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Passage of Proposal 5 Spells Disaster for Michigan Communities

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The Council of Michigan Foundations (CMF) and the Michigan Nonprofit Association (MNA) join the growing list of concerned organizations across the state opposing the Proposal 5 Ballot initiative facing voters on November 6.

Proposal 5 – the so-called two-thirds ballot amendment — would change Michigan’s Constitution by creating minority rule on tax policy in the State Legislature. If voters approve this measure, 13 senators would gain the power to block votes supported by the other 135 members of the Legislature.

Think about it. Just 13 senators could block any efforts to reform tax measures, close tax loopholes, restore charitable giving incentives, provide tax breaks for working families or support for social, education or health programs aimed at helping those in need.

What are the real life implications should Proposal 5 pass? Researchers say we could see higher college tuition, crowded hospitals, bigger class sizes in our local school districts, crumbling roads and bridges, and higher local taxes.

Additionally, collaborative partnerships between foundations and nonprofits and the state of Michigan could disappear if a super minority of senators are allowed to pull the plug on public funding for joint, innovative programs and projects aimed at rebuilding the state’s economy and social infrastructure. This would stall the economic engine of the Michigan nonprofit sector which employs one of every ten Michigan workers and was the only growing economic sector during the height of the Great Recession.

To be blunt, passage of Proposal 5 means jobs will be sacrificed, important services radically reduced and families hurt. What’s more, few of the tax overhauls passed in the last two years would have been possible under this proposal. We cannot afford to have a super minority of legislators pull the plug on the effective public private partnerships that are rebuilding our economy and maximizing the impact of our charitable giving.

Need another reason to vote NO on Proposal 5? Other states with similar laws have experienced significantly higher cuts to state funding for education, public safety, health care and other essential services. Combine this with the fact that Michigan nonprofits are already burdened with some government contracts that pay less than 65 cents for every dollar it costs to provide the services

communities expect. In fact, Michigan state government is ranked number eight in the nation for not paying the full costs of nonprofit provided services.

Michigan is moving forward to improve our economy and communities, and passage of Proposal 5 puts our progress in jeopardy. We agree with Governor Rick Snyder who has come out in opposition of Proposal 5 saying, "It's not good public policy."

The Council of Michigan Foundations and the Michigan Nonprofit Association join the growing list of diverse organizations such as Michigan League for Human Services, Michigan Chamber of Commerce, Michigan Hospital Association, UAW, Business Leaders for Michigan, AARP, Michigan Farm Bureau, Presidents Council/State Universities of Michigan, Michigan Townships Association and many more in encouraging all Michigan residents to vote NO on Proposal 5. It's bad for nonprofits and bad for Michigan families.

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The Council of Michigan Foundations (CMF) is a statewide membership association of grantmakers committed to strengthening Michigan by creating innovative solutions, sharing knowledge, collaborating on critical issues, convening business, government and nonprofit leaders and investing in the state's charitable organizations. Founded in 1972, CMF has grown to be the nation's largest regional association of grantmakers with more than 340 organizational members - family foundations, corporate foundations and giving programs, independent foundations, public foundations and community foundations – representing 80% of the organized philanthropic assets in the state of Michigan.

The Michigan Nonprofit Association (MNA) is a statewide membership organization with a mission to serve nonprofits to advance their missions. MNA represents the state's 48,000 plus nonprofit organization and has offices in Lansing and Detroit. Incorporated in 1990, and governed by a board that represents the diversity of the nonprofit sector, MNA is a leader, a model, an advocate and a support system for nonprofit organizations throughout the state. MNA is the home of a number of programs and affiliates including: Highway T, LEAGUE Michigan, Michigan Campus Compact, and Volunteer Centers of Michigan. MNA is a nationally known leader in the nonprofit sector and is a member of the National Council of Nonprofits and Independent Sector.