



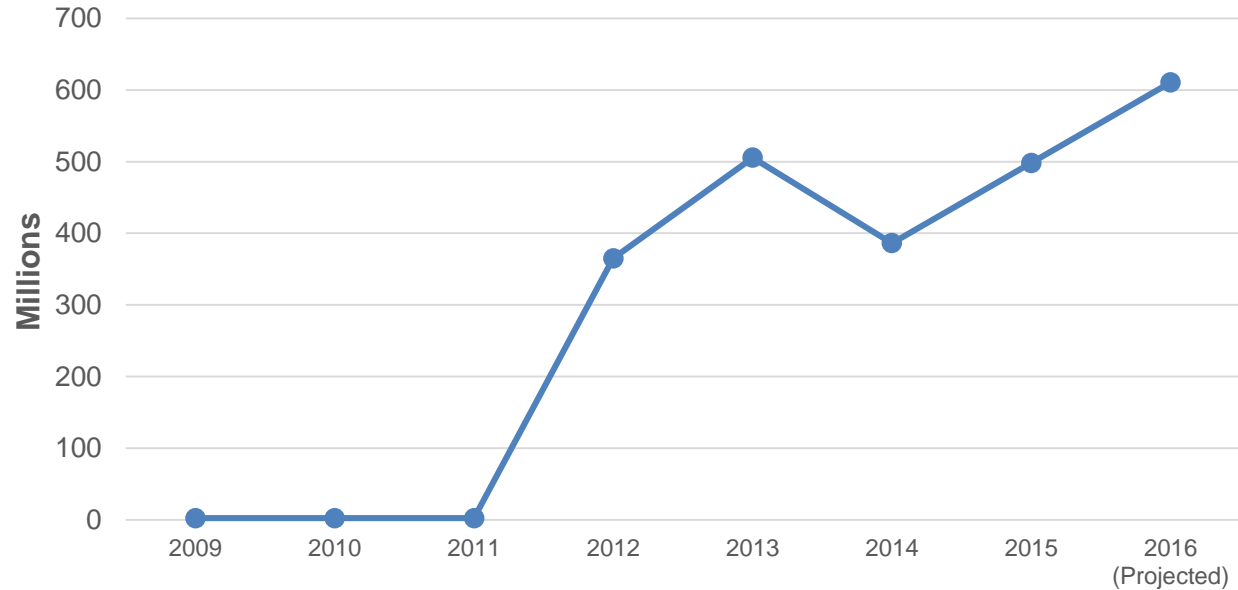
**Business Leaders Insights:
Ensuring Long-Term
Fiscal Stability for Michigan**



RAINY DAY FUND BALANCE



Rainy Day Fund



MICHIGAN'S CREDIT RATING

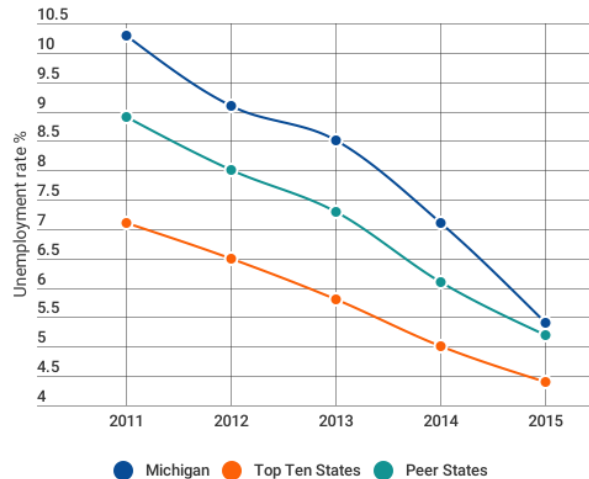


Year	Moody's	Standard & Poor's	Fitch
2016	Aa1 Stable	AA- Stable	AA Stable
2015	Aa1 Stable	AA- Stable	AA Stable
2014	Aa2 Positive	AA- Stable	AA Stable
2013	Aa2 Positive	AA- Positive	AA Stable
2012	Aa2 Stable	AA- Stable	AA- Positive
2011	Aa2 Stable	AA- Stable	AA- Positive
2010	Aa2	AA-	AA-
2009	Aa3	AA-	A+

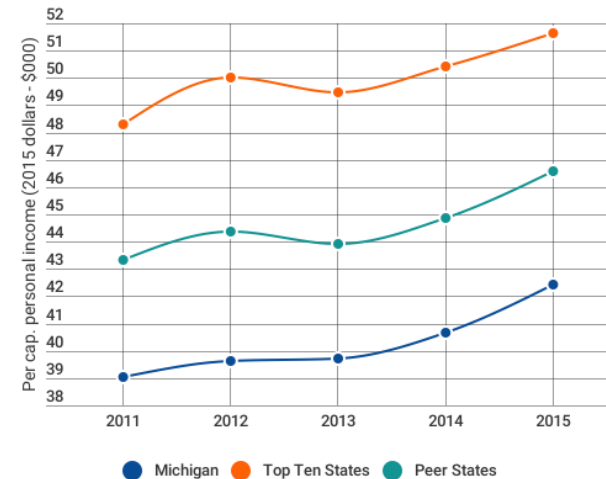
PROGRESS: JOBS & INCOME



Unemployment Rate Trends



Per Capita Personal Income Trends



FISCAL BEST PRACTICES



PROMOTE ECONOMIC GROWTH

- Prioritize policies that improve the long-term economic growth prospects of the state.



ADDRESS LEGACY COSTS

- Move all **new** public employees into defined contribution plans.
- Conduct a full review of pension plan assumptions at the state and local level.
- Do not provide defined benefit other post-employment benefits to **new** employees.
- Require all eligible retirees to participate in Medicare.
- Pay retirees a fixed stipend rather than paying premiums.



PREVENT LOCAL GOVERNMENT FISCAL EMERGENCIES

- Create a local government finance commission.
- Set minimum fund balance guidance.

FISCAL BEST PRACTICES



ENHANCE FINANCE CERTIFICATION & PROFESSIONAL DEVELOPMENT

- Enhance the certification & professional development requirements for local government finance staff and elected officials, and provide state funding to support professional development.
- Require school district CFOs to have a minimum of a bachelor's degree in business with nine credits in accounting or a bachelor's degree in a nonbusiness field with a minimum of 24 business-related credits.
- Maintain MI's current continuing ed requirement of 180 hours every five years for school district CFOs.
- Change current restrictions with MPSERS that prevent retired CFOs from serving an interim capacity and providing mentoring services.
- Require CFOs of cities and counties to meet the same requirements as school district CFOs.
- Require CFOs of townships and villages with more than 25 full-time employees to meet these same requirements.
- Support/enhance training opportunities provided by statewide organizations.
- Provide scholarships to help support the training of finance officials from fiscally struggling governments.

FISCAL BEST PRACTICES



STRENGTHEN STATE FISCAL & BUDGET MANAGEMENT

- Enhance the state's fiscal notes process to better incorporate the impact of legislation and regulatory changes to local governments and businesses.
- Strengthen multi-year budgeting processes.
- Adopt performance-based budgeting.
- Develop and publish a multi-year state fiscal plan.
- Complete the budget in a timely manner.
- Publish a citizen-friendly balance sheet.

