



Relentless Positive Action

An Interview with
The Honorable Rick Snyder, Governor of Michigan

EDITORS' NOTE Rick Snyder became Michigan's 48th Governor in 2011. With the self-proclaimed moniker, "one tough nerd," Governor Snyder has focused on making government more efficient and effective for Michigan's citizens. Halfway through his second term, the state has passed six balanced budgets, eliminated a \$1.5 billion deficit, and reformed burdensome tax and regulatory codes that were stifling business growth and job creation. After graduating from the University of Michigan, he joined the accounting firm PwC (formerly Coopers & Lybrand). Following a successful career as a partner at Coopers & Lybrand, Governor Snyder joined Gateway as President and COO. He later returned to Michigan to cofound an Ann Arbor-based venture capital fund. The Governor's background as a successful job creator has helped him better serve Michigan, producing results that earned him 'Public Official of the Year' in 2014 from GOVERNING magazine. Since Snyder's election in 2010, Michigan created more than 480,000 new private sector jobs. Today, Michigan's unemployment rate is near its lowest point in 15 years. He successfully implemented Healthy Michigan, an innovative and bipartisan plan that has provided affordable and quality healthcare for more than 600,000 hard-working Michiganders. Among his greatest achievements, Governor Snyder built a bipartisan coalition of Michiganders to put Detroit on a path to success. With the Governor's unwavering commitment, Detroit has emerged from bankruptcy poised to be one of the great comeback stories in American history.



The Hon. Rick Snyder

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My philosophy in becoming governor wasn't about fixing Michigan but about reinventing it, and getting back to understand that we once had one of the great economic success stories of the world. Looking at Michigan's longer-term history, we were the most innovative state in the nation going back to the early 1900s. It was about finding ourselves and repositioning ourselves to get back to that place again for the next century.

It's important to define what government's role is, which is that we create the environment for economic success – we don't actually create the jobs. We had to rework how we operate in terms of understanding that we have approximately 10 million people in the state to whom we need to give the best service possible. We had to decide how we could facilitate success by providing the right regulatory framework and do the right things to provide safety net features to enhance the lives of our citizens who have faced challenges.

In terms of job creation over the past few years, we have created over 480,000 private-sector jobs, which ranks us as number six in the country out of 50 states.

We're the best in the surrounding state area as well in terms of private job creation, although we're not the largest state in population.

We're number one in the country in terms of the creation of manufacturing jobs.

Overall, we have seen a huge return in economic growth and success. The measure of personal incomes also goes with that. During the Lost Decade, we ranked roughly around 43rd in the rate of growth of personal income. Over the past five years, we have ranked number 8 over the five-year period and we're number 4 this past year.

It's not just about people finding a job but that people are doing better overall.

We've also created some really innovative programs that work hard to ensure that people who might have more challenges are not left behind, such as those who are structurally unemployed and have other issues. We have reached out to a number of different segments of the population to see how we can help them be successful with programs like Community Ventures, which helps the structurally unemployed. This has helped to create a renaissance in our urban areas.

Detroit is also the comeback city of the United States. It has been exciting to see huge progress there, but we are also doing things in the smaller rural areas. We have a program called Project Rising Tide to help smaller communities help themselves to economic prosperity.

This is an ongoing effort, but it's very exciting and the idea is to create a foundation to last for the next series of decades.

I also believe we're one of the most fiscally responsible organizations in the country. We need to be an effective, efficient, and accountable government.

What has been the key to driving results in the climate we're in today?

I call it relentless positive action, which means that I don't fight with people or blame them. We identify the problem and the solution, and try to bring people together to put that solution in place. When we get 80 percent of the way there, we know that we have it well under way and we can come back later and worked out the other 20 percent if we need to.

Will you talk about where Detroit stands today and is there a broad awareness about what is taking place and what the city offers?

Detroit is emerging, but it takes time to change an image – that's the problem we have with the entire state of Michigan. There is talk about how we lost all these jobs in manufacturing, but we're the number-one state for creating manufacturing jobs over the past five years.

There are many people in Detroit who are aware of the comeback and are excited, but there are also many who have an outdated perception and that takes time and proactive marketing to overcome.

I always say, if anyone has doubts, they should come to Detroit and walk around and talk to people. This is the best way to get people onboard.

I'm always promoting Detroit and the state of Michigan, but I'm somewhat biased. The best marketing is word-of-mouth from trusted friends.

We also really need to give credit to a number of community members in Detroit who started this comeback. They were doing great work before the takeoff really accelerated.

The bankruptcy was the pivot point from the public sector side. The public sector was holding back the comeback in many respects. Today, the city of Detroit is on much more solid

footing. Voting in Mayor Duggan was a very good move by the citizens. We have a good partnership with him and we're seeing the city coming back.

Midtown and Downtown are booming. They have run out of housing because of young people wanting to live in the City of Detroit. We have many New Yorkers who have moved here because the cost of living in New York is so high. To be a young entrepreneur in New York is not affordable.

There is still a lot of work that needs to be done in the neighborhoods, but they are coming back. The pace isn't as high as in Midtown or Downtown, but it's a steady pace, and we're continuing to improve on it.

We just passed some legislation to really help the Detroit schools get a fresh start. As we see young people coming back, it works great for the first decade or so. However, they're eventually going to want to raise families and we want to create an environment where they can raise that family in Detroit. This means education becomes critically important.

Why hasn't there been more of an impact on education when there has been so much effort around reform, and how important has that been for your administration?

People used to just walk into my office and ask for money but I realized this was a very flawed approach. The point of government is not to take money from the taxpayers and give it to someone else – it's about providing services and accountable, measurable results.

I started telling people that these would be short meetings if they just came in and asked for money. Instead, they need to tell me what problem they wanted to solve and why it's an important issue. They had to convince me how we could measure results, and then we could talk about what resources they would need to deliver on that.

In terms of education, we have focused on accountability and measuring results, because it's all about the kids. It shouldn't be about the adults.

I re-characterized the system – I call it P20, which is prenatal through lifelong learning, because it's critical to create a more seamless system. In our current system there are silos for the students and we tend to create barriers in each one of those in some way.

In Michigan, we have made the largest investment in preschool over the past decade or so across the country – we have added about \$130 million a year for preschool openings. However, to really see the benefits of that will take some time. We are trying to measure how much better kids going through these preschool programs are doing since they're entering the traditional K-12 system with a big leg up.

We followed Florida's lead on pre-3 reading, focusing on how we can do more to help young kids read by third grade. Kids learn to read through third grade, then they read to learn after that.

The other big program in the system involves re-establishing career tech education. There are tens of thousands of great well-paying

jobs in skilled trades. We broke our educational model and employment model by telling everyone in the past that they should get a university degree, diminishing the societal value of the skilled trades. They should be equally honorable tracks and we need to re-establish the skilled trade track as a positive one that gives students flexibility throughout their careers.

You've also had strong results in providing affordable healthcare for Michigan. Will you talk about that program, and looking at the state of healthcare today, will you touch on the reform?

We're providing healthcare to about 600,000 Michigan residents that didn't have it before.

We took the Affordable Care Act and added some things on the front end that are important, like personal responsibility and an emphasis on wellness, because people need to take some personal responsibility for their health.

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It makes sense to me that promoting preventive care, annual physicals and immunizations, and access to healthcare, does have a cost, but it's much lower than if someone doesn't get treated, doesn't do anything, and ends up in an ER. This applies to the personal cost to them, their quality of their life, and also the societal cost.

It's a win for all of us to be more front-end oriented with an emphasis on wellness.

How valuable has your private sector experience been in your role of leading a state?

It has been critical. When going through reinvention, one has to think more out of the box. I emphasize creating a great team of people and setting a strategy and vision for long-term success. We then have people empowered to work hard on executing that strategy for helping people.

Most "politicians" fear any form of failure because it will result in criticism. When I came into office, I told our team that if everything we work on works, then we're not doing our jobs because we're not pushing the envelope hard enough.

This is not to say we go out and do crazy things, but we have to take some risk. Quite often, we will do programs in pilot form to try something for a few years to see if it works. We can then go back and adjust it based on what is working well. However, if we never try it, we're never going to find out.

Within Community Ventures, there are 40 or so workforce programs to help people get training or find work in some fashion. These are largely federal programs, but they tend to divide people up into programs and not treat them holistically.

These people are making well above minimum wage. The largest constraint we found and the number one item that kept people from being successful with these 40 programs, was lack of access to transportation either to training or to work.

Another thing we did on the human service side is called Pathways to Potential. With human services, it typically required that people take two or three buses to a government office to wait in line to occasionally meet with a case worker, which is silly. The better answer is to get the case workers to go to our customers, so we created Pathways, which takes place in over 200 schools. The case workers have been moved right into local schools where they can provide services to the kids in need and help their families right in their environment. These are the innovative things we can do in government.

Was public service always of interest to you?

My goal was always to have three careers: the first was a private sector career. Most people work in the private sector so I really wanted to understand their perspective and that world.

The second one was that I hoped to do financially well enough where I could afford to stop doing it and have the time to give back, so this career was to be in the public sector. I wanted to provide a number of years of service to help people on a wider scale.

The third career I want to have is teaching. I want to translate providing wider area service to broad groups of people with one-on-one groups where I can spend time interacting with people and help their lives that way. ●