No. 3 STATE OF MICHIGAN

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House of Representatives

98th Legislature REGULAR SESSION OF 2016

House Chamber, Lansing, Tuesday, January 19, 2016.

6:00 p.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Afendoulis—present	Garcia—present	LaFontaine—present	Price—present
Banks—present	Garrett—present	Lane—present	Pscholka—present
Barrett—present	Gay-Dagnogo—present	Lauwers—present	Rendon—present
Bizon—present	Geiss—present	LaVoy—present	Roberts, B.—present
Brinks—present	Glardon—present	Leonard—present	Roberts, S.—present
Brunner—present	Glenn—present	Leutheuser—present	Robinson—present
Bumstead—present	Goike—present	Liberati—present	Runestad—present
Byrd—present	Graves—present	Love—present	Rutledge—present
Callton—present	Greig—present	Lucido—present	Santana—present
Canfield—present	Greimel—present	Lyons—present	Schor—present
Chang—present	Guerra—present	Maturen—present	Sheppard—present
Chatfield—present	Heise—present	McBroom—present	Singh—present
Chirkun—present	Hoadley—present	McCready—present	Smiley—present
Clemente—present	Hooker—present	Miller, A.—present	Somerville—present
Cochran—present	Hovey-Wright—present	Miller, D.—present	Talabi—present
Cole—present	Howrylak—present	Moss—present	Tedder—present
Cotter—present	Hughes—present	Muxlow—present	Theis—present
Cox—present	Iden—present	Neeley—present	Townsend—present
Crawford—present	Inman—present	Nesbitt—present	Vaupel—present
Darany—present	Irwin—present	Outman—present	VerHeulen—present
Dianda—present	Jacobsen—present	Pagan—present	Victory—present
Driskell—present	Jenkins—present	Pagel—present	Webber—present
Durhal—present	Johnson—present	Pettalia—present	Wittenberg—present
Faris—present	Kelly—present	Phelps—present	Yanez—present
Farrington—present	Kesto—present	Plawecki—present	Yonker—present
Forlini—present	Kivela—present	Poleski—present	Zemke—present
Franz—present	Kosowski—present	Potvin—present	

Pastor Elmer R. Hess, Sr., Pastor of First Pentecostal Family Worship Center in Battle Creek, offered the following invocation:

"O Lord Your word instructs us,

'In everything give thanks: for this is the will of God in Christ Jesus concerning you.' 1 Thessalonians 5:18 Lord we thank You......

Thou O God, Who yet seeketh such to worship Him in spirit and in truth, We seek to invoke Your presence again today upon this assembly. Lord we request that You would help those in whom You have entrusted the affairs of this great state of my birth.

Help us to remember Proverbs 14:34 'Righteousness exalteth a nation:..'

O God we ask for Your Blessings for these members of Govt. who have been AFFORDED the privilege and opportunity to be instruments of change and to be the Model for other states in this great Nation.

Lord help these servants of our state to build bridges to alleviate and not elevate pain and suffering. I pray that You would guide their feet, for You always know the right direction. As You, O God have always led from the front in times past, we ask for Your steadfast direction for this august body.

In the words of King Solomon

'Give these your servants wisdom and knowledge, that they may go out and come in before this people: for who can judge this thy people, that is so great?'

Bless rulers and men and women in authority everywhere.

O Lord please use this body of State Government to seek to be Instruments of Good for the sake of others more than for the sake of harming those that may have differences.

O God we thank Thee for listening in the name of the Lord Jesus. Amen."

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been reproduced and made available electronically on Thursday, January 14:

House Bill Nos. 5219 5220

Senate Bill Nos. 703 704 705 706 707 708 709 710 711

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Nesbitt moved that a special committee of four members be appointed to notify the Senate that the House was ready to meet the Senate in Joint Convention.

The motion prevailed.

The Speaker appointed as such committee Reps. Afendoulis, LaFontaine, Clemente and Hoadley.

The special committee to notify the Senate that the House was ready to meet in Joint Convention returned to the House along with the members of the Senate.

The committee, through its Chairperson, reported that it had performed the duty assigned it. The report was accepted and the committee discharged.

The Sergeant at Arms announced the members of the Senate, who were admitted and conducted to seats.

Joint Convention

6:30 o'clock p.m.

Bishop Edgar Vann II, Senior Pastor of Second Ebenezer Church in Detroit, offered the following invocation:

"Gracious and Eternal God, we invoke Your presence as we gather tonight. You are the everlasting God that sees us through our toughest times and weakest moments. Give the legislative leaders in this chamber the vision to see the opportunity to serve all people – addressing the social, economic, educational and quality of life needs through the lenses of compassion, respect and understanding.

We pray for our State...for its continued prosperity and growth, its innovation and opportunity;

We pray for our Governor...that he may be endowed with the wisdom that meets our collective challenges;

We pray for the people of Michigan...unite us together from our varied experiences and diverse frames of reference. Empower us to do what is righteous, fair, and honest and worthy of Your continued blessings;

We pray for the generation behind us who depend on our current decisions and leadership to shape the trajectory of their future. May this be a reminder of sound judgment and a will to lift?

In the Book of Micah, Your word says, You have shown us what is good and what is required of us...'To do justly, love, mercy and walk humbly with God.'

Guide us, keep us.....In Your Name we pray – Amen."

The roll of the Senate was called by the Secretary, who announced that a quorum of the Senate was present.

The roll of the House was called by the Clerk, who announced that a quorum of the House was present.

The President of the Joint Convention announced that the two Houses had met in Joint Convention to receive the message of the Governor.

Representative Nesbitt moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the State Officers to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Barrett and Schor, and Senators Stamas and Gregory.

The Sergeant at Arms announced the special committee appointed to invite the State Officers to be present at the Joint Convention.

The State Officers, escorted by the committee, were conducted to seats.

Senator Kowall moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Judges of the Court of Appeals to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives VerHeulen and Love, and Senators Shirkey and Young.

The Sergeant at Arms announced the special committee appointed to invite the Judges of the Court of Appeals to be present at the Joint Convention.

The Judges of the Court of Appeals, escorted by the committee, were conducted to seats.

Representative Nesbitt moved that a special committee, consisting of two Representatives and two Senators, be appointed to invite and escort the Justices of the Supreme Court to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Heise and Derek Miller, and Senators Schuitmaker and Johnson.

The Sergeant at Arms announced the special committee appointed to invite the Justices of the Supreme Court to be present at the Joint Convention.

The Justices of the Supreme Court, escorted by the committee, were conducted to seats.

Senator Kowall moved that a special committee, consisting of four Representatives and four Senators, be appointed to invite and escort the Governor to the Joint Convention.

The motion prevailed.

The President of the Joint Convention named as such committee Representatives Iden, Jacobsen, Kosowski and Geiss, and Senators Horn, Nofs, Warren and Hopgood.

The Sergeant at Arms announced the special committee to wait on the Governor.

The Governor, escorted by the committee, was conducted to the rostrum.

The President of the Joint Convention then introduced Governor Snyder who gave his message to the Joint Convention as follows:

"Thank you, thank you very much. Please be seated. Thank you. Thank you for joining me tonight. To Lt. Governor Brian Calley, Speaker Kevin Cotter, Senate Majority Leader Arlan Meekhof, Senate Minority Leader Jim Ananich, House Minority Leader Tim Greimel, members of the Supreme Court, members of the Court of Appeals, Secretary of State Ruth Johnson, Attorney General Bill Schuette, Congressman Fred Upton, Congresswoman Brenda Lawrence, my Cabinet, ladies and gentlemen of the Legislature, fellow public servants, citizens of Michigan and my family. I welcome you here tonight.

I would like to begin by also adding a special welcome, and that is to our activity duty military reserve and national guard members, members of law enforcement and our veterans. Let's give them a shout out too, please. Thank you.

Thank you. I do want to share one special situation with you with respect to our military. Last year we had deployed the 127th Air Wing out of Selfridge. The 127th has two key elements in terms of their aircraft. They have the A-10 Warthog which is a close air support unit that was actually deployed in the Middle East, dealing with terrorists, other issues over there and flying sorties. It also has the KC-135 tanker which actually was deployed for refueling aircraft like the Warthog and other aircraft to make sure they could run those missions.

We should be so proud. Our A-10 pilots actually flew roughly the equivalent of 3 years' worth of flying in 6 months. In terms of the KC-135 pilots and their teams, their crews, all of them together they did incredible work. They actually have a very special mission critical role that they had a special inspection take place while they were deployed and they did something that had never been achieved in the history of the Air Force. Not just the Air Guard. They actually had an inspection where they showed 100% of the members of that unit, received 100%. They were perfect and so that shows the spirit of Michiganders and to recognize them I am very proud to say, we have Brigadier General Leonard Isabelle, the Commander of Michigan Air National Guard; we have Brigadier General John Slocum, the 127th Wing Commander with us from Selfridge; and we have Command Sergeant Major Daniel Lincoln, our State Command Sergeant Major. If you could all rise and we could give them recognition for their incredible effort.

They returned right before Christmas and I was happy to say I had the opportunity to attend their returning ceremony and when I heard about their incredible accomplishments I had to share it with you because it is the best of Michigan to show what they were doing in harm's way to keep us safe.

In addition it is important we recognize we have over 400 Michigan National Guard members currently serving overseas as I speak today. All of Michigan should be glad to hear that Amir Hekmati of Flint, a Marine veteran, was finally released from Iran. We will be welcoming him home here soon in Michigan.

Before I begin in the terms of the speech itself, I would like to ask for a moment of silence for all of those who have fallen in protection of our communities and in defense of our country. [Silence]

Tonight will be a different State of the State address. There is so much we could discuss about how we can make our great state even better, stronger over the next year. But tonight I will address the crisis in Flint first and in-depth.

To begin I would like to address the people of Flint. Your families face a crisis, a crisis which you did not create and could not have prevented. I want to speak directly, honestly and sincerely to let you know we are praying for you. We are working hard for you and we are absolutely committed to taking the right steps to effectively solve this crisis. To you, the people of Flint, I say tonight as I have before, I'm sorry and I will fix it.

No citizen of this great state should endure this kind of catastrophe. Government failed you: federal, state and local leaders by breaking the trust you placed in us. I am sorry most of all that I let you down. You deserve better. You deserve accountability; you deserve to know the buck stops here with me. Most of all you deserve to know the truth and I have a responsibility to tell the truth, the truth about what we have done and what we will do to overcome this challenge.

Tomorrow I will release my 2014 and 2015 e-mails regarding Flint to you, the citizens, so that you will have answers to your questions about what we've done and what we are doing to make this right for the families of Flint. Anyone, will be able to read this information for themselves at Michigan.gov/Snyder, because the most important thing we can do right now is to work hard, work together for the people of Flint.

I know apologies won't make up for the mistakes that were made. Nothing will, but I take full responsibility to fix the problem so it will never happen again. Let me tell you what has been done so far and what we will be doing in the coming days, weeks, months and years to keep our commitment to you. To make Flint an even cleaner, safer, stronger city than it was before, because that is what you and your families deserve, we are working to do whatever we must until this crisis is resolved.

The people of Flint have chosen a new Mayor and I am personally committed to work hand-in-hand with Mayor Weaver so that we can rebuild the trust that has been broken. I already have taken steps to bring new leadership to the Department of Environmental Quality. These are individuals who understand the severity of the problem and who will effectively communicate to the people of the state. For those whose mistakes contributed to this disaster, we are fully cooperating

with investigations and will hold those individuals accountable. And let me be perfectly clear to all of state government, in situations like this, they must come to my desk immediately, no delays, no excuses, period.

We will provide resources to help anyone and everyone that is affected, just as we first provided when we first learned of this crisis. In addition to e-mails, tonight I am releasing a comprehensive timeline on the steps we have taken and the actions underway to solve this crisis.

Let me walk you through the facts. First, this crisis began in the spring of 2013 when the Flint City Council voted 7-1 to buy water from the Karegnondi Water Authority (the KWA). Former Flint Mayor Walling supported the move and the Emergency Manager approved the plan. DWSD, the Detroit Water and Sewerage Department provided notice of termination effective one year later and on April 25, 2014, Flint began to use water from the Flint River as an interim source.

Second, soon after the switch from Detroit water to Flint River water, the residents complained about the water, the color, the smell, rashes and concerns about bacteria. Ultimately, localized boil water advisories were issued by the City of Flint in August and September of 2014, each lasting several days.

Third, the Department of Environmental Quality and the Federal Environmental Protection Agency began communicating about lead concerns in February 2015. Sadly, both were ineffective in fully addressing and solving the problem. DEQ misinterpreted the water safety regulations and the EPA did not act with sufficient urgency to address the concerns of one of its experts about DEQ's approach and the risk of lead contamination. In May 2015, lead service lines to one residence were removed and replaced due to high lead service levels. But still, they both failed to systemically identify and solve the problem.

Fourth, in July 2015, my office proactively asked about the quality of Flint's Water, test results and blood testing. The DEQ told us that Flint was in compliance with the lead and copper rule. They told us there was one concern with one house that was corrected and there was nothing widespread to address. The Department of Health and Human Services also told us that the elevated blood levels were to be expected because they followed normal seasonal trends. These conclusions were later shown to be incorrect when the Department of Health and Human Services conducted a deeper analysis of the relevant data.

Fifth, in May, Professor Marc Edwards from Virginia Tech and Dr. Mona Hanna-Attisha sounded an alarm about lead in Flint's water. But tragically, based on what DEQ and the Department of Health and Human Services had seen on the ground they initially failed to reach the same conclusion. I want to thank the professor, the doctor and the concerned pastors of Flint for bringing this issue to light. We are actively investigating why these agencies got it so wrong. I believe we have Dr. Hicks Attisha with us here tonight, and I would like to recognize her, if you could rise please. Dr. Hanna-Attisha, I apologize, I always call you Dr. Mona.

Sixth, on September 28, 2015, I was first briefed on the potential scope and magnitude of the crisis on a phone call with DEQ and DHHS, the Department of Health and Human Services. On October 1, 2015, DHHS epidemiologists validated Dr. Hanna-Attisha's findings, confirming the lead problem in Flint's water supply. At this point, I immediately ordered them to develop and implement a 10-point plan that included the immediate distribution of water filters, immediate testing water in schools and expanded water and blood testing for anyone that might be exposed. About 12,000 filters were distributed, 700 water tests and 2,000 blood tests were conducted within the first three months.

Seventh, on October 8, I announced that the Flint water system would be reconnected to the Detroit water system to minimize any further damage, and later that month I announced the independent Flint Water Task Force to review actions that occurred so far and to make recommendations to address the crisis.

Eighth, the Task Force issued its initial actionable recommendations and identified critical problems in mid-December, specifically, they pointed to a primary failure of leadership at the DEQ and a culture that led to this crisis. The Task Force was right, and I immediately took action, appointed new leadership at the department.

Ninth, I declared an emergency in Flint on January 5 so that we could access additional resources and mobilize additional support, including the Michigan State Police and the Michigan National Guard. These critical resources were needed to help families get clean water and end any risk or exposure for every resident of Flint. I also requested a presidential declaration of federal emergency, which was granted. And to the members of our congressional delegation who are here tonight, this is a challenge we must work together to solve, and I look forward to working with you to bring additional support from the federal government to the people of Flint.

Tenth, to date, more than 37,300 cases of water, more than 53,700 water filters, and more than 7,300 water testing kits have been distributed. More than 21,300 homes have been visited. This is not enough. I am increasing the support from the Michigan National Guard starting tomorrow to ensure that every home we need to visit in Flint gets visited as soon as possible. And I am appealing the president's decision not to grant a major disaster declaration. We'll continue to deliver water and filters. We will not stop working for the people of Flint until every single person has clean water every single day. No matter what.

That's why today, I made an official request of the Legislature to fund a series of immediate actions to provide everyone in Flint clean water, and care for Flint's children. In addition to the \$9 million supplemental appropriation for Flint made in October 2015, the request today is for \$28 million, with \$22 million from the general fund. It includes:

- 1. Additional bottled water, filters, and replacement filters for anyone who needs these resources.
- 2. Assistance to the City of Flint to help with utility related issues.
- 3. Testing and replacing fixtures in schools, day care facilities, and other higher risk locations.
- 4. Treatment of children with high lead levels, including diagnostic testing, nurse visits, nutritional counseling and environmental assessments.

- 5. Services will be available for the treatment of potential behavioral health issues such as ADHD for those who have or could have had an elevated blood lead levels.
- 6. We will also work with local primary care providers and hospitals to educate the community about toxic stress and how to identify developmental delays.
 - 7. Support for children and adolescent health centers and additional support for children's health care access.
 - 8. An infrastructure integrity study for pipes and connections, using outside, independent experts.

An important note: this will not be the last budget request for Flint. Additional resources will be needed for water related needs, health related needs, educational needs, economic development needs and more.

If you would also like to aid Flint, please go to <u>HelpforFlint.com</u> all spelled out, to volunteer or donate. If you are a Flint resident who needs help getting the water you need – to go HelpforFlint.com.

These are the facts of what we have done and what we are doing, but just as important as solving short term needs and improving any long term solutions, we need to make sure this never happens again in any Michigan city.

We began this process by creating the independent Flint Water Task Force and asking them to report on exactly what happened, what accountability measures must be in place, and what investments need to be implemented.

This month I issued an executive order to ensure that state and local leaders have everything they need to clean up this mess. Ensure that anyone with lingering health care concerns is quickly, compassionately and effectively treated. I know there will be long term consequences, but I want you to know that we'll be there with long term solutions for as long as it takes to make this right. There can be no excuse. When Michiganders turn on the tap, they expect and deserve clean safe water. It's that simple. It's that straightforward. So that's what we will deliver.

To the families in Flint, it is my responsibility, my commitment to deliver; I give you my commitment that Michigan will not let you down.

In addition to the issues in Flint, we have a statewide infrastructure challenge. Flint is not alone, Michigan is not unique. We have a national problem with our infrastructure. Michigan's infrastructure was ranked D by the American Society for Civil Engineers. Worse than the national ranking which was a D+.

We need to get this right in Michigan for the long term. We need to invest more and smarter in our infrastructure so we can avoid crises like this in the future. One great illustration of success was roads. Just this last year we made the largest investment in transportation funding over the last half century. It's going to allow us to fill potholes, rebuild roads and make bridges safer. I want to thank the Speaker and Senate Majority Leader and all your members for that leadership in making this happen. Thank you.

But more than roads, we have a hidden problem. We see the rusting bridges, we drive on the roads and feel the potholes and cracked concrete, but underground some pipes are over 100 years old, some are made of wood, others made of lead, many burst in the winter. Out of sight, out of mind until we have water problems or power goes out or sewer backs up from a flood or our freeways flood because the pumps don't work. Lead pipes, ageing natural gas infrastructure, wastewater overflows, energy reliability, ports needing emergency dredging, Line 5 underneath the Great Lakes, even the Soo Locks, we need to have better solutions. We can come up with better solutions.

One illustration I want to note, is we have made progress with iron pipes for natural gas transmission. Across Michigan we have many miles of aging iron pipes for natural gas. This isn't a theoretical risk, there is a real risk there.

I want to compliment the Michigan Public Service Commission back in 2011 for identifying this problem and starting to take action. They made a commitment that required raising rates, but we have started to replace a number of those old cast iron pipes to make it safer for people, for the environment. We were smart; we began the process when costs were low so we could afford to replace those pipes. We still have many more pipes to go though. This is the kind of problem solving we need in the future.

Now here are some actions we can immediately take on our infrastructure. First, I want to issue an executive order, I will issue an executive order, to the Michigan Department of Transportation, that they will confer with local officials and utilities every time we do a new road project because it is the best opportunity quite often to replace the aging infrastructure underneath those roads when that road is torn up. We can save money, we can do this smarter. I ask the Legislature to consider looking at the same issue when local government does road projects and how we can partner, to say if those roads are torn up, let's do more while we have that opportunity.

When lead investigations are made in this state, we don't currently do this, but we should be checking water sources in critical areas in addition to checking for paint, dust and other environmental factors. We should be ensuring that all schools in Michigan test for lead. Putting a priority on those in areas where we know they have aging infrastructure or lead problems in the past. We should be increasing nutritional and lead education efforts in schools as well.

Now overall we need a smart strategic plan for all of this. It requires an honest assessment of the challenges, opportunities and costs. That's why I will be creating the Commission for Building the 21st Century Infrastructure. We need experts steeped in credibility and clout. Visionary leaders committed to Michigan's future. They'll study what Michigan needs, develop a plan, making the right investments in water, sewer, transportation, broadband and other areas. And also discuss how we will pay for these investments. I will ask for their report in September of this year.

In addition to infrastructure and Flint, I now want to talk about Detroit and education. Great challenges cannot be addressed without hard work, long hours and true partnership with the communities in need of new hope and a fresh start. But solving them is not impossible and certainly not without precedent.

Let's look at Detroit, one year after leaving bankruptcy. As Detroit continues to rebuild, it should give every city in this great state the hope and belief that we can deliver new opportunities for everyone. Who would have dreamed possible, that the idea, that just a year after bankruptcy our state's largest city has become a hub for innovation and excitement. There's dynamic economic growth in the downtown and the midtown, and it's keeping and drawing young people to our state.

It's important to know that there's much more work that needs to be done; especially in the neighborhoods. But progress is evident everywhere: there are over 59,000 lights had been turned on, more than 7,600 structures demolished since 2014 and violent crime is down 18% since 2012. We're showing what Detroit can do, and as part of that, I would ask recognition for Mayor Mike Duggan, who is with us tonight. Mike, please stand up. Thank you for your partnership and helping rebuild a great city.

Though our recent work in Detroit gives us a measure of pride, Detroit schools are in a crisis. The Detroit schools are in need of a transformational change: too many schools are failing at their central task of preparing our young Michiganders for successful rewarding life. Simply put, not all Detroit students are gaining the education they deserve.

This is a large problem; of nearly 100 schools in Detroit Public Schools, 60 charter schools in and around the city, 15 educational achievement schools, several adjacent charter and school districts, yet parents can't find the quality education they seek.

One of the issues is Detroit Public Schools are deeply in debt. By the summer, it will be over \$515 million in debt. To achieve the needed academic outcomes, financial stability in Detroit Public Schools must be achieved. Over \$1,100 per student is going to debt service and not the classroom. Let's solve this problem and help the kids.

Taking prompt legislative action is needed to minimize the fiscal impact on both Detroit and the rest of Michigan. The time to act is now: avoid court intervention that could cost all of us much more and can be much more detrimental. I want to thank Senator Hansen for the legislation, and the input of many legislators, that they provided over the last several months. And I ask you to move with great haste. Senator Hansen, please rise. We should be proud that we have a West Michigan legislator taking a lead on solving Detroit Public School issues.

The Detroit Education Coalition also recommended a Detroit Education Commission to help students achieve better results in all Detroit schools. This is a good idea, but it hasn't drawn much support. We should keep looking at this key element to help Detroit's kids. The School Reform Office, working with Detroit Public Schools and local leaders, will actively address these issues in lieu of the commission. All of us from state and local officials, education to charitable and civic leaders, parents and the concerned citizens, need to work together quickly. The challenges are well known. The alternatives are defined. Now is the time to get something done. Great schools are critically important, both to the City of Detroit and the entire state of Michigan. Let's address this decades-long crisis now.

Every Michigan child deserves an education that launches them into a successful career path and life. The best careers in the modern economy require training with accessed programs that gives them the skills and experience necessary to prepare them for college, career and for life. We've made progress. We've made some good reforms. We've added tougher academics standards without federal mandates. We've talked about teacher effectiveness. We're a national leader in funding preschool. We've created the early literacy programs, in terms of Pre-3 reading. In terms of STEM programs, we're a leader with programs like First and Square One. We've done some wonderful things with early and middle college programs and we've made a commitment; I have made a commitment, to make sure we're the nation's leader in career technical education. These are all great opportunities. We can see the great potential of our children when we see these things.

One illustration I would note to you tonight, hopefully you got that program, because I want to recognize the wonderful, young student that designed that program cover. And if you could rise, we have Alaina Kiehl, up in the gallery, from seventh grade, New Baltimore, Anchor Bay Middle School. Alaina, you're the future of our state and I appreciate your parents bringing you here tonight. I like that thumbs up.

But all of this, whether we're a policy leader, an educator or community leader, for a parent or a student, we all have to have some accountability for achieving these outcomes. To be blunt, we have a nineteenth century education system in the twenty-first century. It's time to ask ourselves 'why?'

We have two comprehensive studies coming in 2016 to help with this issue: one on school funding and another on career technical education. We've done some wonderful task force with action items. One that I am particularly proud of is what we did with Pre-3 reading that was completed. We have another one coming soon in special education in terms of the recommendations, and we have one on STEM coming, but more needs to be done.

I want to recognize the partnership of our State's Superintendent of the State Board; Brain Whiston has done a great job. He actually went through a very complicated process with multiple stake holders, and developed an excellent set of goals to make Michigan a 'Top Ten State in Ten Years.' Brian, please stand up so we can recognize you.

I want to show partnership with the State Superintendent and the State Board of Education by creating a Commission for a 21st Century Education. Again, let's do a bipartisan, multi-stake holder effort. To look at all of these studies, all of these recommendations to investigate what have been the obstacles holding us back from greater success? Let's deliver recommendations to building Michigan's educational future - the goals we want to achieve. What's the appropriate structure? What's the appropriate governance, and how do we fund it? And I ask that this commission will deliver the results by the end of November.

Now let me transition to talking about our economic future in this state. Our economy might seem good today, but we need to take action to make sure it's good in the future. We should not take it for granted; that's how we had the mess of the last decade. In terms of accomplishments, we should be proud; from a job creation point of view, since December of 2010, we've created over 420,000 private sector jobs. We ranked #6 in the nation. That equates to 232 new jobs every single day in the state.

We are #1 in the nation in manufacturing job growth. Our unemployment rate has been cut by more than half since December 2010. We're 3rd in the nation for the largest reduction of unemployment in that time period.

Importantly with it though, it's not just about more people working, personal income is increasing again in Michigan. We saw a huge drop in that last decade; the Lost Decade. I'm proud to say in 2014 it increased to 3.9%; more than doubling the prior year's growth rate of 1.4%, but it's important that we remember that not everyone has participated in this come back and we need to take special efforts to make sure the people in places that have not participated, join us.

We have created programs to do this, but we need to continue to ramp them up; with respect to our urban areas, in particular places like Detroit, Flint, Pontiac and Saginaw. One program I'm particularly proud of and we have a number of others, but it is Community Ventures. It is a program we built with solely state resources, because we wanted the flexibility to find out what needed to be done and get it done. It has been successful. It has now employed over 4,000 people by partnering with 110 companies. Its retention rate after one year is nearly 70%; 69% and its wages on average are \$11.80 an hour.

If you think about it, what a great start, but what I'll tell you is that's not a final point. That's a point to get people successfully working that haven't. Then we can apply traditional programs to give them upward mobility, more opportunity, for a bright, long term future. In Flint alone, this program has accounted for 618 jobs already. We need to help other places though. I mentioned the urban areas, but too often we forget that we have rural communities, we have smaller communities that also suffer great poverty and we cannot leave them behind either. So, I'm proud to say that last year, we launched a program called Rising Tide, and the program is based on the premise to go to each one of our ten regions in the state and identify a challenged community. We have gone to those challenged communities and said, 'we want to present a team of resources...' It's not just about money, but people that can help and we've got a collaborative effort between economic development resources, community development resources, and talent development resources all teaming together to go help those communities join the rest of us. As soon as we get those communities succeeding and we're starting to see progress, we will pick new communities to take their place and we will keep on going down that list until we've covered every corner of Michigan. That's what we should be doing.

Now in terms of Michigan's economy future, if you look at the industries in Michigan; we have automotive, agriculture and tourism. I'd like to say 'Our Big Three.' They're all doing well in the state; extraordinarily well in some ways. The one tonight I particularly want to talk about, the automotive industry; we should be so proud. We set U.S. records for car sales in this country over the last 12 months and next year's expected to be even better. Michigan has been the beneficiary of that. We are still the heart and soul of the auto industry. Make no mistake about that, we should carry a special pride with that. Over 70% of the research and development for the U.S. auto industry happens right here in Michigan, in addition to building more cars than any other state, but I want to share something with you. It has been a tremendous opportunity and a privilege for us to help support that industry and the wonderful working people on the lines building those cars, at the supplier base doing that hard work to make the world's best products, but we have a threat.

I can tell you if we did what we did in the past, we could lose the auto industry out of our state, in terms of leadership. Why is that? Because the auto industry is transforming to something new. The world is changing. What is the automobile industry of today; in 10 or 20 years will be called the mobility industry. It will be about how people travel, not just about the vehicle they travel in. It's time now to understand, we need to be looking toward the future; not just admiring the past. So this area in particular, we need to make investments, and we have started that process; we have made some good investments. The primary being in the area of intelligent vehicles: autonomous and connected vehicles and smart infrastructure and how it communicates with vehicles.

Several years ago, we created something exciting in partnership with the University of Michigan and a lot of partners called the Michigan Mobility Transformation Center. This is actually a real project that you may not realize is taking place in southeastern Michigan. They literally have a test bed of thousands of connected vehicles talking to infrastructure even today. When I say connected vehicles, do not worry, many of you may confuse that with autonomous vehicles – these still have drivers in them – so you can feel safe on the road.

But this is a part of our future and we need to do more. Just this last year we did a partnership in what was something called the MCity. It's a thirty-two acre campus at the University of Michigan that is for testing autonomous and connected vehicles; a closed loop system that has many different environments. It is swamped. The auto industry has overwhelmed this place with demand, because they're looking for a place to do this kind of work. So MCity is not good enough. So what I propose to you, and I've already been working in partnership with our congressional delegation and I thank them for their efforts, is to look to create the American Center for Mobility at Willow Run. We have the opportunity to create over a 300 acre campus that would be the world's best place to test intelligent vehicles, whether autonomous or connected. This place is critically important. The industry needs it, but we need to bring in the federal government and say, 'this is the place where the standards for safe operation should take place.' It's right here in Michigan, at Willow Run, and it can be the base for international standards. That's how we can help keep leadership of the auto industry in Michigan; by making

that future looking investment and doing the right thing. To make sure that really exciting car you saw at the Detroit Auto Show, in ten years, just think, it will still have wheels, but it's a computer on wheels. We need a place like this to make sure we maintain our leadership for the long-term future. Thank you.

The last item I talked about, about automotive going to mobility, was an opportunity that could become a threat. Now I want to talk about something that's been a great opportunity for many years, but we face a major threat. It's the Soo Locks.

The Soo Locks is something we always talk about and are proud of, but often we don't talk about how important it is. More than 4,000 commercial ships a year use the locks annually. The locks are absolutely crucial to supplying the iron ore that makes the steel for all those vehicles that I just talked about and many of our appliances. If you look at it, most of the tonnage goes through one specific lock, the Poe Lock because it's a 1,000 foot lock.

The other locks cannot accommodate the carriers that we see. So the Poe Lock is absolutely critical to our future. The issue is that there is one of them. In an analysis that was done, what would happen if that one lock went down? It would devastate the Michigan economy. To be blunt, it could devastate the national economy. Think about it, we would run out of steel and this is the kind of steel that doesn't come from other places. It is based on the ore that comes through the Soo Locks.

It's interesting if you look at the history; a second 1,000 foot lock was actually authorized believe it or not in 1986 by the federal government. Congress approved a second lock; they simply didn't allocate any money to build it. This is something we need to work with Congress on to get it done.

The important part of this, I'm proud to say, we have partners within the federal government that we have been working well on making sure we explain the issue to the public and the leaders in Washington in a commitment to get it done. I would like to recognize two great partners, again up in our gallery with our other military people, we have Captain Steve Teschendorf of the U.S. Coast Guard and Lieutenant Colonel Michael Sellers Jr. of the U.S. Army Corps of Engineers. If you could please rise.

Just as I mentioned a commission on infrastructure, a commission on education; when those commissions get their work done, we need to aggregate this to talk about the economy of the future. So I am also going to appoint a Commission on Building the 21st Century Economy. Our economy is more productive then it has ever been in years. We're doing better, but better isn't good enough. We need to be committed to continuous improvement. Delivering the healthy economy that Michigan deserves. One that provides opportunities for every Michigan, every person that wants to work hard, get ahead and stay ahead.

Let's build on the work of the first 2 commissions, but let's also add the concept of innovation, long term economic tools and creating a culture of continuous innovation. I'm proud to say that we have a group that really represents that tonight. I made a trip to the Upper Peninsula last year and I went and visited Northern Michigan University. They took me to a place; I think it was an old bank branch. It wasn't even near campus that much and I walked in and it was about students helping inventors.

The inventors were walking in with ideas; the students were talking to those inventors about the ones that could be made into real products. It's happening right up in Marquette today. This is a program that should be all throughout Michigan. Think about this, engaging our students with our inventors. Creating new economic opportunities, it's exciting. And so I ask that you give recognition, also with us tonight in that same section of the gallery, we have a group of students and some of their leaders from Invent@NMU, please rise.

We need to create an environment that supports economic development and encourages businesses to grow. Opportunity needs to be a part of our DNA in this state and I'm going to ask them for the report by the end of December.

Now in summary, tonight, the challenges we face in Flint, Detroit and beyond are serious, but solvable. The question is, can we come together today in a spirit of cooperation to find the solutions that people deserve? Or will we succumb to crisis and allow politics and finger pointing to overcome the real needs of real people? We have to solve this challenge because every single citizen depends on us and we need to give them a better brighter future. They deserve it- to raise a family, to work hard, to get ahead.

I'm personally committing the next 3 years of my administration to tirelessly work to ensure that the families of Flint can heal from this wound and that every Michigander enjoys the quality of life they deserve.

To do this, I ask you in return that your prayers include the people in Flint. I ask for the continuing strong partnership, counsel and commitment of all of our Legislators gathered here. I ask for the commitment of all of our citizens to work together as Michiganders with relentless positive action and to hold me accountable for results.

I sought the office of Governor of Michigan to reinvent our state because we were broken in many ways. We've repaired and reinvented many critical items over the past five years, including issues that many didn't think could be solved.

But the crisis in Flint makes it clear to me that more needs to be done. It is truly a humbling experience to see the people you work for and care for, harmed by the people that work for you.

But Michiganders don't quit, we don't give up, instead we will work with even more passion and commitment to truly improve our state. For everyone who's chosen to make Michigan their home, this is more than a promise, this is my commitment.

Thank you and God bless Michigan and our nation."

The business of the Joint Convention having been completed, the Governor, the Justices of the Supreme Court, the Judges of the Court of Appeals and the State Officers withdrew.

Representative Nesbitt moved that the Joint Convention adjourn. The motion prevailed, the time being 7:57 o'clock p.m.

The Lt. Governor and members of the Senate retired.

The Speaker announced that the House of Representatives and Senate had met in Joint Convention and had listened to the message of the Governor.

The Speaker called Associate Speaker Pro Tempore Franz to the Chair.

Rep. Byrd moved that the House adjourn. The motion prevailed, the time being 8:05 p.m.

Associate Speaker Pro Tempore Franz declared the House adjourned until Wednesday, January 20, at 1:30 p.m.

GARY L. RANDALL Clerk of the House of Representatives