



**MICHIGAN SERA COUNCIL  
STATE EMPLOYEE RETIREES ASSOCIATION**

March 9, 2011

Honorable Mark Jansen, Chair  
Senate Reforms, Restructuring and Reinvention Committee  
Farnum Building  
Lansing, MI

Dear Senator Jansen and Members of the Senate Reforms Committee:

The State Employee Retirees Association **opposes Senate Joint Resolution C and Senate Bill 7**. We do so because both would negatively affect over 50,000 state employee retirees we represent.

SJR C, if passed, would put on the ballot for voter approval the centralization of all public sector employee health care benefit plans in Michigan. It would effectively make collective bargaining for health care benefits a prohibited subject of bargaining in the public sector. It would transfer power over health care from local public authorities to a state legislatively-mandated bureaucracy. Under this scheme, the Legislature could choose not to have any health care benefit at all for public employees, or to establish a high-deductible plan that shifts most health care costs to the employee or retiree. If the Legislature chooses to have any health care plan at all for public employees, it will have to set up a whole new expensive centralized regulatory agency to dictate the state-government run health care benefit program for other units of government. We regard SJR C as similar to the discredited and ill-fated Dillon pooling plan of last session. We regard this resolution as extremely threatening to the health and welfare of all public employees and retirees in the State of Michigan.

Likewise, SB 7 interferes with the relationship between public employer and their employees and retirees in determining the contours of health care benefits.

In recent years state employee retirees have seen their premiums, co-pays, deductibles, and co-insurance increased. State employee retirees are on fixed income pensions with a maximum \$300 increase in our pension each year. Over 70 percent of state retirees have pensions of \$24,000 or less. The intent of this legislation is to shift more health care cost to employees and retirees and likely to reduce coverage. We must therefore respectfully oppose it in the strongest terms.

With the planned elimination of pension and senior tax exemptions and credits, SJR C and SB 7 would cause yet another devastating blow to the financial health of public retirees. You are trying to squeeze savings from the poorest residents of the state to finance huge tax breaks for business with no guarantee that economic activity will result. This is neither fair nor just to those who have served the public in their best years with the promise of adequate health care benefits.

Sincerely,

Mary Pollock  
Legislative Representative