

Committee to Transform Michigan

A Petition Drive to Put Three Proposals on the 2012 Ballot

Business Plan

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Introduction

On December 17, 2010, Michigan's Board of State Canvassers approved four petitions submitted by the Committee to Transform Michigan. These initiatives would

- eliminate the state Senate, along with term limits for legislators (the Committee has since dropped this initiative)
- ban collective bargaining for state employees and require the Civil Service Commission to set wages at the market rate
- repeal the Public Employment Relations Act (PERA), which mandates collective bargaining for schools and local governments
- make Michigan a "right-to-work" state

The Board of State Canvassers' approval means only that the petitions are in the proper format. The real work has yet to be done. Two of the proposals are constitutional amendments, requiring 323,340 signatures - 10% of voters who voted for governor in the 2010 election (about 5% of all registered voters). The plan is to conduct the petition drive in the summer of 2011. If successful, the proposals will appear on the ballot for the 2012 general election.

This project - originally, four radical initiatives and the unique approach of doing them all together - was conceived by retired state employee Steve Harry of Lansing. The Committee to Transform Michigan, a ballot initiative committee registered with the Secretary of State, was formed to carry out the project.

Following is a brief discussion of the three remaining initiatives. More detail can be found at www.transformmichigan.org.

Ban collective bargaining for state employees. Banning collective bargaining gives the State much more control over its workforce. Requiring the Civil Service Commission to pay employees at the market rate is expected save over \$373 million a year in salaries alone.

Repeal PERA. Repealing the Public Employment Relations Act makes collective bargaining optional for schools and local governments, giving them the opportunity to take full control of employee selection and compensation. Savings in salaries alone could exceed \$2 billion a year. Savings on benefits for school, local government and state employees could exceed another \$5 billion a year.

Right to work. When employers can no longer require employees to pay union dues, more money goes into the employee's pocket and less to the union.

One effect of the initiatives will be to reduce the funding of unions in Michigan. The Committee believes that collective bargaining is bad for business, bad for government, and bad for Michigan's workforce in general. We believe collective bargaining to be the chief cause of unemployment.

Approach

The plan is to conduct the petition drive in the summer of 2011, from April 15 to October 15. This enables us to take advantage of mild weather and seasonal gatherings such as festivals and football games without having to be concerned with the deadline for submitting petitions, which is 160 days before the next general election.

Although we expect lots of volunteers, we will not depend on them. Circulators who request payment will be paid \$1 per valid signature. At that rate, if a circulator can get four people to sign all three petitions in one hour, that circulator will earn \$12 per hour. With Michigan's unemployment rate at 10.7% (January 2011), there should be no shortage of circulators.

We figure we will need 250-300 circulators. They need to be recruited and supplied with petition forms, instructions and whatever else they need by April 15. They will be independent contractors, so at the end of the year, we will be sending 1099s to those who earn \$600 or more. Committee office staff will process the returned petition forms, validating and counting signatures, and feed information into a computer system from which paychecks will be produced. We will need a computer system to do several things for us:

- keep track of the number of signatures we've gathered for each initiative (so we know when we are done)
- verify that circulators are registered to vote in Michigan and that petition signers are registered in the county named at the top of the petition
- keep track of the number of valid signatures each circulator has gathered so we can write paychecks
- accumulate payment information so at the end of the year, we can send 1099s to those who earn \$600 or more
- keep track of processed petition forms so stored forms can be retrieved if questions arise

We have obtained from the state Bureau of Elections a copy of the Qualified Voter File (QVF). It has over 6 million voter records. We plan to use it to verify that our circulators are registered in Michigan and that petition signers are registered in the county named at the top of the petition. We might also use it to provide walking lists to our circulators. A walking list is a list of registered voters on a specified street, in house number order. The QVF file is updated once a month. Each copy costs \$22.50.

Recruiting circulators, sending initial package

We will begin signing up circulators a month or so before April 15. They will contact the Committee by phone or email or by sending a request using a form on our website. After checking the QVF to make sure the person is a registered voter, our staff will send them a package that includes petition forms, instructions, a form to collect the circulator's social security number (if he or she desires to be paid) along with bank information should the circulator choose direct deposit, and an envelope for returning the petitions to us, with postage paid by the Committee.

The person sending the package will enter into our computer system the following information:

- Circulator name and address
- Date the package was sent

The return envelope will have our address and USPS Business Reply Mail information printed on it.

A postage sticker for the package will be printed with the Stamps.com program, based on weight calculated by a digital scale plugged into our computer.

Processing payment forms

The first package of petitions received from a circulator should include his payment form with his social security number and direct deposit information. A staff person will look up the circulator in our system and enter the following information:

- No pay indicator (circulator asks not to be paid)
- SSN
- Bank number
- Bank account number

The form is then scanned and the image file is saved using the circulator number as filename.

Processing petitions

To each petition, a staff person will affix the date received and a petition number. Petition numbers could be on tiny sticky labels printed by the computer with a serial number generating program.

The petition is then reviewed, looking for problems that would invalidate the entire petition, such as no circulator signature. If the petition is OK, the staff person will review the individual signatures for problems. The Qualified Voter File is checked to make sure each signer is registered in the county, and if he is, a transaction is done to record the petition number, initiative code and signature date to this voter's record in the QVF file (our version, that is). This is done so that if the voter signs the same petition again, the signature will be rejected and the circulator won't get credit.

A line is drawn through each invalid signature. For each reviewed petition, the staff person will enter into the system the following information:

- Petition number
- Circulator number (obtained from our system by searching the circulator file using the circulator's name)
- County code (01-83)
- Initiative code (1-4)
- Invalid petition indicator (Y or N)
- Invalid petition reason code
- Number of good signatures
- Number of bad (removed) signatures
- Date signed by circulator
- Earliest signature date
- Date received

When the transaction is complete, the petition is scanned and the file is saved using the petition number as the file number.

When all the petitions submitted by a circulator have been processed, a new package is sent to replenish his supply. (Circulators will be informed in the initial instructions that they will be sent another batch of blank petitions when they submit completed ones, so if that's not what they want, they should include a note.)

Paying circulators

Every day that petitions are processed, a payroll file will be produced from our computer system and transmitted to a payroll services provider, who will print and mail checks to circulators. At the end of the year, 1099 forms will be sent to circulators and the required IRS reports will be submitted.

Budget

1.	Paying circulators.....	\$1,060,000
2.	Assembling packages.....	3,136
3.	Initial circulator setup.....	800
4.	Processing payment forms.....	800
5.	Processing petitions.....	848,000
6.	Postage.....	14,136
7.	Printing petitions.....	10,600
8.	Creating computer systems.....	4,000
9.	Payroll processing.....	25,000
10.	Office rent (8 months at \$2000 per month).....	16,000
11.	Computer rental, other office equipment and supplies.....	4,000
12.	Banking services.....	3,000
13.	Project management.....	<u>100,000</u>
		\$2,089,472

Budget Notes:

- 1. Paying circulators.** Two of our 3 initiatives are amendments to the Constitution, requiring 322,609 signatures - 10% of voters who voted for governor candidates in the last general election. The other is a legislative initiative, requiring 258,088 signatures (8%). Assuming some invalid signatures will slip by our petition reviewers, we will shoot for 380,000 for each of the constitutional amendments and 300,000 for the legislative initiative. We will pay \$1 per signature.
- 2. Assembling packages.** The package we send to circulators will contain 15 copies of each petition plus an instruction sheet, a circulator payment form for tax reporting and direct deposit, and a return envelope. Each petition has 15 signature lines; we'll assume 10 valid signatures per petition, so 45 (3 x 15) petitions will get us 450 signatures. $1,060,000/450 = 2356$ packages. $2356 \times 5 \text{ minutes} = 11,780/60 = 196$ hours @ \$16 per hour = \$3136.
- 3. Initial circulator setup.** Number of circulators: 4 signers per hour = 12 signatures per hour. 15 hours per week (average) per circulator. $15 \times 12 = 180$ signatures per week per circulator. Six months x 4 weeks per month = 24 weeks. $24 \text{ weeks} \times 180 = 4320$ signatures per circulator over 6 months. $1,060,000/4320 = 245$ (we'll say 300). Verifying to be registered voter, assigning circulator number, entering name and address into system, printing and affixing mailing label. $300 \text{ circulators} \times 10 \text{ minutes} = 3000/60 = 50$ hours @ \$16 per hour = \$800.
- 4. Processing payment forms received with first returned petitions.** Entering SSN and direct deposit info into system, scanning form and saving file with circulator number as filename, filing form. $300 \text{ circulators} \times 10 \text{ minutes} = 3000/60 = 50$ hours @ \$16 per hour = \$800.
- 5. Processing petitions.** Each petition has 15 signature lines. Assuming an average of 10 signatures per petition, 106,000 petitions would be needed to collect 1,060,000 signatures. Assigning petition number and putting that and the circulator number on each petition; checking for signature errors; verifying with QVF file that each of 10 signers is registered in county, entering initiative code, petition number and date into QVF file; entering petition data into system (petition number, circulator number, county code, initiative code, invalid petition indicator, invalid petition reason code, number of good signatures, number of bad (removed) signatures, date signed by

circulator, earliest signature date, date received); scanning petition and saving file with petition number as file name, filing petition. $106,000 \text{ petitions} \times 30 \text{ minutes} = 3,180,000 \text{ minutes}/60 = 53,000 \text{ hours} @ \$16 \text{ per hour} = \$848,000$.

6. **Postage.** We will send packages to our circulators that contain 15 copies of each petition form, which would be 45 8.5" x 14" single sheets. The package will also include an instruction sheet, a circulator payment form, and a return envelope. Estimated weight is 12 ounces. Figuring that each of the 45 returned petitions will give us 10 valid signatures, each returned package will give us 450 signatures. We need a total of 1,060,000 signatures. $1,060,000 \text{ divided by } 450 \text{ is } 2356$, so we will send and receive 2356 packages. Postage each way is about \$3, or \$6 total. $\$6 \text{ times } 2356 \text{ is } \$14,136$.
7. **Printing petitions.** Each petition has 15 signature lines. Assuming an average of 10 signatures per petition, 106,000 petitions would be needed to collect 1,060,000 signatures. Estimating paper and printing cost at \$.10 per sheet, the total is \$10,600.
8. **Creating computer systems.** Two systems would be required, one for keeping track of donations and expenses so they can be reported to the Secretary of State and another for managing the petition drive. At this time, we are using a computer program provided by the Secretary of State for reporting campaign donations and expenses, but we may need something more sophisticated to deal with a project this big. The other system is needed to verify that petition signers are registered and to keep track of the number of signatures gathered by each circulator so that paychecks can be written and overall progress can be monitored.
13. **Project management.** One full time manager for 8 months.

Note: Our largest expenses above are for petition circulators and office staff, and our estimates are based on the pessimistic assumption that all of them will have to be paid. Actually, we expect that we will have plenty of volunteers, and that will cut our costs considerably.