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Mackinac Center Finds \$1.358B In Cuts

Forget the \$433.3 million in cuts the Legislature is trying to make to the current year budget. The Mackinac Center uncorked today \$1.358 billion in suggested cuts the state could use to make up for the income tax increase and use tax expansion to services adopted Oct. 1.

The analysis completed by Jack **McHUGH** calls for, in part, what some Republicans already want to see — an end to the \$75 million in 21st Century Jobs Fund money, no 1 percent increase in K-12 education (\$115.9 million) and higher education (\$27.5 million) and eliminating optional populations from Medicaid (caretaker relatives, \$25.6 million and 19- and 20-year-olds \$12.7 million).

McHugh's analysis also suggests closing three prisons (\$37.6 million), adopting the governor's sentencing reforms (\$69 million), reducing welfare subsidies (\$47.2 million), eliminating the state employee pay raises (\$150.7 million) and repealing the state's prevailing wage (\$90 million).

The analysis comes as the limited-government think tank makes the argument that the income tax increase and use tax expansion will trample a state economy already struggling to ascend from the national basement.

"The current tax increases, which will further burden the private economy, are likely to establish a cycle of ever-lower revenues and successive budget crises," McHugh wrote.

Mackinac Center President Lawrence **REED** said McHugh's list is a roadmap to long overdue "real remedies," as opposed to gimmicks, Band-Aids, distractions and punitive tax hikes.

Other suggested cuts include:

- \$170.4 million in categorical cuts to the K-12 budget, including slices to preschool readiness programs (\$49 million), declining enrollment money (\$20 million) "at risk" funding (\$28 million), adult education (\$14.4 million), 20j payments (\$36 million) and the school equity payments (\$5 million)

- Shift 10 percent of the state's health care costs back on employees for a \$59 million savings

- Cut revenue sharing to local government by 10 percent (\$40.7 million)

- Taking \$15 million in casino revenue from the Michigan Economic Development Corporation and putting it into the General Fund

- Eliminating most of the \$18.9 million in Healthy Michigan Fund money

- Imposing mandatory citizenship verification for Medicaid recipients for a \$10 million savings

- Cut the cooperative extension and agriculture experiment stations by 50 percent for a \$31.5 million savings

- Cut the State Police's second road patrol money by 50 percent for a \$7 million savings

- Reducing lottery advertising by \$10 million

- Closing nine Secretary of State offices for a savings of \$4.7 million

- Eliminate the \$7.2 million Amtrak subsidy

- Cut legislative funding by \$8.9 million