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LANSING

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Granholm Says Michigan Must Invest in Its People

State of State Address lays out clear choice for state's future

LANSING – In the first State of the State address of her second term, Governor Jennifer M. Granholm on Tuesday gave a tough, honest assessment of the state of Michigan's economy, and she laid out a plan to ensure that Michigan can grow and compete. The governor talked about the challenges Michigan is facing and the need now more than ever to come together to diversify the economy and continue to invest in Michigan's people.

"This moment demands bold action," Granholm told a joint session of the Legislature. "The world around us has changed, and it's not changing back. In this fiercely competitive world, every day that Michigan is not advancing, we are retreating."

The governor has set in motion the most aggressive plan in the nation to move Michigan forward. The plan, which was supported by strong bipartisan majorities in the Legislature and affirmed by the people of Michigan last year, is diversifying the economy, expanding access to affordable college education and training to every student, putting thousands of people to work to improve Michigan's infrastructure, holding schools to higher standards, extending access to affordable health care to every family, and growing Michigan cities. Granholm called for more investment in Michigan's people and outlined how she will put the state's economic plan into overdrive.

"Our economic plan has put us on the right course," Granholm said. "Now we will dramatically increase our pace. We will build on every success and aggressively go after new opportunities."

Specifically, the governor called for:

- Continuing to go anywhere and do anything to bring good jobs to Michigan, including further jobs missions to bring more private investments and job opportunities back to the state.

- Diversifying the economy with a particular focus on the alternative energy sector. While alternative energy companies are already choosing Michigan for their growth, Granholm called for targeting more than $100 million in state and private resources to even more aggressively attract these high-growth companies.

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- Training the workers hardest hit by outsourcing. Granholm will offer a one-time opportunity for displaced workers to attend a Michigan community college for free to receive training in a high demand field.

- Nurturing the growth of small businesses. The governor has made more capital and start-up funds available to small businesses. She called for passage of her plan to make 401(k) plans available to small business employees at little or no cost.

- Requiring government to do business differently. Granholm proposed changes to the prison system that will make more efficient use of taxpayer dollars while protecting public safety. She proposed requiring local communities and school districts to share some services and save money, and she is increasing the number of workers protecting Michigan children, giving those workers new and better tools and requiring accountability for their work.

- Investing in education. Governor Granholm called for additional investment in our schools to build on the positive steps already taken. The governor called on the Legislature to make kindergarten mandatory and raise the dropout age to 18, and for new investment to dramatically expand access to preschool. The governor also proposed creating Promise Zones to allow local communities to capture tax revenue to help fund college scholarships similar to the Kalamazoo Promise.

Granholm underscored that Michigan's ability to compete, attract jobs and keep Michigan children here in the future is threatened by the state's financial crisis. Although the governor has cut nearly $3 billion in state spending, more than any previous governor, and the state government has fewer employees today than at any time since 1973, the state is facing a $3 billion shortfall. In her budget this week, Granholm will propose hundreds of millions of dollars of cuts in spending and a series of government reforms, in addition to a plan to fix Michigan's broken tax system in a simple and fair way that enables further investment in Michigan's people.

While acknowledging that economic transition and the fiscal crisis that Michigan is facing are critical challenges to overcome, Granholm highlighted a number of promising developments:

- This fall's college freshman will start school with a $4,000 Michigan Promise scholarship, which the governor signed into law at the end of last year. This will give every Michigan child access to a college education or job training.

- The governor's jobs missions to Japan and Germany have resulted in more than $230 million in new investments and more than 1,100 new jobs.

- Companies like Google and Whirlpool are growing jobs in Michigan, and 14 companies opened the doors of their world headquarters in Michigan last year.

- Michigan's high school standards are now among the toughest in the nation, and Michigan MEAP scores are on the rise.

Granholm laid out a choice for Michigan: the state can invest in people to grow the economy, or fall further behind. In closing, she said, "The choice is to invest in our people and grow, or disinvest and wither. I say we must invest. And we must do it now."