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February 5, 2013

Honorable Andy Dillon
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Harvey Hollins, III
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RE: 2013 Priority Urban Policy Items

Per your request, below are both "low-hanging" fruit and more complex items that compliment the "course correction" process that the City of Detroit finds itself in.

Although some require legislative action, others merely require the Executive Office to weigh in on needed operational adjustments. While the City attempts to "right" its finances, to the extent it is possible, we encourage the Governor to use the powers at his discretion to create opportunities for economic and quality of life improvements for Detroit's residents during and after the current crisis.

1) Local job creation & maximizing infrastructure appropriations to create employment:

Codification of Budget Act procurement statutes and administrative rules in a manner that supports the utilization of "Best Value" procurement processes ("Best value" means a contract and procurement process that encourages and considers bids from locally headquartered companies and that considers use of the local workforce) particularly for the anticipated road, bridge and transportation contracts which have a precedent in the M-39 (Southfield Freeway) reconstruction contract.

2) Investing in employers that invest in local workforce development

Use a portion of workforce development appropriations to reimburse employers 50% of a trainee's wage for up to six months if that trainee is hired as a full-time or full time seasonal employee after the six month training period (Training programs that do not result in a guaranteed job expand apathy and hopelessness in the inner-city. Employers also know that not only is the trainee a limited producer, but whoever is training them is also less productive; thus the reimbursement is an incentive to bring on trainees and this model has a federal precedent)

3) Fostering inner-city development, commerce and k-12 student enrichment

Off-setting the inequitable lottery distribution resulting from the Black Community's contribution of 30% of total lottery sale revenue; with "no-cost" urban marketing promotions not limited to but including; utilization of Black-owned financial institutions as an official depository for lottery receipts, providing not less than 10% of annual event sponsorship dollars to behavioral health support programs for the Michigan Education Achievement Authority, academic enrichment programs and field trips for students attending public schools in economically distressed communities, and extension of "limited sales agent" opportunities to qualifying barbers and salon owners in economically distressed and urban communities.



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3) Education

Providing the Michigan Education Achievement Authority (EAA) with an independent and adequate foundation allowance, as well as not less than \$7,000 per building to support evidence-based behavioral health and alternative to suspension programming. Providing DPS and EAA high schools with not less than \$10,000 per building to support student athlete academic enrichment and drug testing programs.

4) Youth employment

Amend the Lottery Act to permit the creation of a annual limited sale “Green Machine” instant lottery game where revenue is earmarked to the DNR budget to support a Summer Youth Employment program that cleans up and maintains urban park systems, produce gardens, and suburban and rural recycling programs.

5) Reducing non-urgent 911 calls and emergency room visits while improving physical health management

Along with expanding the number of FQHC’s, inner-cities need a telehealth infrastructure that serves seniors that are 65 years of age suffering from chronic illness that have visited the emergency room three times or more in the past three years. Appropriations should be made available on a competitive grant basis to Hospital, Health Insurer, Home Health Care and Telehealth management collaborations that are willing to invest in funding 75% of pilot costs.

6) Making Inner Cities Healthy

-The legislature should immediately release over \$7 million in Medicaid outreach services funds that have not been reimbursed to the City of Detroit since 2009. (Note: The City of Detroit’s CFO, Jack Martin indicated in a press conference on December 19, 2012 that he was seeking the release \$3.5 million for Medicaid expenses).

-Legislation to grant financially and health impoverished cities the ability to extend their public health Medicaid outreach activities to correspond with implementation of The Affordable Care Act. (Note: This could generate between \$14 - \$20 million for public health in Detroit between January 2014 -2016. Over 70% of Detroit’s current population meets requirements for Medicaid expansion. This means that about 135,470 current residents in the Detroit qualify to enroll in Medicaid.)

-Legislation to grant sub recipients of health department funds reimbursement of indirect costs or increase the cap from 6%. (Note: Objective is to provide sub recipients with comprehensive reimbursement for services delivered without a reduction in service delivery dollars).

-Legislation to waive the Maintenance of Effort (MOE) for the local health departments serving impoverished, financially and health distressed cities for a period up to 5 years. (Note: Objective is to give the public health apparatus serving the troubled municipal unit the ability to, like it, concentrate on maximizing revenue, and implementing policies and procedures that foster an effective and efficient emergency and after emergency operational response).



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7) Increasing Casinos Contribution

Require Casinos to pay their respective local governments up to \$500,000 annually to maintain a waiver of the smoking ban, wherein the resulting funds are used to enforce retailer compliance with the Youth Tobacco Act; and up to \$1,000,000 annually to sale alcohol until 4:00am wherein the latter funds are used to support public safety and local law enforcement.

6) Substance Abuse Prevention, Treatment & Recovery

Include Detroit in the P.A. 2 distribution formula or provide it with an annual “set dollar amount”; thus providing it with a portion of the annual \$50 million dollars distributed within the tri-county area for substance abuse programming; this or an adjustment in allocation languages that places the emphasis on “need” as the predominant distribution factor in funding distribution formulas.

8) Crime Prevention & Prisoner Re-entry

Appropriation of \$ 5Mil to re-purpose the Mound Road Jail as a voluntary enrollment Emergency Course Correction Facility for probation candidates, parole violators, known street crime participants or persons deemed by law enforcement after self-identification as a “high risk candidates” for street crime participation. Participants would reside at the facility for a minimum period of 6 months and receive Co-occurring Disorder (mental health/substance abuse) Treatment and Job Training versus for increased sentences upon a conviction or immediate incarceration at the Wayne County Jail or Michigan Department of Corrections. (Note: Immediate pick-up of the primary 1,500 known perpetrators of violent crime in Detroit, utilizing the 180 MSP officers the Governor announced in his public safety message). Use the facility as a “Step-Up” program for prison re-entry candidates and candidates eligible for a probation of 3 years or less; that provides the above services as well as one year of community college and job placement funded via the County Jail Reimbursement Act (Approx. \$11Mil annually)

9) New Revenue for Public Safety

Require all boxed hand gun and assault weapon munitions to carry a state tax stamp (similar to cigarettes) and require sellers to file and pay a munitions tax which is passed on to consumers at the time of sale while exempting law enforcement. After expenses, 70% of revenue distributed by contribution formula to local units, earmarked for law enforcement. (Note: Objective is to capture usage income rather than restrict use to support law enforcement & prisoner re-entry programs.

Expand sales tax to entertainment or require local governments to charge “venues” for policing events with an estimated attendance of 3,000 or more. (Note: The objective is to improve public safety capacity at public events and provide a dedicated revenue stream to support the effort).

10) New Revenue for Urban Neighborhood Improvement

Permit qualifying municipalities (\$100,000,000 in MSL revenue plus ability to match 50% of the cost) to implement an instant or daily MSL game restricted to retail sale within the municipality wherein 70% of revenue after expenses is earmarked for the neighborhood improvement grants and public safety. (Note: Objective is to provide local governments with a self-funded revenue development investment option that leverages a State operational platform).



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11) Introduction of “Home Preservation Act” legislation that:

- A) Supports residential asset protection of inventory that is in transition from a homesteader to a mortgage Servicer via defined tools inclusive of but not limited to:
 - 1) Defining and enabling expedited designation of properties as “abandoned”
 - 2) Defining and enabling expedited “servicer access” to properties in transition
 - 3) Defining and standardizing incentives for “broom ready hand-offs” and “Deed in Lieu” exchanges
 - 4) Defines and standardizes methodology for adhering to the Privacy Act while achieving qualified non-Profit “early” contact and support of troubled loans/homebuyers
- B) Defines and establishes minimum residential community maintenance standards and responsible party for transitional and publicly inventoried properties based on population
- C) Clarifies chain of ownership and maintenance responsibilities for properties in transition
- D) Clarifies liability related to the asset for properties in transition
- E) Defines the rights of squatters vs. servicers
- F) Increase credit penalties for strategic defaults where loan modification was available
- G) Clarify civil and criminal penalties for participation in or profiting from the scraping of residential properties
- H) Establishes licensing, continuing education, public disclosure and ethics requirements for mortgage and loan Modification Counselors.
- I) Permits county treasurers to grant qualifying seniors and the permanently disabled an adjusted property tax rate reflective of a limited fixed income.

12) Helping Public Pension Plans

Legislation that reasonably limits the ability of employees to increase their annual salary (in excess of 12%) above their base compensation (Note: The objective is to eliminate the incentive to accumulate leave time and work excessive overtime to increase the annual average salary used to compute their pension).

Require public pension plan managers to provide a bi-annual actuarial of deferred retirement option plans (Note: The objective is to increase accountability associated with assuring taxpayer cost neutrality).

Mr. Treasurer, Hollins; I hope this helps.

We are committed to “thoughtful collaborations” that support constructive change in the inner-city. Although some of these measures are a bit more complex than others “politically”; as a whole we have tried to provide a reasonable road map for immediate social and economic improvements in Detroit’s neighborhoods while the City is course correcting its fiscal operations.

We look forward to the Governors budget presentation on Thursday; and you can trust that we remain committed to processes that are designed to produce tangible deliverables and good public policy that



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fosters real opportunity and improved circumstance for our people. Thank you for your willingness to tackle this.

Blessings, Peace & Progress

A handwritten signature in blue ink, consisting of the letters 'KB' in a stylized, cursive font.

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Managing Director

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