

NAME

Tom Leonard at the Northern Michigan Policy Forum 1-23-26

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2 SPEAKERS

Kyle Melinn

Tom Leonard

START OF TRANSCRIPT

**[00:01:07] Kyle Melinn**

Thank you Nikki. Welcome back everybody. This is very exciting. Speaker Leonard, thanks for coming back. Oh, it's good to be with you. Um, so earlier in the program, it was kind of established that housing is top of mind for the folks here at this conference. Uh, to what extent do you think state government plays a role in making sure that communities have housing and the infrastructure needed to retain new employees and bring new employees in?

**[00:01:35] Tom Leonard**

Yeah, no. And I'm glad you are all asking this question, because this is one of the biggest things that I hear about when I'm out there on the campaign trail. And you think about this for just a minute. I mean, rent is up 40% over the last five years. The average home cost is up \$100,000. But think about the human impact this causes on our young ones right now. You've got young people right now that are getting married. They don't know if they can afford a home. If they do. There are no more date nights. There are no vacations. But most importantly, they don't even know if they can start a family because 60%-70% of their income is going to that mortgage. So when you ask what role does the state play? We've got to increase the supply. And that starts with licensure reform and regulatory reform. So we've got a skilled trades crisis in this state. We've got a skilled trade shortage. I asked this question why is it that my uncle, journeyman electrician from South Carolina for 20 years, he moves to the state of Michigan after he marries my aunt. It takes him six months to find a job.

**[00:02:35] Tom Leonard**

Why not? Because one wasn't available, but because he had to jump through all the hoops to find a job. I think we ought to go with licensure, reciprocity across the board, at least for a few years until we solve this housing crisis. So when my uncle comes here, tell him we're not just going to be the best state in the country to create a job, We're going to be the best state in the country to find a job. You show up, you show us your certification. There are no hoops to jump through. We will give you a job immediately. Regulatory reform. Last November in lame duck, the legislature took up two bills. One was going to put a substantial burden on electricians. The other was going to put a substantial burden on plumbers. It was going to require that for every two apprentices on on jobsite, there had to be adjourned. Guess what? The one that involved the plumbers made it to the governor's desk. She signed it. The one that involved electricians diet. Why? Because at the last minute, the environmentalists came in and said, if you sign this, we will not have the workforce available to build all these solar farms across the state of Michigan. Now, let that sink in for just a minute. There are legislators right now in Lansing that are more concerned about building solar panels and solar farms across this state than building affordable housing for our loved ones that are young kids. That has to change. So again it's increasing the supply. Regulatory reform. Licensure reform. That's what the state needs to do. Get out of the way. All right.

**[00:04:04] Kyle Melinn**

Well let's talk about a different subject. Also retaining talent and recruiting talent to the state is another big issue for people here. To what role? To what extent does the state have a role in bringing people in and keeping people from going out of state?

**[00:04:20] Tom Leonard**

So I think the biggest issue we've got to focus on right now for talent, we've got to start with the foundation and that is our young kids, and that is addressing this third grade reading crisis that is facing our state right now. I had a reporter asked me a couple months ago, when you're the state's next governor, if you only get to accomplish one thing, what would it be? And I never hesitated. I said, our third grade reading crisis. Right now, 70% of fourth graders in this state cannot read at a proficient level. I can tell you, as a former prosecutor, if a kid has to drop out of school because they can't read. You've created a pipeline to a prison. A welfare check or a prison cell. We have got to address this. And you look no further than what Mississippi did ten years ago. They were 49 out of 50 in the country for third grade reading scores. Now they are in the top ten because they implemented the right reforms. What did they do? Early assessment. Three times a year they made certain they were identifying which kids were struggling. Second, they invested in high quality tutors and targeted support. Listen, we cannot expect teachers that have 30 kids in a classroom to ensure that their kids are reading. They've got to have help in those classrooms. Targeted support with high quality tutors. Third. They drew a line in the sand and they said, if a kid is not qualified, if they cannot, if they're not certified and ready to go to the fourth grade, we can no longer advance them just because it makes people feel good. We've got to hold them back. And number four, they empowered parents in this process to make certain that the resources were available if Mississippi could do it. Spending less on education than we do. We can do it here in the state.

**[00:05:57] Kyle Melinn**

Speaker talk about your vision for adjusting state government, the bureaucracy and the agencies. Um, what do you think can be done to spur economic development just through the government operations?

**[00:06:08] Tom Leonard**

Yeah. So when I think about economic development, I don't think about this idea of government picking winners and losers and shelling out hundreds of millions of dollars to certain select companies, sometimes at \$400,000 per job. I want us to have economic development for all. It's called economic gardening. We've got to have the best regulatory environment. We've got to have the best tax environment in the entire country. It starts right to work. You look at the top ten growth states in the entire country. Nine of the top ten growth states are right to work states. You look at the income tax. I know this has been brought up. I heard a couple of the other speakers, six of the top ten growth states in this country right now either have a substantially lower income tax in Michigan, or no income tax at all. The bottom line is this whether we want to lower the income tax or phase it out or not, it's something we have to do. Indiana and Ohio has already started the process. If we don't, we're going to be less competitive and they're going to continue to steal our young, our children.

**[00:07:09] Kyle Melinn**

So would you say cutting the income tax is the most important step, or the best tool that we can use as a state to recruit economic development?

**[00:07:17] Tom Leonard**

Yeah, I'm going to give you this. Early on in our campaign, we came out with a very transparent, bold plan. It's called The Path Forward. We've got many of these in the back. If you want to see if you want a copy, please take one, because I want to be transparent about where I stand on these issues. Kyle I'm going to give you one. Oh, good. What? Our what our plan. What our plan. What's that? No, I will though I but I do have one of those. Look at that right there. Oh it's there. I and I do have one of those. Ted Nugent signed one of those for me. It's in my it's in my home office. But, um, what our plan calls for is immediately lowering the income tax to 3.9. That would be over \$1 billion in tax relief for the citizens of this state, and then implement a five year phase in. I think that's a sustainable plan. I think that's something we can do. And again, it's something we have to do because if Indiana and Ohio, if they phase theirs out, we are going to be even less competitive. If we're going to see our kids going to Indiana and Ohio, you travel Indiana and Ohio, you travel northern Michigan. There is no reason they should be taking any of our loved ones, but they are.

**[00:08:16] Kyle Melinn**

Mr. speaker, would you rule out direct grants or targeted incentives to attract economic development?

**[00:08:21] Tom Leonard**

Listen, I'm always willing to have a conversation, but I can't envision a scenario whereby I think it's wise for us to take money out of your pockets and again, give it to select companies. It hasn't. I mean, you think just just a few years ago, Michigan shelled out \$4.2 billion with this Soar program. And what do we what do we get out of it? What do we have to show for it? Imagine if we had invested that money into our third grade reading crisis and hired high quality tutors and had that targeted support in those classrooms. That's what we've got to start looking at. We've got to start looking at our future. That's where our investment needs to be made.

**[00:09:01] Kyle Melinn**

Last question. We only got about a minute left, but how does Northern Michigan fit into the state economic strategy that you're envisioning?

**[00:09:09] Tom Leonard**

So as I'm traveling the state, rural Michigan, bluntly and especially here in northern Michigan, as I'm talking to people, frankly, they feel like they've been forgotten. And I think that is something that we have to change in Lansing. And I think a lot of it can start with health care. Why is it that a third of our counties across this state are maternity deserts? In the next five years, we are going to be short 800 primary care physicians, and many of them are here in Northern Michigan. Why is it that we don't have a medical school north of Clare? There ought to be a medical school here in Northern Michigan. You look at this mental health crisis that we're facing right now. There is not a psychiatric bed available right now in the Upper Peninsula. A quarter of our population across the state suffers from some type of mental health issue. Half of them are not getting treatment. 10% of the teenagers in high school right now, in the past two years have tried committing suicide. And yet we are not talking about this crisis. And I know it's impacting Northern Michigan heavily. So these are the types of issues that we have got to start talking about. If we are going to improve the life of the citizens up here in Northern Michigan.

**[00:10:20] Kyle Melinn**

Former speaker of the House Tom Leonard, thank you so much for your time today.

**[00:10:23] Tom Leonard**

Thank you

**END OF TRANSCRIPT**



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