying people not to work, we are increasing opportunities to earn money and work towards independence.

Keeping families together. Michigan has moved aggressively forward to expand our nationally acclaimed Families First program to every county in Michigan. This intensive program of early intervention at times of family crises is guided by the simple principle of removing the risk instead of the children. Of the nearly 8,000 families that have been helped by this program, 80% are still together after one year. As a result, out-of-home placements in foster care have fallen nearly 10%, in stark contrast to the rising trends in other states. In addition, implementation of the recommendations of Lt. Governor Connie Binsfeld's Adoption Commission has helped find more permanent, loving homes for Michigan's children. Compared to 1990, total adoptions have increased by 67%, led by a 22% increase in the adoption of African-American children, and a 30% increase in the adoption of handicapped children.

Improved collection of child support. Michigan has become a national leader in the collection of child support payments. New laws enacted under my Administration are helping custodial parents get prompt payments by allowing

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child-support obligations to be reported to credit bureaus, by requiring non-custodial parents to report child-support obligations to employers, by requiring hospitals to ensure that fathers declare paternity in the hospital at the time of birth, and by withholding professional licenses for deadbeat parents until they pay up.

Breaking down barriers to work. Many welfare recipients choose to remain on welfare rather than work out of the fear of losing health-care coverage. To break this cycle, we have adopted a policy to provide continued Medicaid coverage for people who take jobs without health benefits for one year.

Keeping a strong social safety net. Michigan's social safety net remains one of the strongest in the country for people who fall on hard times. We have entered into a unique partnership with the Salvation Army to help Michigan's homeless by guaranteeing shelter for any Michigan resident in need. In addition, through the volunteer efforts of thousands of Michigan businesses and individuals, our annual Harvest Gathering has raised over \$1 million and more than 1.5 million pounds of food to help feed the hungry. We have also taken steps to keep Michigan's Medicaid program one of the most comprehensive in the nation, and to extend needed medical coverage to every uninsured child below the age of 16 living in families with incomes up to one and one half times the federal poverty rate.

These are but a few of the steps that have already been taken along to the road to welfare reform. The progress we have made has been impressive, but the journey is not yet complete.

Looking to the Future

I will finish the job of reforming the programs and policies that make up Michigan's welfare system by implementing the following six-point plan:

1. Mandatory work. Compliance with the requirements of Michigan's Social Contract to work, get education or job training, or perform community service, now voluntary, will become mandatory, and will apply to all welfare recipients.

2. Time-limited welfare. We will give welfare recipients 90 days to comply with the requirements of the Social Contract. If they do not comply, welfare benefits will begin to be reduced. If they do not comply for one full year, they will be terminated from public assistance.

3. Increased fraud investigations. I will increase the use of home visits to root out fraud and prosecute violators.

4. Child support enforcement. I will request the Legislature to pass a law prohibiting young fathers from participating in extra-curricular high-school activities unless they first pay child support. Young men must learn to put the personal responsibility of fatherhood first -- if they don't pay, they won't play. In

addition, we will provide non-custodial parents the option of complying with child-support orders requiring health-care coverage by allowing them to buy low-cost coverage through the Medicaid program. By making coverage more affordable, more children will receive the coverage they need.

5. Paternal identification. We will require the cooperation of unmarried mothers to identify potential fathers as a condition of receiving welfare benefits. If there are several potential fathers, we will use scientific tests like blood tests and DNA profiling to identify the responsible parent. Once identification has been made, court orders for child support will be sought.

6. More rewards for earning income. Pending appropriate federal approvals, we will continue to strengthen incentives to work and earn income in four new ways. 1) We will advance Earned Income Tax Credits to working welfare recipients on a monthly basis; 2) we will allow working welfare recipients to cash out food stamps so that they can learn to budget food expenses; 3) we will work with employers to use AFDC grants to offset salary costs for newly hired welfare recipients for their first six months on the job; and 4) we will allow people who leave welfare to take jobs that lack health benefits to buy low-cost Medicaid coverage once their transitional coverage expires. We will make work pay.

V. CONSERVATION AND NATURAL RESOURCE STEWARDSHIP: MOVING BEYOND REGULATORY COMPLIANCE

I care deeply about the quality of the air we breathe, the water we drink, and the quality of the parks and campgrounds, forests, lakes, rivers and streams where we go for recreation and renewal, because they are vital to our quality of life and our economic prosperity. The bounty and beauty of our natural resources are a key part of the reason why people who are born in Michigan want to stay in Michigan, and why millions of people visit our state every year.

As the first Michigan Governor in fifty years to have grown up on a family farm, I learned to practice conservation early in life. I learned to value the bounties that God bestowed upon the earth, and I learned to respect and protect this great heritage. I also learned that improper practices can erode the productivity of the land and disrupt the delicate balance of our ecology.

My stewardship of the state's vast natural resources, and my approach to protecting the environment have been guided by these three basic principles:

- **Relative Risk Assessment.** I believe in focusing our limited state resources on the most important risks to human and ecological health. The Center for Risk Assessment at the Harvard School of Public Health recently reported that the cost per life year saved by childhood immunizations and stopping smoking was "less than zero," meaning that investment in those areas actually saves money as well as lives. By comparison, the cost per life year saved by eliminating chlorine from paper mill waste is over \$99 billion! The report concludes: "If we are to make further strides against premature death and impaired health status, it is critical that citizens and policymakers focus their attention and scarce resources on the big risks." I agree.
- **Sound science.** I believe that decisions concerning environmental policy and the expenditure of state tax dollars must be based on sound science and reality, not scare tactics and ideology. That is why I created the Michigan Science Advisory Board, to give me the best available scientific advice, and to answer complex questions concerning the environment. The board has achieved national recognition for its comprehensive reports on mercury and chlorine, and they are now investigating the causes for the recent mess on the shores of Lake St. Clair.
- **Pollution prevention.** I believe that the best solution to pollution is prevention. Responsible leaders from both industry and leading conservation organizations agree. That's why I brought together regulators from the Department of Natural Resources (DNR) and leaders from Michigan's largest industry, the automobile industry, to reduce the use of toxic pollutants at auto plants and throughout their supplier network. Already, this partnership has cut toxic emissions by 30% without enacting a single new regulation.

Using these principles, I have brought accountability, clarity, and responsiveness to the management of our vast natural resources. I have put the responsibility for

natural resources policy back where it belongs, in the hands of the conservationists on the Natural Resources Commission, and I have set clear priorities for the protection of our environment.

Protecting the Great Lakes. As the Governor of the Great Lakes State, I am acutely aware of the importance of the fresh waters that define and surround it. These "sweet water seas" contain 20% of the world's fresh water, and over 90% of the fresh surface water in America. Twenty-five million people depend upon the Great Lakes for clean, fresh drinking water. These natural wonders are truly a national and international resource of the highest value and importance, and they deserve our highest priority for protection.

To assure that the Great Lakes get the attention they deserve, I elevated the Office of the Great Lakes to Cabinet status, and I put the best person I could find in charge. As a member of the Cabinet, the Office of Great Lakes director puts the interests of the Great Lakes at the same table where all of the key decisions affecting our economy, our budget, and the course of state government are made.

I have also joined forces with my fellow Great Lakes governors to establish uniform, consistent, and higher standards governing the discharge of toxic pollutants into our shared waters by developing the principles and policies behind the Great Lakes Water Quality Initiative. In most cases, this means that the standards of other states like Indiana and New York will be raised to the same high standards that Michigan has had for many years. I also joined the governors of Minnesota and Wisconsin, and the Premier of Ontario to provide special protection from toxic pollution to the crown jewel of the Great Lakes, Lake Superior, by demonstrating the concept of zero-discharge zones.

But the most immediate threat to the Great Lakes today is not some exotic chemical oozing out of the end of an industrial pipe, it is the 130 species of exotic pests imported into the Great Lakes in the ballast tanks of ships. Invaders like the lamprey eel and the zebra mussel threaten to destroy our great fisheries, impose ruinous costs of up to several billions of dollars on municipal water systems, and create more messes like the seaweed we cleaned up on the shores of Lake St. Clair. I am deeply disappointed that despite these facts and our repeated requests for support, our national government has turned its back on this national resource by cutting support for critical programs to control and eradicate these invaders.

Another key threat to the Great Lakes is non-point source pollution -- pollution from many diffuse sources like road and agricultural run-off, combined sewer overflows, and even rain. Unlike point sources of pollution, non-point source pollution is not amenable to conventional command and control regulation. There is no one party to blame because we are all responsible for non-point pollution. Education, not regulation, is the best solution to non-point pollution. That is why I have accepted National Geographic Society President Gilbert Grosvenor's request to co-chair The National Forum on Non-Point Source Pollution, to develop innovative, non-regulatory means to keep our lakes and streams clear and clean.

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This summer, the citizens who live and play on Lake St. Clair, the "Sixth Great Lake," have borne the burdens and the indignities of both the zebra mussel and combined sewer overflows. I care about their opportunity to fish and swim in this great lake, and that is why I took immediate action to clean up the mess, to find out why it occurred, and how to keep our favorite beaches and fishing holes open in the future.

Cleaner air. The quality of our air affects the quality of life for the millions of Michigan citizens who live in our metropolitan areas, many of whom have watched as factories sprouted up around them. I care about the toll that air pollution exacts upon the health of these citizens, and I care about the costs it imposes on their lives and livelihoods. That is why I have worked hard to uphold Michigan's high standards for air quality.

Over the past five years, air pollution in Michigan has been cut by 30%, and over the past three years, the air in Southeastern Michigan has become so clean that the Detroit Metropolitan area is the largest metropolitan area in America to achieve national clean-air standards for ozone.

Achieving air quality attainment in Southeastern Michigan is a milestone on the road to cleaner air and a cleaner Michigan that will enable millions of Michigan citizens to breathe easier, and be relieved of the high costs and inconvenience of more mandatory automobile inspections and more maintenance. In addition, our clean air sends a clear message to job providers across America that Michigan is a great state in which to invest and create more jobs. This trend toward cleaner air will continue as Michigan moves to implement new legislation I recently signed into law to implement even higher standards for our future.

However, there is one set of sanctions that the federal government plans to impose on Western Michigan that I oppose because they are unfair, unrealistic, and just plain wrong. The federal government has determined that areas of Western Michigan, including Kent, Ottawa, and Muskegon Counties, do not meet federal air-quality standards for ozone. Because of this determination, citizens and employers living in these areas may be subject to costly new sanctions. However, even the federal government admits that the findings of sound scientific studies prove that even if every automobile and every smokestack were removed from these counties, they would still not meet the standards because the excess pollution is not coming from these counties, but is instead being blown in by west winds from Chicago, Gary, Indiana, and other areas.

When I confronted federal officials with the facts, they threw up their hands and said: "You are right, but that's the law." Well, if that's the law, then the law is unfair, and it's time to change it. Western Michigan should not be forced to pay for problems created by some other city in some other state.

Solid waste. I believe that Reduce, Reuse, and Recycle should be the three R's, the three principles, that guide solid-waste policy in Michigan. When I was a state legislator, I helped to pass a state/local partnership to plan for the management of solid waste that has become a model for states across the country. This plan is based on the three R's, and is designed to reduce the need for landfills. As

Governor, I have built upon this plan, and I have extended these principles in a new partnership with all eight Great Lakes states.

Through my leadership on the Council of Great Lakes Governors, I built the largest regional partnership in America to use the buying power of eight state governments to create markets for recycled goods. Great Lakes Recycle made the largest purchase ever of recycled office paper, over 60 million pounds, saving precious natural resources and taxpayer dollars at the same time. The partnership received a citation from President Bush as a finalist in the most prestigious environmental awards program in America.

States across America look to Michigan for leadership in the management of solid waste. Unfortunately, many also look at Michigan as a dumping ground for theirs. Several years ago, under my leadership in the State Senate, Michigan adopted a law that successfully prevented the importation of trash from other states for many years. However, in 1991, the law I helped create was successfully challenged by the solid-waste industry in the U.S. Supreme Court, and the people of Michigan lost. But I have not given up my fight to prevent Michigan from becoming a dumping ground for other states. I have joined forces with governors from Indiana, Ohio, and Pennsylvania in a bipartisan partnership to get other states to manage their waste the same way that Michigan does by getting Congress to give governors the right to "just say no."

Recreational opportunity. The quality of our parks is a key part of the quality of life in Michigan. We are blessed with the best state park system in America. They are magnets that draw over 25 million visitors to Michigan each year, creating thousands of tourism jobs. In all of America, Michigan is first in the number of campsites, first in overnight attendance, third in total visitors, and fifth in land ownership. At the same time, we rank 46th in the cost of an annual park pass.

I believe that the cost of admittance to Michigan's state parks should stay among the lowest in the country to keep our parks accessible to low-income citizens. For this reason, I have increased state general fund support for our state parks by 50% since 1990. I also created a permanent endowment fund, The E. Genevieve Gillett State Park Endowment Fund, that will maintain our parks with the earnings from the \$40 million deposit that will be made when the Accident Fund is sold. Selling the Accident Fund will also enable me to endow a \$20 million trust for the Michigan Civilian Conservation Corps, a unique public-works program that provides jobs and job skills to welfare recipients and low-income youth, while improving the quality of our parks and natural resources at the same time.

But most importantly, I helped to restore trust in the Natural Resources Trust Fund by working to end the diversion of taxes on the extraction of Michigan's non-renewal resources, oil and natural gas, to fund the pork-barrel economic-development projects of the previous administration. This fall, voters will get the chance to permanently end this diversion and invest up to \$10 million per year in keeping our parks clean and beautiful for all to enjoy, without raising taxes.

Hunting, our outdoor heritage. Another key to creating the high quality of life that comes with the enjoyment of the great outdoors is protecting the rights of millions of hunting and fishing enthusiasts. Hunters and fishers are Michigan's original conservationists. I care about the right to hunt and fish, free from harassment and disruption, and I am determined to continue protecting this right.

For many sons and daughters, their first experience of the wonders of nature comes on that first hunting or camping trip, and for many parents, the communal setting of the campfire is a place to convey family values, to build the bonds that bind families together, and to develop a deep respect for our natural resources.

Reforming the DNR. I took bold and decisive action to reform and reorganize the Michigan Department of Natural Resources because it needed to be done. It needed to be done to restore accountability and efficiency to the operations of a department that exerts tremendous control over the quality of both our ecology and our economy. It needed to be done to get bureaucrats out of the committee room and back at their desks, or in the field making timely decisions, getting rid of the backlogs, speeding up cleanups, and being more responsive to taxpayers. It needed to be done to put control over environmental decisions back in the hands of accountable employees, and out of the hands of the special interests that dominated these committees.

Of the nineteen commissions and councils that I eliminated, ten had not met for over a year. Of the 163 people who served on the remaining 9 active committees, only 23 (14%) were designated for "citizens at large." The rest of the appointees represented industry (42%), or other special interests, including environmental organizations.

The making of environmental laws and rules remains as open today as it has ever been. Documents and decisions are as open to public scrutiny as they have ever been. And the meetings of the Natural Resources Commission remain as open to the public as they have always been. In fact, the establishment of the new DNR Calendar has opened the DNR decision-making wider than ever before for public inspection and comment.

Towards a sustainable economy. I believe that in the long run, environmental quality and economic prosperity are mutually dependent goals. One cannot be accomplished without the other. If we do not have a vibrant and growing economy, our ability to protect the environment and improve the quality of our natural resources will be surpassed by more immediate and pressing concerns over jobs and social welfare. A strong economy is a necessary condition for environmental quality.

It has been my goal as Governor to reconcile economic growth with environmental protection, to reach the balance that we must achieve between these often competing imperatives. Under my leadership, Michigan has weathered the storm and now enjoys the best of both worlds: A strong and growing economy, and a healthy ecosystem.

Jobs are up; unemployment is down. We have grown over 400,000 new Michigan jobs over the past four years, and unemployment is at its lowest level in over two decades. Michigan leads the nation in the number of high-paying manufacturing jobs being created -- in the past year alone, Michigan added 32,200 high-paying manufacturing jobs, more than twice as many as the next closest state, Texas, that added only 14,600. Personal incomes are rising, and Michigan leads the nation in new business startups. In 1993, real personal incomes in Michigan grew three times faster than the national average, and Michigan leads the nation in new business startups. Productivity is up, exports are up, and manufacturing efficiency is up. In fact, U.S. News and World Report says that Michigan's economic recovery is the strongest among all large industrial states.

Our economic recovery has paralleled our ecological recovery. Scientists report that the Great Lakes are cleaner than they have been for over two decades, PCB concentrations have dropped by 90%, and total releases of toxic substances were cut by 20% in the last two years alone. Our air is cleaner, our water is cleaner, and our fish are safer to eat than at any time in over a generation.

The return on our investment in protecting our ecosystem can be measured by the return, in larger numbers than ever, of threatened species to Michigan. At the top of the Great Lakes food chain, the Bald Eagle is back -- 252 nesting pairs, far surpassing our goal of 200 pairs by the year 2,000; the Kirtland's Warbler is back in the highest numbers in 30 years; and the wolf is back, providing a four-legged, as opposed to a four-wheeled predator for our soaring deer population. Indeed, the health of our Great Lakes ecosystem is back.

We are reconciling differences, we are building partnerships, and we are moving beyond compliance with command and control regulations towards a new social compact based on mutual trust between industry and environmentalists, and between regulators and the people they regulate.

Just as Michigan manufacturers have become more agile and more flexible to meet the demands of global competition, so must Michigan move towards a new regulatory system that allows greater flexibility to meet pollution reduction goals. Education, voluntary partnerships, life-cycle design, the use of total quality environmental management, and the principle of pollution prevention must all be part of this new approach. With this new approach, I mean to achieve measurable results, not to dictate the means by which they are achieved.

Looking to the Future

I am proud of the record I have built during my first term as Governor of the Great Lakes State, and I intend to build further upon this record in my second term by advancing the following initiatives:

1. I will implement the Great Lakes Water Quality Initiative (GLI) to further reduce toxic pollution to the Great Lakes, and bring other states' standards up to the level of Michigan's. Beyond that, we will urge the EPA to quickly implement the air-toxics provisions of the Clean Air Act Amendments of 1990 to reduce air

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deposition of 189 chemicals to the Great Lakes. Air pollution, often from distant sources, is now the largest source of toxic pollution in the Great Lakes. We should not tolerate airborne pollution from Chicago, St. Louis, or Ohio.

2. I will pursue innovative, market-based strategies to achieve even higher standards of environmental quality in the most cost-efficient ways and without any backsliding. I will seek to demonstrate, where appropriate, the effectiveness of market-trading systems for selected air and water contaminants in certain air and watersheds. This approach is working for acid rain; I believe it will work for nutrients in our waters or in our skies.

3. I will lead the fight to control the epidemic of exotic pests that plague our Great Lakes. First, I will study the recommendations of the Michigan Science Advisory Board concerning the recent seaweed onslaught on the beaches of Lake St. Clair to determine the extent to which the zebra mussel is responsible, and what can be done to stop it. Second, I will work with our Congressional delegation to restore the Great Lakes to the national prominence they deserve by restoring federal support for critical programs to end the lamprey and zebra mussel invasion. Third, I will explore the establishment of a Great Lakes/Canadian Compact setting pre-treatment standards for the discharge of ship ballast into the Great Lakes for traffic within the 200-mile Exclusive Economic Zone. Finally, if appropriate and necessary, I will re-deploy state resources to confront what experts agree is the most immediate threat to the Great Lakes.

4. I will take steps to implement the recommendations of the National Forum on Non-point Source Pollution through environmental education. One way to improve efficiency and expand the reach of this education is to use the Michigan Information Network to reach schools, and to reach other citizens through the proposed Michigan Government TV channel. Finally, and most importantly, the resources of the Michigan Agricultural Extension Service can be marshalled to reach and teach Michigan farmers how to conserve soil and reduce runoff.

5. I will build on the successful examples set in the Saginaw Bay, Grand Traverse Bay, Huron, Clinton, and Rouge River watersheds by working to make watershed management a more prominent approach to achieve water quality goals. Currently, the achievement of water quality goals is based on political boundaries, not the boundaries of the resource to be protected. Michigan has 1,500 local units of government, but it has only 63 watersheds. Watershed management will result in greater local control, better ecological management, and cleaner waters.

6. I will work with Michigan's Congressional delegation to secure the renewal of the federal Clean Water Act and continue to maximize federal support to combat combined sewer overflows. Combined sewer overflows (CSOs) pollute our lakes and streams with raw human sewage during times of heavy rain. Next year, when the Clean Water Act is renewed, I will fight for Michigan's fair share of the tax dollars we send to Washington to invest in new ways to stop CSOs.

7. I will support Proposal P to restore the "trust" to the Natural Resources Trust Fund and provide up to \$10 million per year to improve and maintain our state

parks. I helped to put this issue on the ballot, and I will campaign for its passage during my campaign for re-election.

8. I will direct the Department of Natural Resources to recommend changes to Michigan's permitting processes to provide greater flexibility and responsiveness.

As Michigan manufacturers become increasingly agile and flexible in response to global competition, so must our regulatory processes become more flexible. One way to accomplish this objective is to allocate wasteloads, set clear goals for the pollutant discharges, and then let industry determine the best means to meet the goals. This will dramatically simplify the permitting process, and reduce the delays associated with constantly modifying permits every time a production process is changed.

9. I will make Michigan the first state in the country to adopt a comprehensive Environmental Code. Already a great deal of work has been done by my Environmental Code Commission. The new Environmental Code will consolidate and simplify the hodgepodge of over 100 environmental laws into one understandable, easy to use, and consistent code.

10. I will complete the bipartisan work I have begun with my fellow governors from Ohio, Pennsylvania, and Indiana to keep Michigan from becoming the dumping ground for trash from other states. Already, bills have been introduced in the Congress, and movement is occurring; however, the debate over health-care reform may preclude passage before the end of this year, and we may have to renew our efforts in 1995.

11. I will expand the successful and award-winning Great Lakes Recycle partnership to include soft paper products, and re-refined oil and retreaded tires for state employee automobile fleets. By using their combined purchasing power, the eight Great Lakes states have saved taxpayer dollars and established much-needed markets for recycled paper, the practice should be extended to other recycled products used in larger quantities by state government.

12. I will work with the Legislature and the mayors of our major cities to reform the Michigan Environmental Response Act to speed cleanups, spur redevelopment of urban industrial sites, and create jobs. Cleanup rules must be flexible enough to consider the intended use of the property and the relative risks to public health on a site-specific basis.

13. Long-term plan for Lake St. Clair. I will implement a long-term plan to keep the shores and beaches of Lake St. Clair clean. One way to do this is to develop partnerships with farmers to use harvested seaweed to add rich organic material to the soil.

VI. PUBLIC SAFETY: KEEPING OUR SCHOOLS AND COMMUNITIES SAFE

Ensuring a safe, orderly, and free society is a fundamental function of government. I care deeply about protecting the right of every Michigan citizen to walk our streets, enjoy our parks, attend our schools, and shop in our business districts free from the fear of becoming crime's next victim.

The causes of criminal behavior are complex and often poorly understood. Experts can endlessly debate whether drugs, illegitimacy, the loss of traditional values, or other social maladies create the conditions for crime, but I believe that the role of government to confront criminality is crystal clear: Decent, law-abiding citizens must be protected, and criminals must be certain that they will be swiftly caught, convicted, and severely punished for breaking the law.

I also believe that we have responsibility to work with our schools, community organizations, neighborhoods, and families to effectively prevent crime and the cancer of drugs. Children must learn the difference between right and wrong, they must be taught to respect the law and the rights of others, and they must understand why there are no old drug dealers. The first time they commit a crime must be met firmly with the full force of the law so that the first crime becomes the last crime -- a mistake that is regretted and not repeated.

The face of violence is changing, it is becoming younger, harder, and lacking even the faintest trace of remorse. Over the past three decades the number of juveniles arrested for violent crimes has nearly quadrupled. Young punks, aided by a lenient juvenile justice system, break the law with impunity and without fear of the consequences of their criminal behavior. To them, juvenile justice is a joke; to their victims, it is a disgrace.

Today, too many young thugs commit violent crimes like murder and rape only to receive a "slap on the wrist" and a few years in juvenile detention. Judges refuse to sentence violent juvenile offenders to adult prisons, despite their commission of adult crimes. When young criminals reach the age of 19 or 21, they are released back to society with no records and no fingerprints, and if they repeat their crimes as adults, prosecutors have no way to pursue the tougher penalties that apply to career criminals. A dark curtain has been drawn between the juvenile and adult systems of justice that blinds our criminal courts to the records of repeat offenders.

Too many Michigan neighborhoods have become war zones, patrolled by predatory gangs who value neither property, nor human life. Decent people have become prisoners in their own homes, held hostage by the punks, pushers, and thieves that terrorize their streets. Children use books meant for learning as shields from the cross-fire of drug-related violence. And, hard-working men and women are forced to conduct their business behind bars and bullet-proof glass.

Despite the fact that the rate of violent crime in Michigan has dropped by over 11% over the past two years, the fear of crime is rising. Fear makes us all victims of crime by robbing us of our freedom, our dignity, and our humanity. It corrodes the quality of our lives by eating away the foundation of trust upon which all

meaningful human relationships are built. Every time one of us gets an icy knot in our stomach at the approach of a stranger, every time one of us double checks the locks on the doors, and every time one of us avoids driving through certain neighborhoods on the way to the store, we are victimized by fear.

As I said when I presented my Criminal Justice Plan to the Legislature in the spring of 1992: Crime victims and their families are not looking for condolences, they are looking for justice, action, and leadership. Since I gave that battle cry for justice, the men and women of the Michigan Legislature, Republican and Democrat alike, have joined forces with me to fight the greatest war on crime in Michigan history. It is a fight we are determined to win, and one that Michigan can ill-afford to lose.

Since I took office, more than 100 anti-crime and pro-victims' rights bills have been enacted into law -- more than during any comparable time period in Michigan history. The following highlights just a few of the many changes we have made to make Michigan a safer and more secure state in which to live, learn, and work.

More violent criminals behind bars. Studies show that when the prison population is the highest, the rate of serious crime is the lowest. During my first four years as Governor, Michigan completed the largest prison construction program in state history. We have opened seven new prisons and three new prison camps, enough to put 7,000 more criminals behind bars. We ended the practice of the previous administration to give prisoners private cells, and we began double-bunking -- a change that added space for 6,500 more felons and saved taxpayers \$630 million. If college students can live two to a dorm room, then criminals can live two to a cell. All together, since 1990, we have put nearly 10,000 more criminals behind bars and off the streets.

Keeping costs down. Some say the costs of incarceration are too high, but I believe that the costs to victims are even higher. Together, the Legislature and I took away prisoner access to state documents to keep them from filing frivolous lawsuits, we took away their private phones to stop their drug deals, we took away their cigarette-making machines, we stopped paying them witness fees, and we stopped paying for their college education. All together, we have saved over \$4 million per year by getting rid of these perks and privileges, enough to lock away over 160 murderers for the rest of their lives. I am determined to make prison a source of punishment, not a source of entertainment.

More State Troopers. By the end of next year, Michigan will train four new classes of state troopers to keep our streets and highways safe. By the end of 1995, state police strength will rise to the highest level in Michigan history -- 1,272 full-time troopers.

Truth in sentencing. In my 1994 State of the State address, I called for restoring truth to the sentencing of convicted criminals by requiring judges to hand down specific sentences that would be fully served. Within six months, the Legislature put a bill on my desk. From now on minimum sentences must be fully served,

they will no longer be reduced for "good behavior," and bad behavior will mean more time.

Relief for victims of domestic violence. It is one of the sad ironies of crime in America that the crime that is feared the least is committed the most. Domestic assault is a crime that is largely committed by men against women and children. Just a few months ago, I signed into law the most progressive package of domestic violence laws in America to improve police reporting, to include unmarried boyfriends as perpetrators, to adopt a "pro-arrest" policy, to expand the warrantless arrest authority of police, and to make it easier for victims to obtain immediate injunctive relief against their assailants. In addition, we have provided over \$4 million to support domestic-violence shelters in all 83 counties. I am determined to arrest domestic violence, and I will continue to urge the Legislature to act upon additional recommendations made by my Task Force on Domestic Violence.

The best crime-fighting technology in the world. Our peace officers deserve to have the best available technology to catch criminals, coordinate investigations, and cut costs. That is why we have invested in the most advanced communications system in America for use by state and local law enforcement officers, it is why we have expanded the Law Enforcement Information Network and the Automated Fingerprint Index System, it is why we have started to use video arraignments, and voice and video expert testimony, it is why we have upgraded weaponry and training, and it is why we are creating a DNA profile of every rapist in our prison system. Michigan citizens deserve nothing less than state-of-the-art protection by troopers trained and equipped with the best technology in the world.

Towards a drug-free Michigan. Under my leadership, Michigan has led the nation in adopting new laws that crack down on the dealers and users of illegal drugs. Michigan's nationally acclaimed Drug Dealer Liability Act now permits people to sue drug dealers for the damages they cause. Michigan has adopted new laws to revoke or suspend drivers licenses for drug offenders; fines have been increased for supplying minors with alcohol; drug-free school zones have been expanded; a "zero tolerance" policy has been adopted for minors who drive; designer drugs like CAT have been outlawed and loopholes allowing clever chemists to circumvent the law have been closed; and a program of "zero tolerance" drug testing has been established for people on parole and probation.

Improved prevention. I believe that children need to get a clear and consistent message that there is no future in drug dealing or drug use. That is why I have made Michigan the first state in the nation to consolidate drug education, treatment, and prevention into a single state office, the Michigan Office of Drug Control Policy, that reports directly to me. It the reason I have quadrupled the number of local schools that receive direct funding for drug-prevention programs, and tripled funding for the successful and effective DARE program that puts peace officers directly into classroom to teach our children about the dangers and penalties for using and pushing drugs. Over 150,000 students have been reached with a strong anti-drug message.

Clearly, a great deal of progress has been made over the past four years to protect public safety by enacting tough new anti-crime laws, increasing trooper strength, providing peace officers with state-of-the-art crime-fighting technology, and improving prevention. Many of these laws are brand new, and their ability to deter crime and punish criminals is just beginning. But now is not the time to declare a ceasefire in the war on crime, it is time to take the battle to the streets, to take back our communities one block, one neighborhood at a time until victory can be declared by people who feel safe and secure at last.

Looking to the Future

It is with a renewed sense of commitment, resolve, and determination to shake up our criminal justice system just like I shook up our welfare system during my first term that I look forward to the next four years. My ten-point plan for public safety includes the following initiatives:

- 1. I will build a new prison for young punks who commit violent crimes to make sure that committing an adult crime will result in doing adult time.** Michigan needs a secure prison for violent criminals who are too young to be sent directly to adult prisons. This new prison will allow judges to sentence juveniles who commit violent, adult crimes to adult punishment. The new prison will be put under the control of the Department of Corrections, not the Department of Social Services. As young criminals mature, the Department will move them into adult prisons, providing a seamless transition between juvenile and adult incarceration.
- 2. I will request the passage of legislation to permit juveniles aged 14 and older who commit violent crimes to be waived over to the jurisdiction of the circuit courts at the discretion of the prosecutor.** Upon conviction, these young criminals will be subject to the same penalties and sentences as adults who have committed equivalent crimes. Violent punks will no longer get free passes at age 19 or 21.
- 3. I will request the passage of legislation to end the expungement of criminal records for juveniles who commit violent offenses when they reach the age of majority.** Juvenile criminal records will be permanent and public; they will follow the offender for life so that repeat violent crimes committed as an adult will not be treated as first offenses by the courts.
- 4. I will request the passage of legislation to permit the fingerprinting of juveniles who commit violent crimes. The fingerprints will be entered into the Automated Fingerprint Index System (AFIS) just like the fingerprints of adult criminals. In addition, juveniles who commit rape will be DNA profiled just like adult rapists.**
- 5. I will get the Department of Social Services out of the juvenile corrections business by transferring the control of juvenile detention to the Department of Corrections.** Young criminals will deal with prison guards and parole officers, not social workers.

6. I will continue to seek the passage of legislation to abolish parole for murderers and rapists.

7. I will continue to fight liberal judges who put the interests of criminals above the interests of victims who seek justice. I will continue to fight efforts by these judges to provide prisoners with perks and privileges like color TVs and movies. Prison is for punishment, not entertainment.

8. I will make prisoners work off their debt to society by ending the deposit of profits from prison industries in Prisoner Benefit Funds, and instead, use these profits to compensate victims. Prisoner Benefit Funds provide the money to buy color TVs, furniture, and other perks for prisoners; rather than paying for these perks, profits from prison industries will instead be used to compensate victims.

9. I will put prisoners in uniforms and restrict their access to personal property that can be turned into weapons. Uniforms will help guards tell the good guys from the bad, and property restrictions will make prisons safer and more secure for workers and inmates.

10. As I campaign for re-election, I will also campaign to support the passage of Proposal B, which will eliminate the automatic right of appeal for felons who plead guilty and "no contest." Admitted felons should not be allowed to run up legal tabs at the expense of Michigan taxpayers.

VII. SUMMARY.

Over the past four years, my Administration has dramatically changed the course of state government. We have reversed the decades-long trend toward ever bigger government, higher taxes, more regulations, and more intrusion into the lives and livelihoods of Michigan citizens. We have successfully begun to implement the Taxpayers Agenda I outlined during my 1990 campaign, and in my Inaugural Address. We have brought Michigan back, but our job is not yet done. We must complete the reform of state government and welfare, we must complete the job of making our schools second to none, and we must complete the job of making Michigan the most attractive place in America to raise a family, to learn, and to create jobs.

I have presented an ambitious Action Plan for Our Future, that builds upon the successes of the past four years. I have stated the values, goals, and principles that form the foundation for the changes I have made, and plan to make in the future. I believe that I have earned a second term as Governor of Michigan, and I look forward to the opportunity to Make Michigan Number one.

Appendix A

GOALS TO MAKE MICHIGAN NUMBER ONE

During my second term as Governor of Michigan, I have established the following ambitious goals for my Administration:

A. The Economy

1. Keep Michigan personal income rising faster than state government revenues.
2. Boost average personal income above the U.S. average.
3. Add another 100,000 private-sector jobs-per year for the next four years.
4. Make Michigan No. 1 in the nation for advanced manufacturing jobs per capita.
5. Make Michigan No. 1 in the nation in the number of school-to-work apprenticeships.
6. Reduce state-imposed business costs to below the U.S. average.
7. Keep Michigan unemployment below the U.S. average.
8. Provide every non-college bound high school student in Michigan the opportunity to learn a trade or technical skills for a job.
9. Increase Michigan's positive trade balance with other countries by continuing to increase exports and export creating businesses.
10. Continue to be a national leader in new business start-ups; stay below the U.S. average in business closures.
11. Be a national leader in worker productivity.
12. Create a tax system that rewards the creation of high-quality jobs and more investment in people than investment in machinery.
13. Exceed Great Lakes regional and national averages for home ownership; be above regional and national averages for new home start-ups.
14. Keep Michigan businesses growing in Michigan our top priority.

B. Public Safety

1. Continue to reduce the incidence of violent crimes in Michigan to below the Great Lakes regional and U.S. averages.
2. Continue to reduce the incidence of teenaged drug use; increase in drug interdictions.
3. Reduce the murder rate in Detroit to the lowest of the ten largest cities.
4. Take control of state prisons away from liberal judges, and return it to state government; conclude existing federal consent decrees, and prevent costly future decrees.
5. Reduce the incidence of juvenile crime by increasing the certainty and severity of punishment for first-time offenders.
6. Assure the public that juveniles who commit violent adult crimes will receive the same severe punishment that adults receive; increase the authority of prosecutors to try violent juvenile offenders in adult criminal courts; create the conditions for the seamless transition of violent juvenile criminals from juvenile detention to adult prison.
7. Make sure that the criminal records of violent juvenile offenders follow them into adulthood.
8. Increase the deterrent effect and punitive impact of prison; reduce perks and privileges for prisoners.
9. Make prisoners work for their room and board; increase prisoner payments to compensate victims and to pay child support.
10. Reduce recidivism rates for sexual offenders; abolish parole for rapists and murderers; DNA profile 100% of sexual offenders prior to release at the completion of their sentences; notify all communities when a released pedophile has moved into their jurisdiction.
11. Continue to provide peace officers with the most advanced crime-fighting tools in America.
12. Continue to reduce the costs of incarceration per prisoner, particularly for health care.

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13. Continue to reduce the incidence of domestic violence by aggressively enforcing new laws, supporting a "pro-arrest" policy, and increasing victim access to expeditious protective court orders.

14. Increase the intensity of parole and probationary supervision; strengthen enforcement of "zero tolerance" policy for drug violations and escape.

15. Continue strong prevention efforts against substance abuse and domestic violence; reach another 150,000 kids with anti-drug education via DARE; increase early intervention in domestic violence.

16. Get social workers out of the business of dealing with criminal offenders; increase the role of police, probation, and parole officers to manage the return to society of offenders who have served their sentences.

C. Welfare Reform

1. Make participation in Michigan's cutting-edge Social Contract mandatory; 100% of all welfare recipients will work, complete their secondary education, or do community service in exchange for cash benefits.

2. Continue to lead nation in earned income by welfare recipients; reduce or eliminate penalties for earning income; increases in income for welfare beneficiaries will come by increased earnings, not increased grants.

3. Keep the growth of Medicaid costs below Great Lakes regional and U.S. averages; become the first state in the nation to enroll one million Medicaid beneficiaries in managed care.

4. Recover \$100 million in welfare and Medicaid fraud; increase use of home visits to detect fraud.

5. Reduce welfare populations for AFDC, food stamps, and WIC below Great Lakes regional and U.S. averages as a percentage of population.

6. Keep Michigan welfare payments in line with other states in our region.

7. Keep reducing the number of foster-care and other out-of-home placements.

8. Increase number of two-parent households; reduce the number of families broken up due to violence, child abuse, etc.

9. Continue to be a national leader in the recovery of child-support payments; increase incentives for mothers to cooperate in the identification of responsible fathers at birth.

10. Limit the time people can receive cash welfare benefits to one year unless they comply with Social Contract requirements to work, complete their education, or volunteer for community services.

11. Continue to reduce or eliminate perverse incentives in welfare policy that reward irresponsibility, illegitimacy, and the breaking up of families.

12. Continue to remove incentives to stay on welfare instead of taking a job; increase access to health-care coverage for welfare recipients who take jobs that do not include health-care benefits.

D. Education

1. Spur the establishment of more than 200 Charter Public Schools by 1998; at least one charter public school in every county.

2. Achieve the highest graduation rates in the Great Lakes region, headed for top in U.S.; achieve the lowest dropout rates in the Great Lakes region, headed for bottom in U.S.

3. Achieve the highest SAT and ACT test scores in the Great Lakes region, above the U.S. average, with steady improvement to move Michigan students to the top.

4. Make all Michigan schools safe havens for learning; drug and violence free.

5. Reduce administrative costs per pupil to below the Great Lakes regional and national averages.

6. Create conditions that encourage local school boards to institute disciplinary codes that contain progressive sanctions; no school should be forced to keep bad kids.

7. Complete the job we have begun to provide complete freedom to parents to send their kids to the public primary and secondary schools of their choice.

8. Help Michigan public schools to integrate voice, video, and data communications through connection to the emerging network high-speed digital communications lines known as the "information super-highway."

9. Improve the ability of Michigan families to afford tuition for higher education.

10. Continue to lead the fight against outcome-based education (OBE).

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E. Health Status

1. Move Michigan's infant-mortality rates below the Great Lakes regional and U.S. averages; continue to close the racial infant-mortality gap. Reduce rate of low-birth-weight babies to below Great Lakes regional, and U.S. averages.
2. Reduce Michigan's teen-pregnancy rate below U.S. average.
3. Reduce mortality rates from chronic disease to the U.S. average; reduce the number of smokers below the national average; reduce the number of new smokers, especially teens, below the national average; promote physical fitness; reduce obesity rates to U.S. average.
4. Provide a "medical home" for every Medicaid beneficiary; become the first state in the U.S. to enroll one million Medicaid beneficiaries in managed care.
5. Increase access to affordable health care; keep Michigan below the U.S. average in the number of uninsureds.
6. Continue to keep health-care costs under control; reduce Michigan health-care cost inflation below the Great Lakes regional and U.S. averages; keep Michigan's Medicaid cost inflation below the U.S. average.
7. Continue to maximize the return of federal funds to Michigan for nutrition and maternal and child health programs.
8. Continue efforts to raise infant immunization rates to 90% through improved outreach and better vaccines; keep immunization rates for entry into school above 90%.
9. Continue to provide free vaccines to low-income people.

F. Resource Conservation and Environmental Protection

1. Achieve another 20% reduction in toxic releases to our air and waters.
2. Achieve redesignation of Detroit for air-quality attainment; exempt West Michigan through litigation, or a change in federal clean-air law, from federal Clean Air Act sanctions for air pollution it does not cause.
3. Sixty-day permit turnaround time; no backlogs.
4. Keep Michigan's State Park system among the best in America; establish a permanent source of support for state parks; keep entrance fees affordable.

5. Reduce, and ultimately eliminate the importation of trash from other states; our goal is to encourage other states to manage their solid waste in the same, responsible manner as we manage ours.
6. Continue to capture every available federal dollar for Clean Water; work for greater federal support for protecting the Great Lakes in the renewal of the Clean Water Act; increase support for reducing combined sewer overflows.
7. Secure greater federal support for controlling exotic pests in the Great Lakes, including the zebra mussel and lamprey eel.
8. Continue to defend the right to hunt; strengthen enforcement of Michigan's Hunter Harassment law.
9. Speed up the clean up of toxic contamination sites; reduce litigation; increase appropriate use of covenants not to sue; create conditions for site-specific clean ups based on intended future use and relative risk to human health.
10. Move beyond compliance with command and control regulations by building new partnerships for pollution prevention.
11. Strengthen the local management of water quality for lakes and rivers through management based on watershed boundaries.
12. Reduce non-point source loadings to lakes, streams, and rivers through better public education.

G. The Role and Scope of State Government

1. Maximize the efficiency, effectiveness, and accessibility of government services for Michigan citizens and businesses -- the true customers of state government; minimize waiting lists and backlogs for permits, licenses, certifications, investigations, and other public services.
2. Maximize the return of federal tax dollars to Michigan -- raise Michigan's "return ranking" to the U.S. average.
3. Keep making state government smaller -- another 5% reduction in the number of state employees, for a cumulative total reduction of more than 10%.
4. Keep increasing the number of women and minorities in key government positions -- make Michigan No. 1 in the Great Lakes region, and above the national average.
5. Keep government close to the people it serves -- continue to increase the authority and responsibility of local units of government, including school boards,

to deliver services based on local needs; reduce the role of central state government to financing, quality assurance, performance measurement, and technical assistance.

6. Maintain the highest ethical standards, and continue to restore and revive the public's trust and confidence in state government.

7. Keep Michigan's population growing -- 500,000 more citizens by the year 2000. Create a Michigan where young people want to stay, and where parents want to come to raise their families.

8. Keep Michigan's credit rating among the highest in the nation.

9. Continue to improve the financial management of state government through new technology.

Appendix B

AN ACTION PLAN FOR OUR FUTURE

The following briefly summarizes the initiatives proposed in my Action Plan for Our Future.

A. EDUCATION AND ECONOMIC OPPORTUNITY

As I look forward to the next four years, I will implement the following eight-point plan to improve education, restore safety and discipline in our schools, and re-establish the essential bond between learning and earning a living:

Education

1. Stimulate the development of Charter Public Schools for the skilled trades and other occupations for the non-college bound. The last two years of high school must become more connected to work. Michigan's economy, in particular, its manufacturing economy, needs young, skilled workers who can compete in the age of robots, computers, and information. It is my goal to spur the development of school-to-work programs in every school district in Michigan.

2. Complete the job we have begun to provide complete freedom to parents to send their kids to the public schools of their choice. With the virtual elimination of local school property taxes, and the creation of portable, per-pupil education grants, the logic of restricted choice no longer holds. Parents can send their children to the pre-schools and colleges of their choice, and they deserve the same right to choose primary and secondary schools, as well.

3. Fully implement the Michigan Information Network. The Michigan Information Network will integrate voice, video, and data communications, as well as bring last mile connectivity to public schools to bring the best texts and teachers to the fingertips of students across Michigan. The pending renewal of Michigan's Telecommunications Act provides the opportunity to achieve this milestone on the road of progress, from The Industrial Age to The Age of Knowledge.

4. Support the establishment of Charter Public Reform Schools to provide a more highly disciplined learning environment for kids who have been removed from regular classrooms for consistently disruptive behavior. Charter Public Reform Schools will meet the same high standards as other public schools, but they will also emphasize discipline and respect for authority. Some of these schools may need to be single sex and residential in nature. Portable, per-pupil grants will follow children removed from regular classrooms to these reform schools.

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5. Continue to lead the fight against outcome-based education (OBE) by keeping the control of our schools in the hands of parents and locally elected school boards, and out of the hands of big government. We must not allow affective education based on psychological pedagogy, to replace effective education built on the basics.

6. Develop a "Safe School Profile" for inclusion in the Michigan School Report so parents can make school choices based on quality, performance, and the ability to provide a safe haven for learning. This addition to the Michigan School Report will help parents judge the relative safety of the schools they choose for their children.

7. Ask the Legislature to pass legislation requiring the immediate expulsion of any student who brings a handgun to school.

8. Ask the Legislature to pass a law establishing fines for parents who allow their children less than 16 years old to become truants.

Economic Development

We have reversed the trend of high taxes, tougher regulations, and fewer jobs; we have brought Michigan back! But our job is only half done. While we have caught up with America, now we must take bold new steps to lower taxes, reduce regulations, improve regulatory response times, and improve transportation infrastructure for people, products, and information to move Michigan ahead of the nation. As I look forward to the next four years, I am determined to implement the following initiatives:

1. Single business tax reform. Michigan's single business tax is the only one of its kind in the nation. It is very complicated, often unfair, and even more often, a deterrent to job creation. The Michigan Legislature has already begun to evaluate ways to replace or reform the single business tax to encourage investment and job creation. I will work with the Legislature to bring reform to reality so we can stimulate job growth, and investment in Michigan.

2. New Michigan Trade Ports. I will direct the Michigan Jobs Commission and the Department of Commerce to prepare recommendations on how to expand the concept of "port districts" as provided in Article IV, Section 42, of the Michigan Constitution, to facilitate the development of port authorities for the transportation and distribution of information, as well as products.

3. Michigan Economic Growth Authority. I will continue to push for the passage of legislation authorizing the creation of the Michigan Economic Growth Authority to create enterprise zones in all 83 counties and provide job-creating tax incentives to speed additional economic development.

4. High-speed rail corridor. Michigan's Detroit-Chicago corridor won designation from the U.S. Department of Transportation to be one of five high-speed rail corridors in the United States. I will direct the Michigan Department of Transportation to develop plans, detail costs, and begin

construction of this important new corridor of commerce which will serve over 14 million people. It will connect the nation's third and fifth largest metropolitan areas, as well as major manufacturing, research, and education centers.

5. Reforming the Department of Natural Resources. I will continue to work with the Michigan Legislature to reform the Department of Natural Resources to eliminate permit backlogs, create incentives to reinvest in urban industrial sites, and move beyond compliance with command and control regulations to develop new voluntary partnerships for pollution prevention.

6. New apprenticeship programs. I will direct the Michigan Jobs Commission to work with manufacturers and teachers to develop apprenticeship programs for the skilled trades that begin during the last two years of high school. This can be accomplished either by creating new charter public schools, or by cooperation between existing public schools and employers.

7. Job training and re-training. I will continue to utilize the Michigan Jobs Commission to support the training and re-training of Michigan workers to learn the new skills required by new technology.

8. Continue to maximize the return of federal highway tax dollars to Michigan. I will take steps to make sure that Michigan continues to capture every available federal dollar for investment in building and maintaining our roads and bridges.

Agriculture

1. Increased crop diversity. I will direct the Michigan Department of Agriculture, the Rural Development Council of Michigan, and the Michigan Jobs Commission to work together to develop and attract more food and agricultural processing plants to Michigan, including corn processing/ethanol plants as well as other dairy, meat, soybean, fruit and vegetable processing facilities. The establishment of aquaculture and cranberry industries holds particular promise.

2. Keep Michigan's interests strong on the 1995 Farm Bill. I will work with our Congressional delegation and the National Governors' Association, as well as leaders in agriculture and conservation, to help craft a 1995 Farm Bill that addresses Michigan's special needs.

3. Revise Michigan's Drain Code. I will direct the Michigan Department of Agriculture to take the lead in developing legislation to implement their task-force recommendations on revising Michigan's Drain Code to simplify and improve procedures for drainage projects to enhance agricultural productivity, provide fish and wildlife habitat protection, and encourage local governments to manage storm water consistent with watershed-management needs. As a first step in revising the Drain Code, a statewide drain inventory should be completed.

4. Increase agricultural exports. I will direct the Department of Agriculture to take the lead in working with the Michigan International Trade Authority, commodity groups, and others to develop a coordinated action plan to expand

exports of Michigan agricultural products. One way to increase exports is to extend Michigan's successful, self-funded marketing programs to more commodities.

5. Strengthening the right to farm. I will direct the Department of Agriculture to review Michigan's right to farm law to recommend steps to assure that every person who wants to farm can, free from expensive nuisance and liability lawsuits and other forms of legal harassment when farmers voluntarily follow Generally Accepted Agricultural Management Practices.

6. Staying on a level regulatory playing field. I will continue to support a Michigan strategy of complying with federal standards when they are reasonable, challenging them when they are not, and not putting Michigan at a competitive disadvantage by seeking to exceed them.

7. Keeping food safety our top priority. I will keep food safety the top priority for the Department of Agriculture by modernizing laboratory and weights and measures facilities. In addition, I will establish a Food and Agriculture Code Commission to develop a comprehensive Food and Agriculture Code that is understandable, consistent, and user-friendly.

8. Reducing non-point source pollution through voluntary pollution prevention and education. As co-chair of the National Forum on Non-Point Source Pollution sponsored by the National Geographic Society, I will work with farmers and others in agriculture to reduce the threat that non-point source pollution poses to our lakes and streams. Education and pollution prevention are essential tools because non-point source pollution is not amenable to traditional command and control regulations. Michigan's venerable Agricultural Extension Service will play an important role.

Tourism

1. Travel Trade Response Center. I will launch this first of its kind marketing approach to focus on the 35,000 travel agents and wholesale suppliers nationwide to encourage them to develop and market Michigan as a tourist destination. The Travel Trade Response Center will use the MITS technology to allow travel agents access to a data base of travel products developed specifically for them.

2. Extending MITS to Convention and Visitor Bureaus and Regional Marketing Associations across Michigan by adding ONSITE, a micro version of MITS that will give these groups the same capabilities that the state Travel Bureau now enjoys. The ONSITE will connect directly to MITS and will allow the completion of the "tourism information super-highway" to the local businesses that represent tourism around the state, and give them an advantage in this highly competitive market.

3. Expanding private-public partnerships to promote Michigan tourism. I will continue to expand partnerships between government and our tourism industry such as the current cooperation with Midwest Living magazine, Meijer stores,

Northwest Airlines, AAA, and McDonald restaurants to stretch our limited resources to reach the worldwide audience. We will also expand our targeted use of new marketing media such as mailing list marketing, cable TV, and focused publications to reach ever greater audiences.

4. Thunder Bay National Marine Sanctuary. I will work with the National Oceanic and Atmospheric Administration to make Lake Huron's Thunder Bay the Great Lakes' first National Marine Sanctuary. The national Marine Sanctuary Program applies comprehensive resource management strategies, research, and education to increase public understanding and enjoyment of aquatic ecosystems. Thunder Bay's proposed designation consists of underwater limestone sinkholes, the large number of historical shipwrecks, the diverse plant and animal life, and the proximity of the Michigan Islands National Wildlife Refuge that are attractive to scuba divers, boating enthusiasts, and naturalists.

B. PUBLIC SAFETY

I look forward to the next four years with a renewed sense of commitment, resolve, and determination to shake up our criminal justice system just like I shook up our welfare system during my first four years. My ten-point plan for public safety includes the following initiatives:

1. I will build a new prison for young punks who commit violent crimes to make sure that committing an adult crime will result in doing adult time. Michigan needs a secure prison for violent criminals who are too young to be sent directly to adult prisons. This new prison will allow judges to sentence juveniles who commit violent, adult crimes to adult punishment. The new prison will be put under the control of the Department of Corrections, not the Department of Social Services. As young criminals mature, the Department will move them into adult prisons, providing a seamless transition between juvenile and adult incarceration.
2. I will request the passage of legislation to permit juveniles aged 14 and older who commit violent crimes to be placed under the jurisdiction of the circuit courts at the discretion of the prosecutor. Upon conviction, these young criminals will be subject to the same penalties and sentences as adults who have committed equivalent crimes. Violent punks will no longer get free passes at age 19 or 21.
3. I will request the passage of legislation to end the expungement of criminal records for juvenile offenders who commit violent crimes when they reach the age of majority. Juvenile criminal records for these offenders will be permanent and public; they will follow the offender for life so that repeat crimes committed as an adult will not be treated as first offenses by the courts.
4. I will request the passage of legislation to permit the fingerprinting of juveniles who commit violent crimes; the fingerprints will be entered into the Automated Fingerprint Index System (AFIS) just like the fingerprints of adult criminals. In addition, juveniles who commit rape will be DNA profiled just like adult rapists.

5. I will get the Department of Social Services out of the juvenile corrections business by transferring the control of juvenile detention to the Department of Corrections. Young criminals will deal with prison guards and parole officers, not social workers.
6. I will continue to seek the passage of legislation to abolish parole for murderers and rapists.
7. I will continue to fight liberal judges who put the interests of criminals above the interests of victims who seek justice. I will continue to fight efforts by these judges to provide prisoners with perks and privileges like color TVs and movies. Prison is for punishment, not entertainment.
8. I will make prisoners work off their debt to society by ending the deposit of profits from prison industries into Prisoner Benefit Funds, and instead use these profits to compensate victims. Prisoner Benefit Funds provide the money to buy color TVs, furniture, and other perks for prisoners. Rather than paying for these perks, profits from prison industries will instead be used to compensate victims.
9. I will put prisoners in uniforms and restrict their access to personal property that can be turned into weapons. Uniforms will help guards tell the good guys from the bad, and property restrictions will make prisons safer and more secure for workers and inmates.
10. As I campaign for re-election, I will also campaign to support the passage of Proposal B which will eliminate the automatic right of appeal for felons who plead guilty or "no contest." Admitted felons should not be allowed to run up legal tabs at the expense of Michigan taxpayers.

C. REFORMING HEALTH AND WELFARE

Health Care Reform

I will continue to work to increase the number of people who have health-care coverage, to keep costs under control, and to make sure that we do not sacrifice quality in the name of reform. More specifically, I will work to implement the following six-point plan for health-care reform:

1. Insurance reform. I will ask the Legislature to make health-care insurance portable from job to job, simplify insurance-rating rules, limit the use of pre-existing conditions, and guarantee the issuance and renewal of health-insurance policies. In addition, I will recommend that three basic benefit packages ranging from comprehensive to catastrophic coverage be offered by all insurance plans doing business in Michigan so consumers can comparison shop and find the best policy for their individual needs.
2. I will support the establishment of voluntary health-insurance buying groups for small businesses to help them save money by reducing administrative costs.

build upon their business commonality and aggregate purchasing power to achieve large group discounts from health plans and providers.

3. I will work to save taxpayer dollars by making state government a partner with other employers who are forming purchasing groups to obtain discounts and reduce the cost of employee health care.

4. I will direct the Department of Public Health to work with hospitals, physicians, HMOs, and other health-care plans to develop recommendations on how to reliably measure health-care quality and outcomes, as well as how to make this information available to consumers to improve their ability to make purchasing decisions based on both price and quality.

5. I will continue to oppose mandated benefits that increase the costs of health-care coverage, and decrease access.

6. I will continue to explore alternatives, including federal waivers, to increase access to affordable health-care coverage for Michigan's low-income and uninsured people. One way to do this may be to seek federal permission to allow these individuals to buy low-cost, comprehensive coverage by paying the state matching cost for Medicaid. This simple approach would bring comprehensive coverage within reach of the vast majority of Michigan's uninsured population.

7. While it is unclear what, if any, health-care reforms will emerge from Washington D.C., I am prepared to implement them in Michigan. In doing so, I will follow the principles of maximizing choice, minimizing costs and mandates, and relying upon free markets to the greatest extent practicable.

Protecting the Public Health

During the next four years, we will continue our efforts to improve the health status of the Michigan population. More specifically, I will implement the following six-point plan for public health:

1. I will ask the Legislature to pass a bill to ban billboard advertising of tobacco and alcohol products. Not only does such advertising attempt to glamorize smoking and drinking, especially among young people and minorities, it adds to the visual pollution of our landscape.

2. I will ask the Department of Treasury for recommendations on how best to divest State of Michigan pension funds of holdings in companies that manufacture tobacco products. Just as we sent a strong message to South Africa to end apartheid, we will send a strong message to tobacco companies to stop targeting our children with their advertising and marketing schemes.

3. I will direct the Department of Public Health to prepare plans to phase in the vaccination of Michigan children against Hepatitis B. New, effective vaccines are now available to prevent this costly, destructive, and life-threatening disease; our children deserve protection. In addition, I will direct the Department to develop

plans to target adolescent health clinics and STD clinics for Hepatitis B vaccination. Hepatitis B is transmitted through blood, saliva, and sexual contact, and it can become a life-long disease that ultimately leads to liver failure and death.

4. I will introduce new combination vaccines that can prevent up to six diseases in a single shot, making it easier to reach at-risk populations, particularly in our urban areas. In addition, I will implement a new Childhood Immunization Registry to keep track of the immune status of our population, and to help target public health programs to high-risk populations. It is my goal to achieve 90% immunity for Michigan infants below age 2, by 2000.

5. I will put mobile public health clinics on the road to bring immunizations, health screenings, health education, and pregnancy prevention services to people who would otherwise have little access to these basic health services.

6. I will encourage the establishment of independent Charter Public Schools for pregnant girls who want to complete their high-school education, while at the same time learning essential job and life skills.

Mental Health

During the next four years, I will complete the transition to community-based care that was envisioned by the Legislature when the Mental Health Code was enacted into law twenty years ago. I will implement the following four-point plan to achieve this goal:

1. I will continue to support the provision of appropriate acute mental-health care in local communities, and I will continue to bring back Michigan tax dollars sent to Washington, D.C., by increasing the utilization of private psychiatric hospitals.

2. I will implement a first-of-its-kind, managed-care program for mental-health services that will provide cost-effective, high-quality care through approved networks of mental-health professionals. Managed care can potentially save up to 10% of the cost of care, thereby enabling us to reach more people with the same amount of dollars.

3. I will direct the Department of Mental Health to develop legislation to update Michigan's twenty-year-old Mental Health Code. Objectives of the update will include increased flexibility and authority for community mental health boards, increased consumer and family participation, stronger certification standards to improve quality and performance, and the establishment of service priorities to make sure that people suffering from severe mental illness, emotional disturbance, and developmental disability are first in line for care and treatment.

4. I will explore the extension of the Charter Public School portable, per-pupil grant, and parental-choice concepts that have been adopted for primary and secondary education to special education. Parents of special children deserve the largest number of choices possible to meet their child's individual needs. One

way to maximize those choices is to provide parents with a portable, per-pupil grant equal the amount that is spent for special education. The grant could be used to buy special education from the local school district just like today, or it could be used to buy educational, rehabilitative, transitional, or other services that are consistent with their child's individual needs, and chosen by parents.

Reforming Welfare

I will finish the job of reforming the programs and policies that make up Michigan's welfare system by implementing the following six-point plan:

1. Mandatory work. Compliance with the requirements of Michigan's Social Contract to work, get education or job training, or perform community service, now voluntary, will become mandatory, and will apply to all welfare recipients.
2. Time-limited welfare. We will give welfare recipients 90 days to comply with the requirements of the Social Contract. If they do not comply, welfare benefits will be reduced. If they do not comply for one full year, they will be terminated from public assistance.
3. Increased fraud investigations. I will increase the use of home visits to root out fraud and prosecute violators.
4. Child support enforcement. I will urge the Legislature to pass a law prohibiting young fathers from participating in extracurricular high school activities unless they first pay child support. Young men must learn to put the personal responsibility of fatherhood first -- if they don't pay, they won't play. In addition, we will provide non-custodial parents the option of complying with child-support orders requiring health-care coverage by allowing them to buy low-cost coverage through the Medicaid program. By making coverage more affordable, more children will receive the coverage they need.
5. Paternal identification. We will require the cooperation of unmarried mothers to identify potential fathers as a condition of receiving welfare benefits. If there are several potential fathers, we will use scientific tests like blood tests and DNA profiling to identify the responsible parent. Once identification has been made, court orders for child support will be sought.
6. More rewards for earning income. Pending appropriate federal approvals, we will continue to strengthen incentives to work and earn income in four new ways: 1) We will advance Earned Income Tax Credits to working welfare recipients on a monthly basis; 2) We will allow working welfare recipients to cash out food stamps so they can learn to budget food expenses; 3) We will work with employers to use AFDC grants to offset salary costs for newly hired welfare recipients for their first six months on the job; and 4) We will allow people who leave welfare to take jobs that lack health benefits to buy low-cost Medicaid coverage once their transitional coverage expires. We will make work pay.

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D. CONSERVATION AND NATURAL RESOURCE STEWARDSHIP

I am proud of the record I have built during my first term as Governor of the Great Lakes State, and I intend to build further upon this record in my second term by advancing the following initiatives:

1. I will implement the Great Lakes Water Quality Initiative (GLI) to further reduce toxic pollution to the Great Lakes, and bring other states' standards up to the level of Michigan's. Beyond that, we urge the EPA to quickly implement the air toxics provisions of the Clean Air Act Amendments of 1990 to reduce air deposition of 189 chemicals to the Great Lakes. Air pollution, often from distant sources outside of Michigan, is now the largest source of toxic pollution of the Great Lakes.
2. I will pursue innovative, market-based strategies to achieve even higher standards of environmental quality in the most cost-efficient ways and without any backsliding. I will seek to demonstrate, where appropriate, the effectiveness of market-trading systems for selected air and water contaminants in appropriate air and watersheds. This approach is working for acid rain; I believe it will work for nutrients in our waters and pollutants in our skies.
3. I will lead the fight to control the epidemic of exotic pests that plague our Great Lakes. First, I will study the recommendations of the Michigan Science Advisory Board concerning the recent seaweed onslaught on the beaches of Lake St. Clair to determine the extent to which the zebra mussel is responsible, and what can be done to stop it. Second, I will continue to work with our Congressional delegation to restore the Great Lakes to the national prominence they deserve by restoring federal support for critical programs to end the lamprey eel and zebra mussel invasion. Third, I will explore the establishment of a Great Lakes/Canadian Compact setting pre-treatment standards for the discharge of ship ballast into the Great Lakes for traffic within the 200-mile Exclusive Economic Zone. Finally, if appropriate and necessary, I will redeploy state resources to confront what experts agree is the most immediate threat to the Great Lakes.
4. I will take steps to implement the recommendations of the National Forum on Non-point Source Pollution through environmental education. One way to improve efficiency and expand the reach of this education is to use the Michigan Information Network to reach schools, and to reach other citizens through the proposed Michigan Government TV channel. Finally, and most importantly, the resources of the Michigan Agricultural Extension Service can be marshalled to reach and teach Michigan farmers how to conserve soil and reduce runoff.
5. I will build on the successful examples set in the Saginaw Bay, Grand Traverse Bay, Huron, Clinton, and Rouge River watersheds by working to make watershed management a more prominent approach to achieve water quality goals. Currently, the achievement of water quality goals is based on political boundaries, not the boundaries of the resource to be protected. Michigan has 1,500 local units of government, but it has only 63 watersheds. Watershed management can result in greater local coordination and control, better ecological management, and cleaner waters.

6. I will work with Michigan's Congressional delegation to secure the renewal of the federal Clean Water Act and continue to maximize federal support to combat combined sewer overflows. Combined sewer overflows (CSOs) pollute our lakes and streams with raw human sewage during times of heavy rain. Next year, when the Clean Water Act is renewed, I will fight for Michigan's fair share of the tax dollars we send to Washington to invest in new ways to stop CSOs.
7. I will support Proposal D to restore "trust" in the Natural Resources Trust Fund and provide up to \$10 million per year to improve and maintain our state parks. I helped to put this issue on the ballot, and I will work hard for its passage during my campaign for re-election.
8. I will direct the Department of Natural Resources to recommend changes to Michigan's permitting processes to provide greater flexibility and responsiveness. As Michigan manufacturers become increasingly agile and flexible in response to global competition, so must our regulatory processes become more flexible. One way to accomplish this objective is to allocate wasteloads to manufacturers, set clear goals for the pollutant discharges, and then let industry determine the means to meet the goals. This will dramatically simplify the permitting process, and reduce the delays associated with constantly modifying permits every time a production process is changed.
9. I will make Michigan the first state in the country to adopt a comprehensive Environmental Code. Already a great deal of work has been done by my Environmental Code Commission. The new Environmental Code will consolidate and simplify the hodgepodge of over 100 environmental laws into one understandable, easy to use, and consistent code.
10. I will complete the bipartisan work I have begun with my fellow governors from Ohio, Pennsylvania, and Indiana to keep Michigan from becoming the dumping ground for trash from other states. Already, bills have been introduced in the Congress. If this legislation is not signed into law this year, I will renew my efforts in 1995.
11. I will expand the successful and award-winning Great Lakes Recycle partnership to include soft paper products, and re-refined oil and retreaded tires for state automobile fleets. By using their combined purchasing power, the eight Great Lakes States have saved taxpayer dollars and established much-needed markets for recycled paper; the practice should be extended to other recycled products used in large quantities by government.
12. I will work with the Legislature and the mayors of our major cities to reform the Michigan Environmental Response Act to speed cleanups, spur redevelopment of urban industrial sites, and create jobs. Cleanup rules must be flexible enough to consider the intended use of the property and the relative risks to public health on a site-specific basis.

13. I will implement a long-term plan to keep the shores and beaches of Lake St. Clair clean. One way to do this is to develop partnerships with farmers to use harvested seaweed to enrich their soil.

E. RESTORING TRUST IN GOVERNMENT

In my second term, I intend to build upon the foundation for reform that I have established by undertaking the following initiatives:

1. Put taxpayers first. I will implement the recommendations of the Secchia Commission on Total Quality Government. The Commission is chaired by former U.S. Ambassador to Italy, and successful businessman, Mr. Peter Secchia. The Commission's work is guided by the view that taxpayers are the customers of government. Recommendations are under development to improve customer services, and reduce customer costs.
2. Keep cutting taxes. I will work to make sure that the growth of personal income exceeds the growth of government revenues. One way to do this is to continue to cut taxes and reform welfare.
3. Smaller state government. I will continue the work that I have begun to reduce the size and cost of state government by reducing the number of state employees another 5% more over the next four years. This can be done largely through normal attrition.
4. End unfunded federal mandates. I will work to make the federal government pay for its promises and stop sticking state government and its taxpayers with the tab. A mandate is just a fancy word for higher taxes that Washington politicians like to use to try to fool the public into believing that they are going to get something that somebody else is going to pay for. Currently, unfunded federal mandates cost state government and Michigan taxpayers over \$400 million per year. The Michigan Constitution prohibits state government from passing the buck to local governments, and I want the federal government to stop putting state and local governments on the receiving end of unfunded mandates.
5. Keeping our Constitution. Periodically, the Michigan Constitution gives voters the opportunity to call for a convention to make changes to our State Constitution. I believe that the Michigan Constitution has served Michigan very well, and, therefore, I will not support Proposal A.
6. Assuring that state and local governments follow the Michigan Constitution. I will implement recommendations from the commission I established to evaluate the compliance of state and local units of government with the Headlee Amendment to the Michigan Constitution. This amendment, approved by the voters in 1978, sets limits on taxation, guarantees a fair share of state spending for local units of government, prohibits the state from imposing unfunded mandates on local governments, and gives voters the right to approve or reject proposals to increase certain taxes.