

STATE GOV'T REFORM & TAXPAYER SAVINGS POSSIBILITIES (January 2009)

TYPE OF GOV'T	GOVERNMENT REFORM APPROACH	SAVINGS ESTIMATES	SOURCE
1 Corrections	Relax Michigan incarceration rates to match neighboring states	400,000,000	Citizens Research Council (2006), Detroit Renaissance/Public Sector Consultants (2008)
2 Corrections	General efficiencies and possible mgmt savings of 20 percent	380,000,000	Senate Subcommittee on Prison Reform and Public Safety (2007)
3 All	Reduce state worker health benefits to match national averages	269,000,000	Detroit Renaissance/Public Sector Consultants (2008)
4 Schools	Graded premiums for school employee health care vesting	230,000,000	Legislative reform proposal (2007) NOTE: Full dollar savings would take many years.
5 Medicaid	Medicaid coverage restrictions and other cuts	100,000,000	House Fiscal Agency estimates (2007); Deloitte Consulting estimate for state gov't of \$50-150M (2007)
6 Schools	Create defined-benefit retirement for teachers, tighten eligibility	87,000,000	Detroit Renaissance/Public Sector Consultants (2008)
7 All	State worker pay freeze	25,000,000	Center for Michigan estimate based on guidance from state budget expert Tom Clay
9 Education	Eliminate Michigan Tuition Grant scholarship program	60,000,000	Previous Granholm Administration proposal
10 Education	Privatize schools' non-core functions (food service/transportation)	50,000,000	Mackinac Center
11 Corrections	Privatize prison food service	25,000,000	Michigan Auditor General (2008)
12 Schools	Move school elections to the fall ballot	10,000,000	Legislative reform proposal during budget crisis (2007)
13 Schools	Cap school superintendent pay	6,100,000	Legislative reform proposal during budget crisis (2007)
14 Various	Consolidate various state government departments	3,000,000	Legislative reform proposal during budget crisis (2007)
15 Judiciary	Five percent pay cut for judges	4,300,000	Legislative reform proposal during budget crisis (2007)
16 Legislature	Eliminate retired legislator health care	3,500,000	Legislative reform proposal during budget crisis (2007)
17 Judiciary	Reduce judges' health care benefits	1,000,000	Legislative reform proposal during budget crisis (2007)
18 All	Five percent pay cut for gov, AG, SOS, legislators	620,000	Legislative reform proposal during budget crisis (2007)
19 All	Clear benchmarking of state/local gov't/schools' performance	Unclear	EFAP; Center for Michigan, Governor's panel on local gov't (2006)
20 Local gov't	Reward/require intensified regional service sharing	Unclear	Governor's panel on local gov't (2006), EFAP (2007), numerous business groups
22 Local gov't	Repeal Act 312: Binding arbitration for public safety workers	Unclear	Exact savings unclear. 2006 Governor's panel said arbitration raised local gov't costs by 3-5%.
23 Schools	Eliminate buy-in for school employees' retiree health care	Unclear	Legislative reform proposal during budget crisis (2007)
24 All	Eliminate pension double dipping	Unclear	Legislative reform proposal during budget crisis (2007)
25 All	Wage & benefits studies for all public employees	Unclear	Legislative reform proposal during budget crisis (2007)
26 All	Exempt government construction from prevailing wage laws	Unclear	Michigan State Chamber (2007)
27 All	State worker pension reforms	Unclear	Deloitte (2007). The consultants' proposal didn't give a dollar figure for Michigan but they claimed \$1 billion savings in Illinois.
TOTAL		1,274,520,000	(NOTE: This total avoids double-counting the major corrections reform numbers on rows 4-5).
REFORMING POTENTIAL WASTE, FRAUD, AND ABUSE			
28 Com. Health	Questionable costs due to poor financial controls	58,000,000	Auditor General Report (2008)
29 Human Svcs	Undocumented and potentially fraudulent child care payments	231,000,000	Auditor General Report (2008)
30 Corrections	Numerous management issues, including excess prison guard overtime costs due to rigid work rules, undocumented transport costs, prison guard bonuses, dry cleaning allowances and other perks, potential savings from work and shift reorganization, and better price negotiations on goods and services.	37,000,000	Auditor General reports (2007-08)
31 Human Svcs	Payments to 290 vendors who lacked contracts	12,900,000	Auditor General Report (2008)
TOTAL		338,900,000	
APPOXIMATE DOLLAR VALUE OF REFORM CHOICES		1,274,520,000	
POTENTIAL SAVINGS FROM AUDIT RECOMMENDATIONS		338,900,000	
TOTAL		1,613,420,000	