

## \$500,000,000 Best Practices Incentives Proposed by Governor Snyder

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February 25, 2011

On February 17, 2011, Governor Snyder delivered his proposed budget to the legislature. His proposal includes sweeping changes to revenue sharing for cities, villages and townships and school aid for school districts. For fiscal year 2012, statutory revenue sharing is eliminated and replaced with a new \$200,000,000 incentive-based revenue sharing program. Similarly, the proposed budget would consolidate most types of school aid and provide \$300,000,000 separate incentives for adoption of school district best practices, including health insurance savings. The actual components of this proposed municipal revenue sharing program will be delivered in a special message from Governor Snyder in March, and details of the school district incentive program will follow in April.

Miller Canfield is ready to help you meet this challenge. Our lawyers have provided advice and leadership on cooperative ventures and benefits structures among local governments and school districts for years. We know what works, what doesn't, and the pitfalls likely to emerge.

- **Intergovernmental Cooperation** Miller Canfield attorneys are leaders in intergovernmental cooperation, helping our clients create new authorities, enter into interlocal agreements and find innovative ways to collaborate with other communities and school districts. Current state law contains many barriers that prevent local governments from using meaningful collaboration as a method to achieve cost savings. We are working with the Snyder administration to provide specific recommendations for state law changes which would allow a more efficient and effective means for intergovernmental cooperation.
- **Labor Law and Employee Benefits** Miller Canfield attorneys have both the legal expertise and the practical experience needed to advise clients regarding the legal issues surrounding labor law and employee benefits. Major newspapers have reported that one of the benchmarks used to distribute revenue sharing will be a local government's management of current employee benefits and municipal management of retiree benefits and pensions. Our public sector clients rely on our expertise and experience in exploring their options for managing current and future employee and retiree benefit and pension plans.

As the specifics of Governor Snyder's new programs are announced, you can rely on Miller Canfield's local government "best practices" team, composed of veteran experts versed in the opportunities and challenges of intergovernmental cooperation and labor law, to help you navigate through the proposed budget challenges and opportunities.

Contact your Miller Canfield attorney for more information.