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**ECONOMIC DEVELOPMENT
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MICHIGAN ECONOMIC DEVELOPMENT CORPORATION (MEDC)

The MEDC is an important resource for local economic development agencies. We urge the continued funding of this department, as well as the establishment and continuation of incentive tools with the flexibility for use in rural areas.

Marquette County and the Upper Peninsula are focused on regional cooperation and the creation of a rural strategy for economic development. The MEDC needs to be a partner in helping this become a reality. Incentives established for cooperative efforts would be beneficial to our efforts.

Action Requested: Appoint an Upper Peninsula representative to the Michigan Strategic Fund Board.

WORKFORCE DEVELOPMENT

The Department of Energy, Labor and Economic Growth (DELEG) has a program that has proven valuable to Marquette County and its workforce development. The Michigan Regional Skills Alliance has provided financial and technical assistance for programs that are employer driven and meet current industry needs.

Action Requested: We believe this program should continue to be funded with the consideration of additional funding for successful Alliances that continue to grow and meet employer demand.

RESOURCE BASED EXTRACTION

Companies with the industry of resource based extraction provide a large number of family sustaining jobs in Marquette County and the Upper Peninsula. With the State's stringent permitting and regulatory processes, we believe that companies meeting and exceeding the standards can function in an environmentally safe way.

We further believe that the Department of Environmental Quality has the expertise to monitor and approve such projects that allow for continued economic growth.

Action Requested: Continue to follow legislated process and permit companies that meet thresholds.

Secondly, the DNR Trust Fund receives dollars from oil, gas and mineral rights leased from the State of Michigan. These dollars are critical to recreational projects that provide benefit to both our citizens and visitors.

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However, during the Trust Fund grant application process, areas in the State that are impacted by oil and gas rights are awarded an additional 15-40 points during the grant review process. Areas with mineral rights receive no additional points.

The Trust Fund is made up of 5 trustees reviewing applications. Currently, there is no representation from the Upper Peninsula.

Action Requested: Add mineral impact areas to the section of grant scoring that provides bonus points for communities contributing to the Trust Fund in this manner.

Action Requested: Support the appointment of an Upper Peninsula representative on the DNR Trust Fund Board for the term that expires in October, 2009.

THE AMERICAN RECOVERY AND REINVESTMENT ACT

The American Recovery and Reinvestment Act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century.

Action Requested: For the State of Michigan to expeditiously spend these federal resources to stimulate our economy as intended. We urge our legislators not to put dollars into “rainy day” funds.

**TRANSPORTATION
WHITE PAPERS – 2009**

NORTH-SOUTH CORRIDOR

Enhanced north/south travel from the Chicago/Milwaukee/Green Bay areas to central and western Upper Peninsula counties is essential for their continued economic growth and stability. Wisconsin continues constructing four lane limited access roadways on US-41 and US-141 which will approach the Michigan border at Menominee and Iron Mountain respectively. Michigan should create infrastructure to handle the increased commercial traffic on at least one of these corridors. These corridors should receive priority consideration for major infrastructure improvements in the Upper Peninsula over the next 20 years. The favored route for Marquette County is M-95 from Iron Mountain to Humboldt Township and US-41/M-28 to Marquette.

Additionally, improved roadways through the southern part of Marquette County would provide access to the growing industrial complex surrounding Sawyer International Airport, enhance local economic development and provide year around access for truck traffic. Consideration should be given for extending M-94 from Sawyer to Sagola along existing county roads.

Action Requested: We support reestablishment of the passing relief lane program by MDOT in the Superior Region and to fund the remaining passing lane that has been identified for M-95 in Marquette County. In addition we support upgrading County Road 557 and County Road 426 in southern Marquette County to be known as M-94 from Sawyer to Sagola. Dickinson and Iron County officials have indicated their support for these improvements and recognize the benefit to the entire region.

RESTORATION OF A U.S. CUSTOMS OFFICE IN MARQUETTE COUNTY

The Marquette County Ambassadors believe the restoration of a U.S. Customs Office in Marquette County is necessary in order to:

- Recruit and process aircraft, passengers and cargo shipments from major national and foreign flag carriers at the airport;
- Invite and accommodate international inward investment to the airport and the region;
- Enable local and regional firms to participate more effectively in the global marketplace; and,
- Develop the service capacities and environments necessary to support these activities for the shipment of goods and services for the benefit of businesses throughout the Upper Peninsula.

The restoration of a customs agent in Marquette County will eliminate the need for the Sault Ste. Marie Customs Office to send a customs agent to inspect Great Lakes' ships with international shipments at the deep water ports of Marquette and Escanaba. By doing so it will not only allow the full contingent of customs agents to remain at the

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International crossing in Sault Ste. Marie, it will further economic opportunities for the Central Upper Peninsula. Furthermore, the absence of a customs agent will continue the loss of revenue from potential aircraft fuel sales and aircraft landing fees.

Action Requested: We support the future restoration of a U.S. Customs Office in Marquette County.

STOP LIGHT RELOCATION ON US 41 WEST to Commerce Drive (CR505) and the extension of Commerce Drive to Brookton Road (CR HF)

This project is seen as a much-needed improvement to address the traffic congestion issues on US-41. The extension of Commerce Drive across US-41 to Brookton Road is a significant component to a larger master plan to relieve traffic congestion along the US-41 corridor. The project will not only allow traffic to cross US-41 but will allow vehicle traffic to circulate to the different businesses in the area without having to use the US-41 corridor. The US-41 Corridor Committee identified the project as a top priority and the County Road Commission, Marquette Township and MDOT are working to bring the project to fruition. The Marquette County Road Commission has applied for Category F funding through MDOT to construct the roadway improvement. MDOT requires funding to move the traffic signal and to date no funding has been secured.

Action Requested: We support the revised intersection plan. It is our understanding that funding has been identified for this project in 2010, with MDOT committing to cover the cost of the traffic signal relocation. We appreciate continued attention to this issue to ensure that funding is available to complete the project.

US-41 MICHIGAMME CURVE RELOCATION

We understand that the US-41 Michigamme curve relocation project is funded and construction is underway.

Action Requested: We thank MDOT for its commitment to this project and the safety of motorists.

INCREASED FUNDING FOR LOCAL ROAD COMMISSIONS AND CITIES

Act 51 provides transportation funding for state highways, county roads, and city streets. Over the past five years, the Marquette County Road Commission and the Cities of Marquette, Ishpeming, and Negaunee have seen declining transportation revenues and increased costs. The combination of these two issues has resulted in reduced road and street services to the public. The reduction in services has caused cutbacks in vital services needed for public safety. These service reductions include snow plowing and ice control on public roads and streets. The funding cutbacks have also negatively affected the condition of the roads and streets under the jurisdiction of the Road Commission and

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the three cities. The lack of funding has also caused more roads and streets to fall into a state of disrepair.

For example, the Marquette County Road Commission manages a road system of over 1,270 miles and 94 bridges. In FY-2009, the Road Commission plans to spend over \$1,200,000 of its fund balance to provide the essential services that the traveling public expects. Currently, the Road Commission has over 40% of its 660 miles of paved roads rated in either poor or failed condition, and approximately half of all the bridges need some degree of major work. Road Commission officials estimate that over \$161 million would be needed to repair the deteriorated roads and bridges in Marquette County.

Action Requested: We support Governor Jennifer Granholm's Transportation Funding Task Force (TF2) that was created in response to Public Act 221 of 2007. The final TF2 report was submitted to the Governor and the legislature on November 10, 2008. We support legislation to increase road funding to the "Better" investment level as defined in the TF2 report.

NON-MOTORIZED TRANSPORTATION

The Iron Ore Heritage Trail has received MDOT Transportation Enhancement Grant Funds for the Ishpeming and Negaunee phases. We thank the team at MDOT for their support and expertise. We look forward to continuing this partnership as Phase III of this alternate transportation corridor is developed, connecting Negaunee and Chocolay Township to sections through the City of Marquette.

Action Requested: We are grateful to the MDOT Transportation Enhancement program for past support of the Iron Ore Heritage Trail and appreciate the Department's consideration for future funding to assist with completion of this alternate transportation route in Marquette County.

US-41/M-28 and McCLELLAN AVENUE INTERSECTION CONCERNS FOR TRUCK TRAFFIC

The US-41 and McClellan Avenue intersection handles a high volume of passenger and truck traffic each day. (More than 25,000 vehicles pass through the intersection each day) Due to a change in the City of Marquette's truck route ordinance there is now increased truck traffic in this location each day with the intention of permanently establishing McClellan Avenue as the north-south truck route through the City of Marquette. Truck drivers have expressed their concern over completing the required "Michigan left" at this intersection in a safe manner. Because trucks will be traveling very slowly and using several lanes in order to complete these turns, this will impact the traffic flow for all drivers.

Action Requested: We strongly suggest that MDOT commit funds for a traffic and safety study of the US-41 and McClellan Avenue intersection in an effort to find

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ways to move the flow of traffic at this high volume intersection more effectively and safely for all types of vehicles, including trucks.

LONG TERM FUNDING PLAN FOR MDOT'S BUREAU OF AERONAUTICS

As has been communicated to Michigan's Airport Managers during the 2006 – 2009 Michigan Airports Conferences, and within the next three Fiscal Years, MDOT's Bureau of Aeronautics and Freight Services Department is nearing a crossroads for the continuation of services to Michigan's airports. Funding for the State Aeronautics Fund is derived from a \$0.03 per gallon tax on aviation fuels and has remained at this level since 1927.

With commercial airlines operating fewer, yet more fuel efficient aircraft in a depressed State and nationwide economies, with both business and leisure travel expected to be flat during CY's 2009 & 2010; this has and will continue to result in significant decreases in fuel tax revenue to the State Aeronautics Fund (SAF).

Additionally, the cost of aviation fuel for the general aviation community (on-average \$4.00 per gallon), has also resulted in decreased air traffic operations, therefore resulting in continued decreases in fuel tax revenue to the SAF.

Since 2006 and due to budgetary restrictions, officials at MDOT's Bureau of Aeronautics have been forced to suspend Air Service programs to Michigan's airports, such as: Capital Equipment; Training of Airport Fire Fighters; Air Carrier Recruitment and Retention; Airport Marketing; and, Pavement Maintenance.

Unless real and positive changes take effect to increase revenue to the State Aeronautics Fund, numerous and existing primary and secondary services that Michigan's airports enjoy today could be terminated due to lack of funding, including possible reductions of critical Aeronautics staff.

Action Requested: The Marquette County Ambassadors respectfully request a long-term funding plan for MDOT's Bureau of Aeronautics and Freight Services Department to continue the growth, development and maintenance of the 235 public use airports in Michigan's Airports System Plan (MASP).

CITIES OF ISHPEMING AND NEGAUNEE TRANSPORTATION IMPROVEMENT

Several years ago the Cities of Ishpeming and Negaunee purchased substantial acreage between the two cities from Cleveland Cliffs Iron Company. Since then, each city has prepared a reuse and development plan for the area. Additionally, the two City Councils have met in joint session to determine how the two cities could work cooperatively on economic development of this area. The cities have agreed that a north-south roadway should be constructed from US-41/M-28 through the property to Business Route M-28.

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This roadway is a necessity for economic development and would also relieve traffic problems on US-41/M-28.

Action Requested: We support the construction of a north-south roadway from US-41/M-28 to Business Route M-28 between the Cities of Ishpeming and Negaunee.

EAST-WEST ACCESS

Ewing Township in the southeastern part of Marquette County is isolated from the rest of the county by the Escanaba River on the western township border. The only access to Ewing Township is through Delta County. This impedes all aspects of daily living including but not limited to: economic development, safety, emergency response, access, employment, job development, public services, school bus transportation, mail delivery, supply routes, etc. Efforts are underway to secure support for building a bridge across the Escanaba River to connect Maple Ridge Road in Ewing Township and County Road SI in Wells Township. Support for this project has been given by numerous local and county organizations. The Marquette County and Delta County Road Commissions have reclassified Maple Ridge Road a “Rural Major Collector” connecting US-41 with CR 426.

Action Requested: We support the construction of a bridge over the Escanaba River connecting Ewing and Wells Townships and the accompanying road improvements.

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TRAVEL, TOURISM, AND RECREATION WHITE PAPERS – 2009

Marquette County's Travel, Tourism, and Recreation White Papers focus on four priority items: Funding for State Tourism Promotion; State Marketing Focus; Recreational Trail Development; and Arts and Culture Funding.

FUNDING FOR AND FOCUS OF TRAVEL MICHIGAN

Tourism continues to be a major component for the economic development in Michigan's Upper Peninsula. The Marquette County Ambassadors request the State to recognize that the Pure Michigan campaign, while highly effective, needs a consistent funding mechanism for the promotion of this major tourism initiative. Currently, Michigan has a \$30 million budget for tourism promotion; however, that budget may decrease to \$5 million in 2010. That level will leave Michigan unable to compete with surrounding States and major tourism destinations, resulting in a loss of market share for Michigan.

In Marquette County, we continue to import tourism revenue into Michigan through our community's ability to host major successful events – many with major media and sponsor promotion. We look to Travel Michigan to assist us in promoting our region and events to a larger audience. A listing of our major events includes:

January	Noquemanon Ski Marathon
February	U.P. 200 Sled Dog Championships J3 and J4 Alpine Ski Championships Jaycees Special Olympics Softball Tournament
April	Superiorland Soccer Tournaments NIT - Negaunee Invitational Basketball Tournament
June	Superior Bike Fest
July	July 4th events in conjunction with International Food Festival Pioneer Days Art on the Rocks / Blueberry Festival / Outback Art Show Hiawatha Music Festival
August	Ore to Shore Mountain Bike Epic Seafood Festival Marquette Kennel Dog Show
September	U.S. National Ski Hall of Fame Induction Ceremony Marquette Area Blues Festival
October	U.S. Olympic Speedskating Trials
November	World Cup Speedskating

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DNR / MDOT RECREATIONAL TRAIL DEVELOPMENT

Recreational trail development is a critically important issue in the Upper Peninsula. The Marquette County Ambassadors request your continued support for the Iron Ore Heritage Trail - a 48-mile, year round, multi-use, interpretive trail / transportation corridor through Marquette County. It is imperative that trails are preserved and put into the public's hands.

The Marquette County Ambassadors support the vision of a U.P. wide trail system that is available year-round for a multitude of recreational and alternative transportation users, and conveys the Upper Peninsula's nationally recognized and significant story for the mining of iron ore and copper minerals, in addition to a very important industry of timber and forestry products.

The Upper Peninsula is experiencing a major shift in land usage, and what land was once available for trails is now being gated off by private landowners. We will continue to experience a loss of trail access along with the ability to create additional trails for recreational users including bikers, hikers, equestrians, snowmobilers, and ATV riders.

ARTS AND CULTURE FUNDING

The Marquette County Ambassadors request that Michigan's legislature oppose the elimination of funding for Arts and Culture. To reduce funding of this component of Michigan's economy would result in the elimination of thousands of jobs in the State of Michigan, and in particular, the elimination of over 60 jobs in Marquette County.

While Arts & Cultural activities are a major intangible component in Marquette County's quality of life and the tourism industry, the real and tangible economic impact can be measured in sustained income and jobs.

The impact of Arts and Culture on the economy can be measured by two components: First, in its "Economic Presence" which measures employment and income; and, secondly, in its "Economic Impact" which measures the amount of economic activity generated as a result of the cultural activities.

Economic Presence (1)

Michigan

Arts Organizations & Facilities:

Employees	76,150
Annual Personal income	\$1.5 billion
<u>Independent Artists</u>	20,230
Annual Personal income	\$312 million

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Marquette County

<u>Arts Organizations & Facilities:</u>	
Employees	62
Annual Personal income	\$1.7 million
<u>Independent Artists</u>	
Annual Personal income	\$4 million
(1) Employees income based on avg. salary	\$28,664
Artists income based on avg. earnings	\$15,421

Source: Arts and Cultural Activities and the Michigan Economy, Upjohn Institute for Employment Research, 2005 & www.payscale.com/research

Economic Impact

Visitors spending for cultural activities - <i>Michigan</i>	\$ 65.7 million / annual (2)
Local day visitors to cultural events/venues	\$ 49 / trip
Non-local day visitors to cultural events/venues	\$ 70 / trip
Overnight visitors to cultural events/venues	\$569 / trip
Private Leverage to state dollars - <i>Michigan</i>	\$310 million
- <i>Marquette County</i>	\$71,000

**HEALTH-CARE ISSUES
WHITE PAPERS – 2009**

IMPACT OF HEALTH CARE ON REGIONAL AND LOCAL ECONOMIES

The impact of the health-care community is far greater than the delivery of consistent services. The Michigan Health and Hospital Association reports that, in Michigan's Upper Peninsula alone, 21,000 residents have jobs in, or related to, health care, earning a combined \$900 million annually and paying taxes to help support schools, community infrastructure, and public safety. Health-care workers also use their purchasing power to support local businesses. Those businesses, in turn, employ other members of the community and are able to create new jobs.

In Marquette County, for example, there are 7,163 jobs related to health care—more than 4,900 of which are directly associated with delivery of services. Those 7,163 workers earn \$333 million annually, generating \$101 million in revenue for federal, state, and local taxes. The estimated annual economic impact of Marquette County's health-care sector is \$482 million. This number represents the total value of production of goods and services.

Health care is Michigan's largest private-sector employer. Michigan residents employed in health care earn about \$9 billion a year in salaries and benefits, generating a substantial amount of tax revenue and spending within individual communities. When viewing the health-care community from state, regional, and local perspectives, consistent and adequate funding for the state's health-care programs (including Medicaid) has a greater impact on the community at large than just on those who receive specified services.

MICHIGAN MEDICAID

The Upper Peninsula's traditional collaboration and networking in the health-care community has generally allowed full health services for Medicaid enrollees, particularly for the segments of the population who need them most—children and pregnant women. Hospitals, clinics, independent physicians, and health departments work closely with the region's managed-care organization (the Upper Peninsula Health Plan) to ensure that Medicaid recipients receive consistent wellness care in addition to treatment for illnesses.

The region's health-care community effectively and consistently provides essential services to Medicaid enrollees. This consistent, high-quality service—during an era of increasing costs—is a testament to the collaborative spirit of the health-care community. As health care for the uninsured and the underinsured becomes a more-prominent public issue, the State of Michigan's managed-care programs are one of the best vehicles for fiscally responsible care that produces good outcomes. For managed care to be fully successful, it needs to be supported with a rate structure that complies with well-established federal requirements for actuarial soundness. Rates that are actuarially sound will support a system that can provide cost savings as well as manage medical care consistently and efficiently.

Action Requested: Continued support of the Healthcare community, the Medicaid program and actuarial sound rates to provide these services. It is imperative that this at risk population be protected and has access to quality Healthcare.

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TELEPHARMACY

As the nation and the state work toward greater efficiencies in health care via electronic medical records and electronic prescribing, *Telepharmacy* becomes more desirable. Hospitals—particularly those in rural areas—face the challenge of recruiting, employing, and maintaining sufficient numbers of pharmacists to operate full shifts. Hospitals may better be able to meet those challenges if they partner with other hospitals to share pharmacists via Telepharmacy.

Wisconsin permits Telepharmacy and already reaps the benefits of shared responsibility and efficiency. In Michigan, however, the lack of Telepharmacy limits pharmacy coverage at some facilities—particularly on second and third shifts. Upper Peninsula hospitals and providers have successfully established an extensive Telehealth network, one that has inspired similar networks elsewhere. The Upper Peninsula spirit of cooperation and thinking outside of traditional boundaries could—with community and state support—develop a similarly successful Telepharmacy network.

Action Requested: Legislation permitting the Telepharmacy service to enable Michigan hospitals to provide high quality and safe Pharmaceutical services to the residents of the Upper Peninsula.

FEDERALLY QUALIFIED HEALTH CENTERS OFFERING COMPREHENSIVE CARE

Many Upper Peninsula individuals and families are not eligible for health coverage through employment, and many do not qualify for help from state-sponsored programs. To improve the health of medically underserved communities, the Upper Great Lakes Family Health Center plans to transition two primary-care clinics in Marquette County into Federally Qualified Health Centers, which will provide comprehensive medical services. The UGL is working with the Marquette General Health System and the Michigan Primary Care Association to bolster the project. The project seeks funding through grants to assess needs, fully develop the project, and reach out to local communities to gain long-term support. The project has the potential for a major positive impact on Marquette County and the region.

Action Requested: State of Michigan support for the expansion of FQHC's in the State of Michigan to meet the Healthcare needs of the citizens of Michigan.

PHYSICIAN RECRUITING IN RURAL AREAS

Hospitals and physician groups in rural areas are often at a disadvantage when recruiting physicians. Many native Upper Peninsula residents who leave the area for medical school do not return—because of limited employment opportunities, smaller compensation packages than those offered in larger metropolitan areas, or a combination of factors. Sometimes extra dollars or other incentives are needed to attract the most-talented physicians to the less densely populated Upper Peninsula. Financial resources to provide these incentives are important to maintain and increase the strength of the region's physician pool.

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Action Requested: A program to subsidize the cost of recruitment of Primary Care and Specialists in the rural areas of the State of Michigan, specifically the Upper Peninsula where the outmigration of Healthcare to surrounding states is hurting the Medical community and overall economy of the Upper Peninsula.

MANDATED NURSE-PATIENT STAFFING RATIOS

There is no consensus that legislatively mandating nurse to patient ratios assures that patients have a safe, quality patient care experience. There is no data that supports the claim that quality improves when mandated ratios are approved. California is the most prominent example of ratios. A new study by the CA Healthcare Foundation found that the quality of nursing care did not change significantly after implementation of the staffing ratios. In addition, hospitals in CA were forced to reduce budgets in other areas of patient services to attempt to maintain the ratios. In CA, after a 5-year time to have ratios in place, 9 out of 10 hospitals were not able to comply with the mandate resulting in many hospitals requesting waivers. One hospital in CA closed due to an inability to meet the requirement and other hospitals have limited admissions in order to meet the staffing ratios. This has a negative impact on providing a safe, quality patient care experience.

Consider the following:

- Michigan and the nation face a severe nursing shortage. Hospitals simply can't maintain a supply of nurses that does not exist.
- Michigan's state government and its hospitals are simply not in a position to address the financial realities of nurse-patient ratios.
- Mandated ratios will divert hospital resources away from patient care and toward compliance.
- Legislative ratios would duplicate existing standard, laws and regulations.
- Mandated staffing should not be legislated for a single profession due to the impact on all other hospital personnel.
- Mandated ratios would increase hospital liability and insurance premium increases as hospitals fail to comply with legislated mandates.
- Hospital reimbursement could be negatively impacted by failing to comply with legislation, forcing Medicare to withhold payments.

In summary, the CA experience over the past 5 years fails to support mandating nurse staffing ratios. There are many obstacles to implementing and complying with mandated staffing ratios. A better way to approach patient safety and quality care is to support increasing nurse faculty and providing tuition and scholarships for nurses to increase the supply of nurses in Michigan. A study has shown that death rates were decreased in hospitals with a higher percentage of nurses that hold a bachelors degree versus mandated nurse staffing ratios. This is how to improve safety and quality.

Action Requested: Do not consider mandated nurse staffing ratios.

**EDUCATION ISSUES
WHITE PAPERS – 2009**

FUNDING

It should come as no surprise that funding will remain a central issue for school districts. Years of no increase, very low increases, and even reductions in foundation grants have resulted in significant cuts to school operations and education programs. Over the past five years, K-12 education has received a 1.7% increase in state aid, the lowest increase of the state's six major budget areas. The immediate future for Michigan's economy is still bleak and schools may be called upon to make further reductions in expenditures. These reductions will most certainly impact districts' ability to advance the Michigan Merit Curriculum and meet Adequate Yearly Progress.

Action Requested: We support the continuation of the “2X” system of calculating Foundation Aid and the annual continuation of this funding until the less endowed districts reach the common Foundation level. It returns to the equitable system that was part of the original Proposal A system to provide a catch-up formula to the lowest funded districts to reach the lowest level of the Foundation.

SINKING FUND

Due to funding constraints, districts are lacking funds for infrastructure, technology, and school bus acquisition. It is our hope that legislation previously proposed would be reinstated and enacted to expand the use of funds received from millage to include technology and school bus acquisition. This has been a long standing request from our area superintendents and we hope for some relief during this legislative session.

Action Requested: We support the reintroduction and passage of SB 367 that would allow sinking funds to be used for purchasing school busses and technology.

TRANSPORTATION COSTS

Throughout the state, many districts have very high transportation expenses when compared to other districts, yet receive the same amount of funding. In Marquette County alone, transportation budgets for similar sized school districts differ by more than \$500,000. Last year, additional funds were made available to districts covering large geographical areas and limited numbers of students per square mile. Although not statutorily required, school transportation systems in these areas are the lifeblood of the school districts and as such, need adequate funding.

Action Requested: Continue and enhance the transportation categorical funding to aid those school districts with large geographical boundaries and limited students per square mile.

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DECLINING ENROLLMENT

Declining enrollment is problematic throughout the state of Michigan. The Upper Peninsula and Marquette County in particular, is experiencing a significant decline in student enrollment. Lower student enrollment means lower revenues for school districts; however, subsequent reductions in expenditures do not easily follow. For example, a drop of 12 students means a loss of almost \$90,000 in foundation aid. However, a drop of 12 students is usually spread across the district and does not readily equate to a reduction of \$90,000 in costs. Additionally, the general education population is declining at a faster rate than special education resulting in increased costs. Currently, school districts may use a three-year rolling average to cushion the loss of revenue.

Action Requested: We recommend the expansion of the rolling average to somewhere between 5 and 10 years. This will ensure adequate time for a school district to plan for reductions in expenditures to meet the needs of its students and not negatively impact current programming.

CAREER AND TECHNICAL EDUCATION

Preparing a workforce that aligns with current and future employment needs in Marquette and Alger Counties is essential for the survival and growth of the Upper Peninsula. Marquette Alger Regional Educational Service Agency (MARESA) along with the Lake Superior Community Partnership (LSCP), support exposure and understanding of career and technical educational options for students, educators, parents, and business. These programs develop interest in training programs that prepare students for local career opportunities.

Many students desire to explore options in career and technical education (CTE). In addition to the graduation requirements that burden those students, there are several other barriers that may block students from pursuing these courses.

- Tuition for enrollment in CTE classes is an additional cost to the districts that is not covered by state aid and foundation grants.
- Transportation to CTE classes is an additional cost to the school and students.
- Highly qualified teachers
- Competition with other programs
- Internships

Action Requested: We support these programs as vital to the development and growth of industry in the Upper Peninsula. Given the unique geographic and economic factors inherent within this region, we support efforts to make CTE more affordable and accessible to students.

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KINDERGARTEN

Legislation has been enacted that will require school districts to phase in all day, every day kindergarten. Most educators will agree that all day, every day kindergarten is needed and will benefit our children in their educational years; however, the initial implementation of this expanded program will come at additional costs to most districts. The argument is certainly made that school districts have been receiving the full foundation aid for kindergarten students while only educating them for half a day. Educators fully understand the need to align the foundation aid with the time a student spends in the classroom. The issue remains with increased start-up costs to the school district with no revenues to help.

Action Requested: We recommend a phase in/out approach for implementing all day, every day kindergarten. A predetermined additional amount of foundation aid for kindergarten students could be established for school districts implementing full time kindergarten. This amount would be incrementally reduced over a three year period when kindergarten aid would be the same as other grades.

SCHOOL AID FUND TRANSFERS

Due to significant budget constraints in recent years, the State of Michigan has identified certain expenses not previously considered as education expenses and moved funding of these programs to the school aid appropriations. What once was a general fund expense has been moved to the school aid fund thereby reducing school funding. This is not unlike the reduction of general fund monies to schools as the state lottery monies were earmarked for education.

Action Requested: We implore the state legislature to refrain from categorizing additional programs and initiatives as “educational” and thereby placing a further burden on the school aid fund. We also ask the state legislature to forward on to school districts any funds received from the federal government in an economic stimulus plan without reducing general fund contributions to the school aid fund.

PROPERTY TAX LEGISLATION

Much is being written about the potential reduction of property taxes. Any reduction in home values and property taxes will obviously have negative effect on the school aid fund.

Action Requested: We recommend that the property tax legislation remain whole.

HIGHER EDUCATION

Northern Michigan University is a key element to the future growth and development of Marquette County. As a rural comprehensive university it offers the citizens of the county

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and the Upper Peninsula a high quality, high tech learning environment at a reasonable cost.

University administrators and faculty serve in leadership roles in the economic development efforts of our community. Faculty, staff, and students contribute thousands of hours of their time and expertise to our community through the work they do on community issues and projects. Because of NMU's community involvement the Carnegie Foundation for the Advancement of Teaching selected Northern for the 2008 Community Engagement Classification, one of the 119 higher education institutions in the nation to earn the distinction.

The university's annual economic impact on the Upper Peninsula is well over a quarter of a billion dollars. It is the third largest employer in Marquette County and each year it brings thousands of people into our community through educational, cultural, and athletic events. Northern Michigan University has been a key factor in a number of companies deciding to locate in the county.

The community is concerned about any further reductions in state aid to Northern Michigan University. Michigan's support for higher education has been significantly reduced over the last several fiscal years—and that has had a large impact on NMU. The university has the second lowest tuition level in the state and one of the highest levels of financial aid to students. Also NMU has one of the highest college first generation student enrollment levels among the state's fifteen public universities. Michigan needs to support higher education and expand the access to higher education to all students in Michigan—including those in our region.

Action Requested: The state will continue to fund Northern Michigan University at its historical level. For every dollar of state support that NMU is reduced, four more dollars are lost to the Upper Peninsula economy.

The community also supports NMU's Joint Capital Outlay Committee funding request for a combined heat (steam) and power (electricity) addition (CHP) to its existing heating plant. The primary fuel for the CHP addition is biomass (wood). The electricity generated would be used by NMU and the steam would be used by NMU and Marquette General Hospital lowering utility costs and the use of fossil fuels for both institutions. The CHP addition would increase the electrical power supply for Marquette County, create 90 to 120 new jobs many of which would be in the forest industry, lower higher education and health care costs, and it is good for the environment.

**MICHIGAN STATE POLICE UPPER PENINSULA CRIME LAB
WHITE PAPERS – 2009**

MICHIGAN STATE POLICE UPPER PENINSULA CRIME LAB

The Michigan State Police Forensic Science Division's Crime Laboratory in Marquette is essential to public safety and criminal justice in the Upper Peninsula. While the Marquette County Ambassadors understands the budget challenges facing the legislature, we ask that you consider other alternatives to balancing the Michigan State Police budget.

When the legislature makes the Upper Peninsula crime lab a capital outlay priority, the Marquette County Ambassadors is confident a long-term home can be found. A recent request for proposals issued by the Department of Management and Budget resulted in two proposals. The proposal indicates an initial capital outlay of \$3 million is needed. The request for proposals required a build-to-suit approach. Spreading the cost over a number of years would reduce the state's initial capital outlay.

Action Requested: The Senate Appropriations Committee's public safety subcommittee reported on a budget bill that includes a \$100 place holder for the Upper Peninsula crime lab. The crime lab is a shovel-ready project. The Marquette County Ambassadors recommends using stimulus funds or reprioritizing capital outlay projects in order to fund the capital cost for the U.P. Crime Lab.

Marquette is a central location within the Upper Peninsula, providing ease of access for the remaining 14 Counties in the U.P. The Upper Peninsula lab provides crime scene investigations, responds to bomb calls, analyzes firearms and suspected drugs, does toolmark comparisons, and conducts polygraph interviews. The laboratory provides these services to 73 law enforcement agencies in the U.P. at all levels of government (village, city, town, township, tribal, university, MSP posts, county sheriff departments, state agencies, FBI, DEA, ATF). Approximately 65 percent of the laboratory's work is for agencies other than MSP posts. The U.P. is comprised mostly of small law enforcement agencies, many with only one or two officers. Small agencies generally have less experience with major criminal investigations and do not have evidence technicians. Upper Peninsula law enforcement relies on state police assistance and resources.

The lab has eight employees providing polygraph tests, drug analyses, crime scene investigations, firearms analyses, bomb squad, and fingerprint comparisons. Lab staff testify regularly as expert witnesses in criminal trials and also provide training and consult with U.P. law enforcement agencies regarding their investigations. Today's juries simply have an expectation of physical evidence in criminal trials. The lab's operating budget is approximately \$900,000.

Without a crime lab in the Upper Peninsula, swift forensic analysis and investigation would come to an end. Michigan State Police crime labs are already backlogged, and the state police laboratory system has recently taken on the responsibility of 25,000 additional cases from the closure of the city of Detroit forensic lab.

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With seven crime labs, Michigan State Police have strategic locations in Marquette, Grayling, Bridgeport, Grand Rapids, Lansing, Northville, and Sterling Heights. The multiple locations decrease travel time for local law enforcement agencies. If the 35 miles from Northville to Sterling Heights requires two labs, the Ambassadors believe the 250 miles from Marquette to Grayling (or the 400 miles from Ironwood to Grayling) justifies maintaining a U.P. crime lab.

Relying on the Michigan State Police lab in Grayling is problematic, especially in the winter months. Travel downstate requires at least one overnight stay. Officers' time is expensive and should be spent on law enforcement locally rather than transporting evidence. Winter travel adds the challenge of road and bridge closures. Marquette County has 25 fewer police officers now than on September 11, 2001. This will further strain the limited resources.

Faster response to crime scenes by a local lab allows police officers to return to law enforcement duties rather than maintaining crime scene security. Fast response provides a greater probability that important fragile or perishable evidence can be collected before it is permanently lost to degradation or the weather. Fast response allows agencies to apprehend perpetrators sooner. Investigators and prosecutors have evidence that is more probative, manageable, and convincing. Overall, it speeds up the criminal justice process, facilitates resolution for victims and their families, and prevents further crime from occurring by perpetrators who flee during investigative delays.

Criminal justice is a system comprised of equally important parts. Closing the lab would remove an essential part of criminal justice in the Upper Peninsula. Adjudication of serious crimes would slow, adding to the number of inmates in already overcrowded county jails. In fact, the legislature asked the Council of State Government Justice Reinvestment Initiative to review the state's corrections programs. The review recommended that funding for law enforcement, specifically crime labs, be increased.

The Marquette County Ambassadors is concerned that funding for the Upper Peninsula Crime Lab may be cut in order to fund other Michigan State Police priorities. The Upper Peninsula has only three percent of the state's population, but our unique geography and large size require the legislature to adequately fund state services in our region.

Too frequently, the impact of state budget cuts is communicated as negative consequences on local government. The true impacts are on people. While the closure of the crime lab would impact law enforcement, the real tragedy will be the impact on crime victims and their families.

Prior to the re-staffing of the lab in 2004, a double murder required a crime scene investigation. The few Upper Peninsula forensic personnel were attending training and unavailable to respond. Downstate forensic investigators were requested. It took 30 hours for the downstate forensic team to respond. They did an excellent job, providing valuable evidence that led to two First Degree Murder convictions. Had it snowed, a frequent occurrence in February in the U.P., most of that evidence would have been lost. Three days later, the crime scene was released. For two days, the deceased could not be

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moved. For two days, the bodies laid on the ground in the snow. The families could not properly grieve.

If the Upper Peninsula Forensic Sciences Laboratory closes, we are concerned about the impacts to police and sheriff departments and county prosecutors. We are most concerned about the impacts on the people of the Upper Peninsula.

**ENERGY POLICY
WHITE PAPERS – 2009**

OBJECTIVES

Stimulate and foster economic growth and job creation through the development of reliable and affordable energy infrastructure and generation resources.

Promote Renewable Portfolio Standard and Energy Efficiency programs that can reduce energy consumption; encourage support for the use of renewable and alternative sources of energy; and, reduce energy costs.

Actions being advocated by the Marquette County Ambassadors include:

- Approve Northern Michigan University’s Joint Capital Outlay Committee funding request for construction of a biomass fired combined heat and power plant at its existing heating plant facility.
- Permit new renewable energy technology and projects - including biomass, hydroelectric generation, photovoltaic and wind power - to effectively stimulate the State’s economy through job creation and the attraction of new businesses and capital.
- Implement Michigan’s Renewable Portfolio Standard and Energy Optimization programs in a cost-effective manner.
- Permit new “baseload” fossil fuel and nuclear power plants - including new regulated utility plants – in a timely manner where a demonstrable need has been established in accordance with the law. Permitting of new “baseload” plants by the Michigan Department of Environmental Quality (MDEQ) and other state agencies must not be delayed due to political agendas.
- Create and promote “fuel neutral” renewable energy resource zones that minimize transmission interconnection and network upgrade costs.
- Oppose any attempt by Congress to preempt state adopted Renewable Portfolio Standards (RPS) and energy policy legislation. Congress must recognize the actions of the states and defer to state approved standards and policies wherever established. Inclusion of existing hydro power and other renewable energy resources recognized by Michigan’s RPS must not be affected by any Federal action that usurps the power of the states

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ADDITIONAL BACKGROUND

Northern Michigan University (NMU) - has requested funding for addition of a new biomass fired combined heat and power (CHP) plant to its existing heating plant facility. Renewable woody biomass is the primary source of fuel that will be used to generate heat (steam) and power (electricity) with the new CHP plant at NMU. Electricity generated by the new CHP plant will be used by NMU. Steam generated by the new CHP plant will be used by NMU and Marquette General Hospital (MGH). The new CHP plant will effectively lower NMU and MGH utility costs and their reliance on fossil fuels; increase Marquette County renewable energy supplies; create 90 to 120 new jobs (many of which are in the forestry industry); reduce escalating higher education and health care costs; and, is good for the environment.

The Marquette Board of Light and Power (MBLP) - is a municipal electric utility serving the City of Marquette and nine townships in Marquette County. A progressive leader among Michigan's 39 municipal utilities, the MBLP was named one of the cleanest electric power plants in the United States and has received a Clean Air Award from the U. S. Environmental Protection Agency. The MBLP will serve as a test facility for Renewafuel's Biomass Renewable Energy Fuel Cube, an emerging source of fuel for the generation of renewable energy. The biomass fuel cube consists of woody biomass and wood by-products and will be produced at Renewafuels's Marquette County facility creating approximately 25 new jobs. The MBLP anticipates it will retain approximately \$5 million that is currently exported out-of-state via coal purchases through the use of Renewafuel's product. These dollars may be reinvested locally.

The MBLP also generates clean, renewable hydroelectric power and is in the process of restoring a second smaller hydroelectric facility that was destroyed by a flood in 2003 to further enhance the MBLP's renewably energy portfolio.

New State mandates require electric companies to implement an Energy Optimization Program that effectively reduces energy consumption by residential, commercial, and industrial customers. The MBLP's *Smart Meter to Smart Grid Advanced Metering Infrastructure (AMI)* project will enable MBLP customers to reduce their energy consumption utilizing an in-home energy display unit that allows customers to see exactly how much they are spending to power their homes. In turn, these customers can make adjustments to their lifestyles that effectively reduce electric consumption and greenhouse emissions.