

# **MICHIGAN FORWARD**

**Official Statement of: Brandon A. Jessup  
Chairman & C.E.O  
Michigan Forward**

**Forum on:**

**Michigan's Public Act 4  
United States House of Representatives  
Committee on the Judiciary**

**February 21, 2012**

Michigan Forward is opposed to Public Act 4 and reports to this body our efforts to repeal Michigan's Public Act 4 of 2011, better known as Michigan's Emergency Manager Law. Founded in 2008, Michigan Forward has been at the forefront of Michigan's urban policy community, working for progressive initiatives that build stronger communities and urban economy. Michigan's Emergency Manager Law is disenfranchising, severing elected officials from the constituencies they serve. This law presents a direct challenge to Democracy; violating voting and workers rights in all communities impacted. This movement, to repeal Michigan's Emergency Manager Law is a stand for the principles our constitution were founded upon: liberty, democracy and freedom.

We believe that communities facing financial crisis, short-term debt and growing deficits must turn to Democracy not away from it. Local representation is a pillar of Democracy. We encourage Michigan's locally elected officials to face this threat to voting rights and collective bargaining head on and answer the call for Democracy by standing opposed to Michigan's Public Act 4. Governor Rick Snyder and the state legislature passed radical revisions to Michigan's Emergency Manager Law before their first 90 days in office. The Snyder Administration's \$1.7 billion budget deficit created through his tax reform efforts are a major contributor to the short-term debt many municipalities and school districts face.

This administration's expansions and reforms have cut millions in tax revenue sharing to local communities. History shows emergency management does not work. The city of Hamtramck, Michigan's first city to rebound from emergency management, now faces

the revised law and a return to receivership. The community's ailing housing market and slow economic recovery provide a shaky at best tax revenue stream. Governor Snyder's tax reform plan forces Michigan's core communities in manufacturing, education and tourism to take huge cuts in our state's revenue sharing program. Michigan's revenue sharing system provides millions of dollars to support core services such as police, fire and emergency in Michigan's cities and metro areas. The administration's reforms have manufactured a fiscal crisis; expanding the reach of elite bureaucrats with nearly one million Michigan residents being exposed to this unconstitutional law. These bureaucrats use this legislation to obtain absolute power over communities and dissolve them without any transparency and accountability. Emergency Managers have been appointed in the cities of Benton Harbor, Ecorse, Flint, Pontiac, Detroit Public Schools and Highland Park School District.

This law's failure to provide transparency has placed the 150 year old city of Pontiac up for sale. After almost four years of emergency management, the cities continued deficit has spread into city mismanagement and misdirection. The present emergency manager has placed every public asset for sale. Getting things done in Pontiac is as inefficient as ever, one man, nor a handful of elite professionals can turn Pontiac around and maintain public service for tens of thousands of the city's residents. Benton Harbor shares the egregious actions against Democracy from emergency managers as Pontiac.

Just days after passage of Public Act 4, Benton Harbor's elected officials saw their pay eliminated and city commissioner meetings limited to these three actions: opening meetings, taking public comment and closing meetings. Pontiac, Flint and Benton Harbor reflect the absolute power given to emergency managers. These communities elected legislative bodies that cannot create ordinances or reform existing policy to generate revenue and resolve their local fiscal crisis.

Benton Harbor, a community with the state's lowest income per capita deserves better than dictatorship. After three years of emergency management and a nearly a year of suspended government, Benton Harbor mirrors the economic reality of communities in financial distress. Emergency management lends an obtuse response to the intricacies of Michigan's ailing communities. While bureaucrats continue to cut and eliminate public sector departments that administer Michigan's treasured enterprise systems, unemployment grows and a weak commercial market becomes weaker. This practice does not encourage structural reform or building sustainable cities. Its destructive nature shuts the door on non-profit groups and small business vendors in search of economic development opportunities in the form of proposals and grants that in industries such as housing, energy and real estate. As emergency managers dissolve departments such as Flint's Civil Service Commission or outsource Pontiac's Federal Grants Department, community access to economic opportunity and the American dream of prosperity will continue to shrink.

In May 2011, Michigan Forward and allies announced plans to begin a petition campaign to Repeal Public Act 4 and the campaign Stand up for Democracy kicked off

in June. Since June, volunteer circulators have been collecting signatures to freeze PA 4 and have it placed on the 2012 ballot. The Stand Up for Democracy campaign will deliver over 200,000 signatures as hundreds of thousands of Michigan voters sign their name for Democracy. Michigan voters stand for Democracy and the efforts mounting in Michigan in support of local representation, transparency and accountability. Michigan's core communities are rebuilding and revitalizing and desire cooperation not dictatorship from their state's executive branch of government. Michigan's emergency manager law is anti-Democracy, anti-progress and wrong for recovery.

For Democracy,

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Michigan Forward is a non-profit, non-partisan organization for progressive, forward thinking public policy and initiatives.

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