### **Detroit News Candidate Questionnaire**

### Submitted by: Joan Gebhardt 19<sup>th</sup> State Representative District

#### 1. What's wrong with Michigan's economy and how would you fix it?

Although Michigan is and will continue to be the auto capital of the world, we have mistakenly relied on the auto industry to carry our economy. We cannot continue to put "all of our eggs in one basket." We must diversify our industries and modernize the auto industry so that the cars of the future are built here in Michigan. We need to focus on jobs for the 21<sup>st</sup> century and beyond. We can do this by preparing our students with life skills that will transfer to many areas or job clusters rather than to one specific job. We need to keep a watchful eye on job direction changes, and educate accordingly. Training skills need to change quickly with job focus.

The majority of small businesses fail in the first five years. We can jump-start our economy, not only in providing tax relief, but also by delaying taxes or giving tax incentives for small business owners and entrepreneurs. We need to partner with business in order to help bring those jobs back to Michigan and eliminate outsourcing.

#### 2. What's wrong with education funding in Michigan and how would you fix it?

There are three issues that cause problems with education funding in Michigan: structural funding, declining enrollments and retirement payments. The first problem is structural funding. Basically, Proposal A seemed adequate until a couple of years ago. Then problems arose because the plan is too dependent on Michigan's economy. In Livonia, we have had the same funding for three years. The revenue has been frozen even though costs to the district have gone up.

The second problem is declining enrollment. In a district like Livonia and others in the state, the school district loses revenue when enrollments decline. If we lost one child in each of our 30 schools in Livonia, it would result in a loss of approximately \$240,000; a loss of one child in each grade in each school would result in a loss of almost five million dollars. However, the school district is expected to provide the same services regardless of the revenue.

Finally, school district's retirement payments have increased. Districts must pay the retirement bill to the state but then are forced to cut programs to balance the budget.

I would fix the problem in educational funding by reviewing school finances on a regular basis. After ten years, Proposal A needs to be thoroughly reviewed. I would also like to see a study of the State and District's fiscal years. With the first state aid payment not coming until October 21, there is a cash-flow problem in all of the school districts. For the first time in many years, Livonia must take out a loan to meet its obligations because school starts several months before the first payment is received. The state must prorate and start payments earlier because districts are losing thousands of taxpayer dollars to interest payments during the time that school starts and the time in which the first state aid payment is made.

## 3. Michigan has the third worst roads in the country. Why is that and what can the state do to fix them?

Michigan's roads and bridges are in poor condition because of our freeze-thaw cycle, over weight trucks, lack of maintenance and the age of our roads and bridges.

In order to get our roads up to standards, we must "fix-it-first and fix-it-right." We must prioritize the list and take care of worst first. We must insist on meaningful warranties from road builders and concrete contractors. Roads must be built and repaired right the first time.

As an initial step we must reclaim the Michigan tax dollars back from the federal government. For years, Michigan taxpayers have been donors to other states to fund their roads. It is now time to get our fair share of the pot.

In addition I would like to see the State develop a master five-year maintenance plan so that drivers will be given some relief during the road construction/maintenance season. We cannot allow work on parallel major roads within the same location, at the same time.

# 4. There's growing talk in Lansing about placing a sales tax on services that are now exempt. Would you support that approach?

We must work to insure that our system of taxation is equitable, fair, and conducive to improving our economy. We have to be fiscally responsible yet fair to our citizens and businesses.

For example, we must replace the Single Business Tax with something that is fair, yet encourages growth and responsibility. In considering any modification to our system of taxation, we must involve all the stakeholders in the process as our Governor has done in solving our current budget problems. Before considering a sales tax on services that are now exempt, I would need sufficient assurances that any modifications would not stifle our growing service economy.