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## **Business Leaders for Michigan suggests budget shortfall mitigation efforts for state government**

*President & CEO Doug Rothwell also joins other biz roundtable CEOs seeking federal aid for state and local governments*

**LANSING, Mich.** – Business Leaders for Michigan today released a short list of 2020-21 budget principles, asking elected officials in Lansing to prioritize state budget spending where it will have the most impact helping the state recover from the onset of COVID-19.

The executive leadership roundtable, which released an initial overall [economic recovery plan](#) after COVID-19 first hit Michigan, looked at ways for the appropriators in Lansing to quickly and purposefully restructure the state budget to help steer away from further economic crises.

“Our current budget challenges are unprecedented and will require an equally unprecedented response,” said Doug Rothwell, President & CEO of Business Leaders for Michigan. “Most of all, cooperation between elected officials in Lansing and D.C. is required. With additional support from the federal government and shifts in planned spending, Michigan can mitigate massive budget deficits in the year to come.”

The principles, in priority order, are as follows:

1. Prioritize public health and safety, education and economic development for small- and medium-sized businesses by avoiding, or at worst minimizing, cuts to these areas.
2. Seek federal support for utilizing funds already appropriated to Michigan to address COVID-19- related deficits and additional federal assistance to states. Additional support should be apportioned to reward states like Michigan that have effectively managed their pension and debt obligations.
3. Emphasize budget shifts and financing strategies, such as:
  - a. Revert General Fund personal income tax revenue earmarked for transportation and use bonding as a temporary alternative;

- b. Accelerate implementation of K-12 operating efficiencies to protect classroom funding; and
  - c. Refinance state debt and MPSERS pension debt to take advantage of low interest rates.
4. Utilize surgical budget cuts, such as by targeting Corrections spending.
  5. Use no more than 25% of the Budget Stabilization Fund per fiscal year.

Rothwell also joined with 15 executives from other state business roundtables in [asking Congressional leadership in Washington, D.C.](#) for additional federal aid for state and local governments.

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**About Business Leaders for Michigan:**

Business Leaders for Michigan, the state's business roundtable, is dedicated to making Michigan a Top Ten state for jobs, personal income and a healthy economy. The organization is composed exclusively of the executive leaders of Michigan's largest companies and universities. Our members drive nearly 40 percent of the state's economy, generate over \$1 trillion in annual revenue and educate nearly half of all Michigan public university students. Find us on [Facebook](#), [Twitter](#) and [LinkedIn](#).