



Survey: Looking at Business Issues

Honigman Miller Schwartz and Cohn LLP and Crain's Detroit Business

November 2015

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01. Do you think that, in general, Michigan's economy will improve in the next year, get worse, or remain about the same?

65%	Improve
29%	Remain about the same
4%	Get worse
2%	Undecided/Refused

02. Overall, how satisfied are you with the condition of the Michigan economy right now as it affects your business -- very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?

13%	Very satisfied
64%	Somewhat satisfied
77%	TOTAL SATISFIED
19%	TOTAL DISSATISFIED
15%	Somewhat dissatisfied
4%	Very dissatisfied
4%	Undecided/Refused

Turning to some state policy issues . . .

I'm going to read some education policies that have been put forward as a way to improve education outcomes for students in Michigan's K-12 schools. For each one, I would like you to rate that policy on a scale of zero to five, with zero meaning that policy has Very Low Importance as a way to improve education and five meaning that policy has Very High Importance as a means for improving K-12 learning in our state. The first on is . . .

03. Class sizes of no more than 30 students at any grade level?

3%	0 – Very Low
2%	1 – Somewhat Low
1%	2 – Slightly Low
6%	TOTAL LOW IMPORTANCE
92%	TOTAL HIGH IMPORTANCE
10%	3 – Slightly High
20%	4 – Somewhat High
62%	5 – Very High
2%	9 – Undecided/Refused
4.346	MEAN



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04. Evaluating teachers to help them improve teaching methods?

2%	0 – Very Low
2%	1 – Somewhat Low
2%	2 – Slightly Low
6%	TOTAL LOW IMPORTANCE
91%	TOTAL HIGH IMPORTANCE
13%	3 – Slightly High
27%	4 – Somewhat High
51%	5 – Very High
3%	9 – Undecided/Refused
4.205	MEAN

05. Increased per-pupil funding from the state.

6%	0 – Very Low
5%	1 – Somewhat Low
6%	2 – Slightly Low
17%	TOTAL LOW IMPORTANCE
79%	TOTAL HIGH IMPORTANCE
16%	3 – Slightly High
20%	4 – Somewhat High
43%	5 – Very High
4%	9 – Undecided/Refused
3.727	MEAN

06. Merit pay for teachers whose students achieve higher test scores year-over-year?

11%	0 – Very Low
4%	1 – Somewhat Low
6%	2 – Slightly Low
21%	TOTAL LOW IMPORTANCE
76%	TOTAL HIGH IMPORTANCE
25%	3 – Slightly High
19%	4 – Somewhat High
32%	5 – Very High
3%	9 – Undecided/Refused
3.350	MEAN



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07. First introduced in the 1990's, charter schools were described as an alternative to traditional K-12 public schools. Since that time, these schools have become much more widely available to where there are currently about 400 publicly funded charter schools in Michigan. In general, and based on what you have read, heard or personally experienced, do you believe Michigan's charter schools are, producing better results in student achievement than traditional public schools, worse results than traditional public schools or, would you say that overall, charter schools are producing the about the same student achievement results as traditional K-12 public schools?

12%	Much Better achievement by Charters
19%	Somewhat Better achievement by Charters
31%	TOTAL BETTER
16%	TOTAL WORSE
10%	Somewhat Worse achievement by Charters
6%	Much Worse achievement by Charters
36%	About the Same achievement
1%	Some better, some worse (volunteered)
16%	Undecided/Refused

08. Since 2005 the Detroit Public Schools has had a state-appointed financial manager but its debt has continued to climb to its current \$750 million. To address the growing financial problems, Governor Snyder has proposed splitting the district into "Old" and "New" districts. The "New" district would assume all current school operations and would be run by an oversight board initially appointed by the Mayor and the Governor, eventually returning to an elected board by 2021. The "Old" district would be run by the existing elected board of education and its only purpose would be to collect 18-mill property tax revenue and retire the existing \$750 million debt.

Approximately \$70 million per year from the state school aid fund would be allocated to the "New" Detroit Community Schools district to fund its annual operations budget. If adopted as proposed, the plan to retire the Detroit Public Schools debt will cost the state a total of \$715 million over ten years. Based on this description and what else you may have read or heard, do you Support Governor Snyder's proposal to retire the Detroit Public Schools' debt or do you Oppose this plan?

35%	Strongly Support
26%	Somewhat Support
61%	TOTAL SUPPORT
25%	TOTAL OPPOSE
10%	Somewhat Oppose
15%	Strongly Oppose
14%	Undecided/Refused



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Besides education, there are always a number of issues before the state legislature that impact Michigan businesses. I am going to briefly describe a few of the topics under consideration and ask whether or not you Favor or Oppose that particular proposal.

09. One of the many changes to the tax law made in Governor Snyder's first term was the elimination of the charitable contribution tax credit, which went into effect in 2013. Under the old law, those filing a state tax return and who made a contribution to a qualified charity were eligible for a 50% tax credit for those contributions, up to a maximum of \$100 per individual return and \$200 for joint returns. The elimination of the credit was part of a larger effort in 2011 to address a projected \$1.5 billion budget deficit. With state revenue collections stabilizing in recent years, there have been some who are advocating for the reinstatement of the charitable contribution tax credit.

Supporters of reviving the tax credit say it provides an incentive – especially for middle and lower income residents – to make contributions to organizations that have struggled with increased demand for their charitable services but lower revenue over the past several years to meet that need.

Those opposed to reinstating the charitable contribution tax credit argue that the existence of a tax credit has very little influence on a person's decision to make a charitable contribution and to the limited extent that it might, that incentive pales in comparison to the approximately \$35 million in annual revenue that the State of Michigan would otherwise pay out.

Based on these statements and what else you may have read or heard, do you Support returning the charitable contribution tax credit as part of the state tax code or do you Oppose reinstating this credit and leaving this area of the state tax code alone.

44%	Strongly Support
18%	Somewhat Support
62%	TOTAL SUPPORT
31%	TOTAL OPPOSE
10%	Somewhat Oppose
21%	Strongly Oppose
7%	Undecided/Refused



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10. Currently DTE, Consumers Energy and other Michigan utility bills carry a surcharge to fund energy efficiency programs – such as rebates for purchasing energy efficient appliances and other incentives. This program is mandated by the state with the aim of annually reducing both electric and natural gas energy use. Analysis of the program indicates it has wide popularity with savings to customers projected at more than \$1 billion over the life of the program. Consumers Energy, DTE and other utility providers have indicated that, because of the popularity of the energy savings programs, they will continue offer these programs with or without a state mandate and have argued that it would be more efficient for them to provide it without having to comply with state reporting requirements.

Based on this brief description and whatever else you may know or have read or heard, do you Support eliminating the state mandate that utility companies offer their customers energy efficiency programs or, do you Oppose the elimination of this state mandated program requirement for utility providers?

32%	Strongly Support
19%	Somewhat Support
51%	TOTAL SUPPORT
40%	TOTAL OPPOSE
11%	Somewhat Oppose
29%	Strongly Oppose
9%	Undecided/Refused

11. Southeast Michigan is home to the largest concentration of Arab-speaking people outside of the Middle East. With the Obama administration proposing accepting an additional 10,000 refugees from the Syrian war, many say Southeast Michigan is the best equipped location in the United States for a large number of Syrian refugees to settle.

Proponents of accepting Syrian refugees point out that there is already a well-established private support system in place to assist people coming from the Middle East and elsewhere to help them assimilate into their new country and that a very large number of those coming from Syria are well-educated professional people, proficient in English.

Opponents of allowing a new wave of refugees into the state point out that the United States does not have credible intelligence about many of the people presenting themselves for admission to our country and there are serious concerns about members of terrorist organizations embedding themselves in our communities. They are also concerned that even though many Syrian refugees are skilled and speak English, many are not and we are not in a position to place a further burden on an already stretched social services system.



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Based on these statements and what else you may have read or heard, do you Support accepting refugees from the Syrian war into Southeast Michigan do you Oppose any effort to expand existing opportunities for refugees to settle in the state?

27%	Strongly Support
14%	Somewhat Support
41%	TOTAL SUPPORT
52%	TOTAL OPPOSE
9%	Somewhat Oppose
43%	Strongly Oppose
7%	Undecided/Refused

12. A Renewable Energy Standard is a regulation designed to reduce reliance on fossil fuels and requires the increased production of energy from renewable energy sources such as solar and wind. Michigan adopted such a standard in 2008, which required electric providers to achieve a retail supply portfolio that includes at least 10% renewable energy by 2015 – a standard Michigan utilities have met. Legislation has been proposed that would eliminate the renewable energy mandate altogether, allowing free-market forces to dictate the extent to which producers utilize renewable sources to generate power. Other lawmakers have proposed doubling the renewable standard to 20 percent over the next seven years, the same amount of time it took Michigan to reach its current 10 percent goal. For his part, Governor Rick Snyder has expressed an interest in raising the renewable energy target to 24% by the year 2025, although he has not advocated that this be a mandate. Utility companies have argued that pending regulations on the federal level regarding allowable levels of carbon pollution make discussion about raising the standards in Michigan pointless. What is your opinion about what should be done about renewable standards for electric utilities operating in Michigan, should they be . . .

22%	Kept at their current mandated level of 10%;
22%	Eliminated altogether to allow the market to determine the level renewables are used;
21%	Raised to a mandated 20% level to be met within seven years;
15%	Raised to a 24% target level within the next ten years but not be required; or,
11%	Raised to a mandated rate of between 10% and 20% but eliminated upon federal action
9%	Undecided/Refused

13. State Senator Rick Jones has announced he will introduce legislation which has been dubbed the “Clean Slate” bill. As currently envisioned, the bill would mandate that records for nonviolent crimes be wiped from people’s records if they do not reoffend for a specified amount of time after their sentence has been served. Those convicted of violent crimes or sex offenses would not be covered by the bill.

Proponents of the clean slate concept point out that even though employers are having a hard time filling many positions, concerns about potential liability make them reluctant to hire individuals who have served time and who honestly fill out job applications about their past criminal record. Under this bill,



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these job applicants can honestly answer that they do not have a criminal record and employers avoid potential liability. With one-in-three adults in this country having a felony or misdemeanor conviction, the potential pool of otherwise qualified applicants would be greatly expanded under this legislation.

Some people have concerns about the clean slate bill because there are a good number of non-violent offenses – such as embezzlement – that are highly relevant when it comes to making a hiring decisions but employers would have no way of being alerted to this under the provisions of the bill as currently described by the sponsor. They also point out that people can already petition the court to have their records expunged and a judge is in a much better position to make this decision on a case by case basis, rather than having an automatic elimination of criminal history apply across the board.

Based on these statements and what else you may have read or heard, generally speaking do you Support the concept of the “Clean slate” bill or do you Oppose the automatic expunging of an individual’s criminal history, even for non-violent offenses.

23%	Strongly Support
19%	Somewhat Support
42%	TOTAL SUPPORT
53%	TOTAL OPPOSE
11%	Somewhat Oppose
42%	Strongly Oppose
5%	Undecided/Refused

14. Michigan’s electric choice law allows up to 10% of electricity sold in the state to be purchased from sources other than the state’s major electric providers. This provision has proven quite popular and demand has outstripped availability because of the cost savings many larger customers – including taxpayer funded institutions such as municipalities and school districts – realize by shopping for energy on the open market. Because of this, some have argued that the 10% cap on alternative electric energy sources ought to be raised or even eliminated completely, leaving Michigan-based utilities to compete with out of state electric providers for customers. Michigan-based utilities, on the other hand, argue that they must still maintain the infrastructure to produce and deliver electricity which was built at a time when they were obligated to provide service to all residents in their territories. They say this cost will necessarily be passed on to residential customers who the least likely to benefit from electric provider choice option. What is your opinion about what should happen with Michigan’s electric choice law, should . . .

36%	The cap be increased but only enough to meet pent-up demand; or,
33%	The 10% cap on out-of-state electric energy sources be left unchanged for now;
17%	Choice should be eliminated altogether and instead, return to greater price rate oversight of in-state utilities by the Public Service Commission
14%	Undecided/Refused



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Turning to national issues . . .

15. When it comes to the national economy, what is the most important policy position you look for in selecting a candidate for president?

12%	Tax Reform for US Citizens – Lower Taxes
10%	Job Creation
8%	Less Government Involvement-Regulations in Business
7%	Business Insight-Experience
5%	Lower Business Taxes
4%	Balance Budget
4%	Trade Policy
3%	Honesty-Integrity
3%	Reduce US Debt
2%	Equal Pay
2%	Stimulate Growth
2%	Transparency
1%	Against Entitlements
1%	Domestic Spending
1%	Get Money Out of Politics
1%	Global Affairs
1%	Have a Clear Vision
1%	Illegal Immigration
1%	Infrastructure
1%	Intelligent
1%	National Security
1%	Pro-Education
1%	Progressive Views
1%	Pro-Immigration
1%	Protect the Environment
1%	Respect the Constitution
1%	Social Security
1%	Support ACA
22%	Other (<i>at less than 1% each</i>)/Undecided/Refused



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16. When it comes to foreign affairs, what is the most important policy position you look for in selecting a candidate for president?

19%	Diplomacy Focused
11%	Strong National Defense
5%	Improve-Strengthen the World View of US
5%	Strong-Aggressive
3%	Bring Troops Home-End Wars
3%	Have Foreign Affairs Experience
3%	Middle East Relations
2%	Decrease Foreign Aid
2%	Illegal Immigration
2%	Put US Citizens First
2%	Secure US Borders
2%	Trade Balance
1%	Aid Our Allies
1%	Fight Terrorism
1%	Have a Plan-Prepared
1%	Have Military Experience
1%	Less Foreign Involvement
1%	Oppose Refugees
1%	Pro-Immigration
1%	Pro-Peace Worldwide
1%	Put US Economy First
1%	Reduce Defense Spending
1%	Russian Relations
1%	Stop ISIS
1%	Support Israel
1%	Tough on Iran
27%	Other (<i>at less than 1% each</i>)/Undecided/Refused



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17. In the area of domestic spending, what is the most important policy position you look for in selecting a candidate for president?

9%	Increase Education Spending
9%	Limit Spending
8%	Balance the Budget
6%	Support Social Programs
5%	Fiscal Responsibility
5%	Infrastructure
4%	Put US Citizens First Over Foreign Interests
3%	End to Entitlements
3%	Health Care Reform
3%	Reduce US Debt
2%	Tax Reform for US Citizens – Lower Taxes
2%	US Job Creation
1%	Accountability
1%	Defense Spending
1%	Increased Spending
1%	Renewable Energy
1%	Smaller Government-Cuts to Government
1%	Support the ACA
1%	Tax Businesses that Outsource
1%	Trade Policy
33%	Other (<i>at less than 1% each</i>)/Undecided/Refused

Now, I would like to ask some questions about your business for statistical purposes only.

18. Do you work for a company that sells a product or provides a service?

69%	Provides a service
9%	Sells a product
21%	Both (<i>volunteered</i>)
1%	Undecided/Refused

19. What would you say is the gross dollar amount that your business generates per year?

MEAN: \$108,729,521.00

MEDIAN: \$3,200,000.00



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20. How many employees do you have working in your business?

MEAN: 6273.0

MEDIAN: 16.0

21. What type of business or industry do you operate?

16%	Professional services
14%	Business services
11%	Manufacturing or manufacturing supplier
9%	Health care
7%	Finance
7%	Real Estate
6%	Construction
6%	Public service
5%	Education
4%	Non-profit
4%	Retail
3%	Telecommunications
1%	Distribution/trucking
1%	Food service
1%	Hospitality
5%	Other (<i>at less than 1% each</i>)/Undecided/Refused

22. As I mentioned earlier, this survey has been commissioned by Crain's Detroit Business. We are asking every participant if they are willing to authorize the release of their phone number for a possible follow-up contact by a reporter. Would you be willing to have your phone number released, or would you prefer that we **NOT** release it.

26%	Yes, release my phone number
73%	No, do not release phone number
1%	Undecided/Refused



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23. In addition to providing the names of people who would be willing to talk to reporters, would you be willing to also authorize us to let Crain's Detroit Business know how you responded to survey questions, or, would you prefer that we only release your phone number for a possible interview and not release information about how you responded to survey questions?

69%		Release information about how respondent answered questions
31%		DO NOT release information

24. Sex of respondent (BY OBSERVATION ONLY)

65%		Male
35%		Female