



BULLETIN

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FEBRUARY 11, 2010

BUDGET PROPOSAL WOULD SLASH 5 MORE PRISONS

Faced with massive revenue shortfalls, the Governor introduced her FY 10/11 budget recommendations today. The proposal calls for cuts throughout the state system, including reductions in correction spending through so called prison reforms. The Governor called for the passage of House Bills that would allow the reinstatement of “good time credits” as well as the use of electronic monitoring to reduce the prison population by an astounding 7500 prisoners within four to five months. The effect of that kind of drop in inmate population would cause the closure of up to five more prisons for a projected savings of \$129M.

Additional hits called for recently by both the Governor and Republican leaders include:

- eliminating vision and dental coverage for future retirees.
- requiring employee contributions to help offset growing pension obligations.
- capping employee participation in the defined benefit retirement plans at thirty years, and thereafter transferring employees to a defined contribution plan.
- cutting state employee wages by 5% and freezing it at that level for 3 years.
- increasing health insurance premium costs to an 80/20 split for all state employees.

Without tax restructuring in Michigan, the state will continue to suffer major budget challenges for several years. If revenues do not increase, cuts are the only way to balance the budget as required by the constitution.

Governor Granholm also calls for a balanced budget to be passed by June 30th. Further, as it is an election year, the legislature will likely accelerate the budget process in hopes of returning to their districts this summer to campaign.

The Governor’s budget proposal is the first step in the budget process. This year the budget will start in the Senate before moving on to the House...changing along the way. ***This means that NOW is the time to start calling, writing, and lobbying your legislators on the dangers this plan poses. If this were to come true, Michigan will have closed 13 prisons and 10 Camps in two years!***