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Dillon Praises Executive Order That Cuts Contract Spending

Granholm's move could save millions, help turn state around

LANSING – House Speaker **Andy Dillon** (D-Redford Twp.) today praised Governor **Jennifer M. Granholm** for issuing an executive order to reduce state contract spending by 5 percent to 10 percent.

"This initiative can bring immediate savings to the state and go a long way toward addressing next year's deficit, which new estimates put at \$2.7 billion," Dillon said.

Dillon said he stands ready to help and that legislation may be needed to boost staffing in order to produce savings, since the state has fewer than 30 employees dedicated to managing \$20 billion in contracts: "The Department of Management and Budget may need additional resources in order to realize immediate savings. I stand ready to help the Governor get the resources needed to maximize savings and help erase next year's deficit."

Dillon pointed out the auto industry aggressively pursued this strategy with its suppliers and realized tremendous savings over the past 20 years, creating a pool of talented purchasing agents the state can now reach out to for this important initiative.

"Our vendors and suppliers are our partners during this economic downturn, and we all have a vested interest in the long-term health of our state," Dillon said. "While we'll be asking vendors to lower their prices, we will work with them to keep their people on the job."

Dillon announced a proposal earlier this month to overhaul public employee health care in Michigan, a structural reform that will save \$900 million a year when fully implemented. More information and data about the plan can be found at www.newideasformichigan.org.

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