



## Legislation Text

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**File #:** 10-0005, **Version:** 2

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Resolution in Opposition to House Bill 5345 of the 95<sup>th</sup> Michigan Legislature

Whereas, The City of Ann Arbor has long sought to be a wise steward of taxpayer dollars; and has successfully exercised prudence and foresight in managing employee health care costs;

Whereas, The City of Ann Arbor is a strong advocate of the principle of local control;

Whereas, The imposition of unfunded mandates by the Legislature of the State of Michigan on local government is simply wrong;

Whereas, House Bill 5345 has been introduced in the 95<sup>th</sup> Legislature of the State of Michigan, purporting to help state government and local governments address the rising cost of health care for their employees;

Whereas, HB 5345 creates a mandatory government-run insurance plan operated by the State of Michigan and forces Michigan's counties, cities, townships, universities, community colleges, school districts and other local institutions into the state government-run plan, regardless of the success of their local experience in controlling health care costs;

Whereas, Participation by local governments in the state government-run fund is mandatory unless the local unit pays for an actuarial study to prove its benefit plans will cost 5 percent less than the state plan for a period of at least three years;

Whereas, Section 20 of HB 5345 requires the state government to assess local governments for the full costs of running the program, even though these same local governments will not have control of the administrative costs, spending or plan design, while also making local government and school district taxpayers financially liable if the state-run plan incurs a deficit,

RESOLVED, That the City Council of the City of Ann Arbor hereby express our strong opposition to House Bill 5345, and to all unfunded mandates on the local government; and

RESOLVED, That copies of this resolution be transmitted to the Office of the Governor, Majority and Minority Leaders of the State Senate, Speaker and Minority Leader of the State House of Representatives, and State Senator Liz Brater, State Representatives Rebekah Warren and Pam Byrnes, and Kirk Profit.

Sponsored by: Councilmembers Higgins, Teall and Rapundalo

**As Amended By Ann Arbor City Council on January 4, 2010**