



District Spent \$20K Per Student, Had Rodents in Schools, Holes in Ceilings and Walls

BY AUDREY SPALDING

Though the Highland Park School District spent \$19,634 per pupil in 2010-11, which was the highest in the state, district schools were so mismanaged that they had rodents in the classrooms, holes in the ceilings and walls, and horrendous filth in the bathrooms.

“I [saw] it in the media center,” DeCarlos, a junior at Highland Park Community High School, said of a mouse he saw running along the

floor from a nearby room.

He wasn't alone.

“It was terrible,” said Delshon, a senior at HPCHS. “We had to worry if something was going to crawl on us; worry if the ceiling was going to fall in on us.

“You'd just do your work and you'd just see something just run across,” he said.

I have been visiting Highland Park schools this year to watch as the district transitions from a

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A sampling of proposed state laws



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Medicaid Expansion ... What's the Rush?

BY JACK SPENCER

Gov. Rick Snyder wants Medicaid expansion and he wants it now.

The rush to expand began when — at the urging of the Snyder administration — the House Michigan Competitiveness Committee changed House Bill 4714 to a version House Democrats would support.

Speaker Jase Bolger, R-Marshall, allowed the bill to be passed with 48 Democrats supplying the bulk of the “yes” votes. Twenty-eight House Republicans also voted “yes” on Obamacare's Medicaid expansion.

After the bill was sent to the Senate, the pressure to hurry intensified. But Senate Majority Leader Randy Richardville, R-Monroe, refused to move the

legislation without the support of a majority of his Senate Republican colleagues.

Gov. Snyder's response was to question Sen. Richardville's leadership qualities and keep pressing for quick passage. He began a campaign-style tour of the state, touting the expansion. And he quit calling the key Obamacare provision Medicaid expansion, instead referring to it as “Healthy Michigan.”

In spite of the push to quickly pass the legislation, the Oct. 1 fiscal year deadline is still nearly three months away. It appears that many Senate Republicans are asking some probing questions about the expansion. Among the questions is: Why the big rush?

See “What's the Rush?,” Page 8

MICHIGAN TEA PARTY GROUP SAYS IT IS A VICTIM OF IRS DISCRIMINATION

BY JARRETT SKORUP

When the Ottawa County Patriots tried to register as a non-profit a few years ago, the Internal Revenue Service dragged its feet for over a year-and-a-half.

The Michigan group now joins the ranks of those across the nation that were singled out for additional scrutiny because of their politics, said the group's leader.

Jim Chiodo is the head of the organization out of the Holland-Zeeland area. The group worked with the company Biz Central USA, which helps people file as 501c(3) or 501c(4) non-profit

See “Tea Party,” Page 14

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ad liberties

In Praise of Those Unpraised



BY JOSEPH G. LEHMAN

Famous and powerful people win awards all the time.

Some deserve them and some don't. Occasionally, someone less well-known will win an award for something truly praiseworthy.

This column is about everyone else — the ones who go about their lives quietly — who should win an award, but probably won't.

- The working mom and dad who figure out what the family will sacrifice to pay for the latest tax hike because politicians wouldn't sacrifice any government spending.
- The middle-aged man who loses his job and cuts his discretionary spending, draws on his savings, and seeks a lower paying job to tide him over for a while instead of immediately applying for unemployment or welfare.
- The small business owner who serves nearly every family in town, but who never gets a fraction of the recognition given to the local public school superintendent who retires young after a three-year stint he took to bump up his pension.
- The teacher — the one all the parents want for their kids — who is grateful for a secure job, good pay, great benefits and long summer breaks.
- The farmer who never gets called for the news story because the Agriculture Department official is easier for the reporter to get ahold of.
- The business owner who looks to government to enforce the

rules fairly, not as a conduit for subsidies or cronyism.

- The young union leader who realizes the age of compulsory unionism has passed, and who quietly commits to renew their union on the cornerstones of voluntary cooperation and valued service to workers.

Famous and powerful people win awards all the time. Some deserve them and some don't. Occasionally, someone less well-known will win an award for something truly praiseworthy.

- The artist who creates by nature, not to win government arts council subsidies.
- The parents and grandparents who nurture their offspring with a deep respect for liberty, limited government, self-reliance and generosity.
- The kid stuck in a crummy neighborhood with little family support who wants to earn their success somehow, and to their role model — who doesn't even know it.
- The couple who takes in a young, pregnant woman who has nowhere else to go, and who pays for all her needs instead of signing her up for government assistance because they are grateful to have enough to share.
- The stockbroker who understands it's easier to earn back money forgone than it is

to earn back a lost reputation.

- The employer who gives a chance to the job applicant with the arrest record.
 - The person who does for you whatever it is you would hate to do for a living.
 - The pastor or other religious leader who teaches, encourages and exhorts to strengthen the moral underpinnings of civil society, without which no people can be free.
 - The citizen who won't let their elected officials get away with saying one thing and doing another.
 - The government official who realizes that every person described here is at least as important as he or she is.
 - The Mackinac Center supporter who knows a hundred good causes but knows they all depend on the kind of society the Mackinac Center fights for every day.
 - Those willing to risk their own lives, fortunes and sacred honor in defense of others' lives, liberties and pursuit of happiness.
 - Everyone else equally praiseworthy, but who won't fit in a 500-word column.
- I can name someone in every one of these categories and I hope you can too.
- (Editor's note: This is an edited version of a commentary first published in the May/June issue of IMPACT.) ■*
- Joseph G. Lehman is president of the Mackinac Center for Public Policy. The original version of this story was posted online on May 2, 2013. It is available with hyperlinks and more info at www.mackinac.org/18586.*

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CAPCON MICHIGAN CAPITOL CONFIDENTIAL

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Loss of Funding Not to Blame for School District Failures

For example, Albion Public Schools receives more per pupil than ever, yet it's closing its high school

BY TOM GANTERT

While the Michigan Education Association continues to blame state budget cuts on the fiscal crisis facing some schools, many districts are getting more money per pupil but face dramatic drops in enrollment.

Albion Public Schools is an example. The school board voted recently to shut down its high school. The MEA blamed it on Gov. Rick Snyder's "budget cuts."

But even after factoring in inflation, Albion received more money per pupil in 2011 than it did in 2007, according to the Michigan Department of Education. Including local, state and federal funding, Albion received \$9,345 per pupil in 2006-07 (\$10,138 in 2011 dollars). In actual dollars, Albion received \$10,993 per pupil in 2010-11, the most recent year data is available.

The real problem facing Albion is the loss of students. In four years, the district lost 34 percent of its students, going from 1,427 pupils in 2007 to 943 in 2011. Meanwhile, the district reduced its teaching staff by 22 percent over the same time period, going from 91 classroom teachers to 71.

But the union contract didn't allow Albion to cut the least effective teachers. Instead, they were forced to keep the ones with the longest service, regardless of performance.

In 2007, the district employed 47 teachers who had 10 years of experience or less. By 2011, that number had dwindled by more than half, to 22. However, the number of teachers with 11 years of experience or more — the more expensive teachers — increased from 44 to 49.

Based on the union salary schedule, teachers with more seniority make more money. The average teacher's salary in Albion jumped from \$47,558 in 2007 (not adjusted for inflation) to \$53,080 in 2011.

"Part of Albion's problem may be that the district is retaining its most expensive teachers," said Audrey Spalding, an education policy analyst at the Mackinac Center for Public Policy. "The district has used seniority to determine layoffs, instead of weighing the expense of retaining a teacher against the value that teacher provides to the district."

Earlier this year, the Albion school board decided to stop teaching high school students, according to MLive.

That's a good decision, Spalding said, adding that "drastic times call for drastic measures."

As for the MEA continually blaming lack of funding for the fiscal mess at some schools, documents show that even those schools aren't buying the MEA's reasoning.

For example, the Buena Vista School District was closed when it ran out of money. However, the Michigan Department of Education gave the district state money it was withholding to allow it to resume operations.

In the deficit-elimination plan that Buena Vista school officials submitted to the state a year ago, they stated that the loss of students and not right-sizing the district fast enough was the reason for its deficit.

The Pontiac School District and Benton Harbor Area Schools also stated the loss of students as a major reason for its deficit in their deficit-elimination plans to the state. ■

The original version of this story was posted online on May 20, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18655.

Expert: Medicaid Expansion Means Increased Costs for Worse Service

BY JARRETT SKORUP

If the Michigan Legislature goes along with Gov. Rick Snyder's plan to expand Medicaid as part of Obamacare, it will mean spending a lot more money for worse medical service, said one health policy expert.

More people would be covered but that will stretch already stressed resources for the government safety net health insurance program, said Avik Roy, a senior fellow for the Manhattan Institute in New York City, who spoke to a crowd of about 70 at a Mackinac Center for Public Policy Issues and Ideas Forum.

Roy writes a blog for Forbes called "The Apothecary," and has been talking to legislators around the country about a provision in the Patient Protection and Affordable Care Act (more popularly known as Obamacare), which pushes states to cover citizens up to 138 percent of the poverty line.

The Supreme Court ruled last summer that this provision is optional and states are fiercely debating whether to expand the program. Roy said expanding Medicaid would be a huge mistake.

He said expanded coverage would come with a lower reimbursement rate than private insurance.

"In Michigan, for every dollar that private insurers pay a physician, Medicaid pays 47 cents," he said. "And the less you pay physicians, the less they are willing to see someone."

Because of the low reimbursement rate, some doctors already refuse to see Medicaid patients, a trend that has been happening for some time in Michigan and across the country. If Medicaid is expanded in Michigan, there would be even more patients per physicians, causing more doctors to drop citizens on the program.

As a side effect, medical care for the poor does not improve simply by



expanding the government program. Roy pointed to several studies that showed people on Medicaid actually got worse service than those with no insurance at all. For example, a study from the University of Virginia found that surgical patients on Medicaid were 97 percent more likely to die before leaving the hospital than were similar patients with private insurance, and 13 percent more likely to die than those with no insurance at all.

"Health insurance is not the same as health care and Medicaid is not all that good," he said. "And we pay \$450 billion for these results."

Meanwhile, government health care for the poor is crowding out other government services. Health care accounts for 45 percent of the budget in Michigan and expanding Medicaid will, over time, make that worse because the federal government will not cover 100 percent of the costs forever. Obamacare promises the federal government will pick up 100 percent of the initial costs, but that diminishes after a few years and by 2020, states are responsible for 10 percent of the costs.

Roy said expanding the program brings a short windfall but as the federal match goes down, states will likely pay significantly more because they added hundreds of thousands more people to the program. And when the state has to pay more to cover expanded Medicaid costs, other areas of the budget will suffer.

"It's not tough to take a billion dollars at the beginning and then offload the costs to your successors," he said.

Roy agreed that health care is too expensive, but said government mandates make it worse. Real competition and flexibility to accept programs like catastrophic care for the young, healthy and poor, or high deductible plans and health savings accounts are better solutions.

Indiana had an HSA for all state employees that 98 percent of participants liked, he said, but the Obama administration did not renew the waiver for the program, effectively shutting it down. Obamacare also limited programs in Florida and Arkansas, which had plans to provide similar coverage for less cost. Florida wants to offer an HSA plan that costs \$237 million versus the \$1.3 billion the federal government wants to mandate.

Roy concluded his presentation by pointing out a few myths about health care in America.

The first is the idea that people without health insurance are the ones driving up cost by going to the emergency room. In fact, most patients being served in the emergency room are those who qualify and receive Medicaid but are not able to get a doctor because the reimbursement rates are too low.

The second is what Roy called "the myth of free-market U.S. health care." In terms of money per person, the United States government spends more than every country except Norway, the Netherlands and Luxembourg. In fact, America spends nearly three times as much per person as Switzerland.

"Those countries largely have totally government-run health care, it's just that America spends so much more on those covered with public money," Roy said. "We should acknowledge that some other countries are doing it better."

The original version of this story was posted online on April 19, 2013. It is available with hyperlinks, a video of the event and more info at www.MichCapCon.com/18538.

Government Entities Stymie FOIA Requests to Hide Information

BY TOM GANTERT

The Michigan Department of Education said the least expensive employee able to fulfill a specific Freedom of Information Act request has a total compensation of \$116,917 a year.

In 2009, the Michigan State Police said in a FOIA response to the Mackinac Center for Public Policy that materials related to the spending of Homeland Security grants would cost \$6.8 million.

Whether it's \$337.26 for school district deficit elimination plans from the state department of education, or an outrageous FOIA bill of \$6.8 million, reformers pushing for more government

transparency find that costs can serve as an effective barrier to the release of information, particularly for materials that some other public institutions post free online.

That could all change if House Bill 4001 is passed and signed into law. The bill, which was introduced by State Rep. Mike Shirkey, R-Clark Lake, would cap the costs on filling FOIA requests by doing such things as limiting the costs of copying to 10 cents per page.

The bill has widespread support of organizations including the Michigan Press Association and the liberal Progress Michigan, which credited Rep. Shirkey for his effort.

The Mackinac Center for Public Policy also supports FOIA reform

and has had numerous issues with FOIA requests over the years.

For example, a request for the salaries of professors at all the state universities for 2012-13 was provided free from all schools except for Wayne State University. Wayne State wanted \$112.

The University of Michigan provides that information free on its website.

"That is a lot of money for information that should exist with the touch of a button," Lisa McGraw, public affairs manager for the Michigan Press Association, said of the fees Wayne State wanted.

Matt Lockwood, spokesman for Wayne State, emailed his response

See "FOIA Requests," Page 14

COURT RULES SCHOOL DISTRICTS CANNOT USE PUBLIC RESOURCES TO WITHHOLD UNION DUES

BY TOM GANTERT

An appeals court ruling that school districts can no longer automatically withdraw union dues from paychecks will be "devastating" to the Michigan Education Association, said a union president whose teachers left the MEA to start a local union.

"They will have to recalculate their loss projections," said James Peralas, president of the Roscommon Teachers Association, which decertified from the MEA last year. "Most union members don't think twice about paying their dues because with payroll deduct options they don't even receive the amount they are paying — it's taken out before they get it. With this decision, members will receive their own money, and then have to proactively make arrangements to pay. They will be constantly reminded of the amount they are paying — or overpaying — to support their union."

The U.S. Sixth Circuit Court of Appeals overturned an injunction that had stopped a state law that would have prevented school districts from automatically deducting union dues or fees.

Now unions will be responsible for collecting dues from their members. If union members refuse to pay dues, they can be fired from their jobs unless their contracts have expired and they are eligible to take advantage of the state's right-to-work law.

Patrick Wright, director of the Mackinac Center Legal Foundation, said school districts must stop making the automatic deductions involving any union contracts signed after March 20, 2012, when the dues deduction law was to take effect.

"This decision rightfully recognizes that government should not be a collection agency for a private organization," said F. Vincent Vernuccio, director of labor policy at the Mackinac

Center for Public Policy, in a press release. "While this law is a good start, it only applies to school districts but should be broadened to include all government employers."

Documents from the Michigan Education Association show the union has planned for months on how to deal with this situation.

After Michigan became the 24th right-to-work state in the nation late last year, MEA President Steve Cook sent a letter to union officials saying the union would use "any legal means at our disposal to collect dues owed."

A cafeteria union president's letter in 2012 showed several ways that the MEA was considering collecting union dues if automatic deductions had been outlawed: demanding full payment at the start of the year or requiring a checking or savings account number or credit card for automatic monthly withdrawals.

See "Court Rules," Page 12

COMMENTARY

Michigan Republicans Go Wobbly on Obamacare

Medicaid expansion props up vulnerable law



BY JACK MCHUGH

Thirty-three states including Michigan have refused to create Obamacare

exchanges, and as many as half the states may also refuse the law's Medicaid expansion.

Yet Republicans who control the Michigan Legislature appear close to caving to special interest pressure and accepting the Medicaid expansion. Some in the majority hope that cloaking their capitulation behind heavily diluted reforms and deeply implausible conditions will distract base GOP voters who have little tolerance for collaborating with Obamacare implementation.

Leaving aside the politics, this is short-sighted. Even with the more rigorous conditions originally included in the introduced-version of House Bill 4714 (including a 48 month cap on benefits), the Medicaid expansion is bad policy because it props up an unpopular, hideously-flawed health care law that is vulnerable on many fronts.

Lawmakers (and citizens) who oppose the expansion are not "bitter enders" refusing to accept the reality of a harmful law that's a "done deal." In fact it's anything but a done deal.

When Obamacare fully kicks in on Jan. 1, the mayhem it inflicts on families, employers and the nation's health care system may be so obnoxious that Congress — including the Democrat controlled Senate — will be forced to open the law for major amendments that reduce the damage.

Legislators who collaborate with Obamacare implementation today by approving the Medicaid expansion reduce the chances of this opportunity coming to pass.

Here are just some of the ways Obamacare is vulnerable, with evidence for each:

Legal

- Oklahoma sues over illegal federal exchange subsidies – Cato Institute

- Small business lawsuit challenges illegal subsidies – Competitive Enterprise Institute

Political

- Poll Finds Support Slumping for Health Law – Wall Street Journal

- Kaiser's polling indicates that only 37 percent of Americans like Obamacare – Weekly Standard

- Labor unions break ranks with White House on ObamaCare – The Hill

Administrative Complexity

- Is Obamacare Too Complicated to Succeed? – NYTimes.com

- Applying for ObamaCare — Still Not Simple – Grace-Marie Turner

- Obamacare architect Rockefeller: It's "beyond comprehension" – Paul Bedard, Washington Examiner

Extreme Technological Complexity

- Spending on exchanges more than double initial projections – Bloomberg

- "Let's just make sure it's not a Third World experience..." – Obama Administration Official

- States Overwhelmed by Obamacare Exchanges' Complex Rules, Bureaucracy – NewsMax

See "Republicans Wobbly," Page 14

SEIU Lays Out Plan to Try and Continue ‘Dues Skim’

Union blames ‘right-wing forces’ for end of scheme that locked 45K workers into the SEIU

BY JACK SPENCER

The union that took more than \$34 million from the Medicaid checks of the elderly and disabled in Michigan before the scheme officially ended this year, wants those workers — and their money — back in.

Only this time the SEIU Healthcare Michigan, an affiliate of the Service Employees International Union, is organizing to try to convince the 45,000-plus workers who no longer are forced to pay dues to instead voluntarily do so. The union believes the home-based caregivers are still members.

“[T]hey are members and will continue to remain eligible as members,” said a document that outlined the union’s plans to try to regain the home-based caregivers as members. “The only question is the dues structure.”

The union contract ended Feb. 28 and the board that oversees the negotiations said it won’t be renewed. Also, the union no longer is the exclusive bargaining agent for the workers and the board that served as the middleman in negotiations was dissolved.

According to the plan, which is detailed in a nine-page background paper obtained by Michigan Capitol Confidential, the SEIU Healthcare Michigan wants to continue to access the thousands of home-based caregivers who were freed from the forced unionization and lure them back in by offering them a dues-free grace period and reduced dues rate.

Having continued access to the home-based caregivers also would potentially give SEIU Healthcare Michigan President Marge Faville

a stronger hold on her \$165,000 a year job.

Faville would also continue to have an excuse to use by-mail inner-union elections. However, mail-in elections have upset some members of the union and led to a lawsuit to try to prohibit the practice.

“The only thing I can see as a reason for her (Faville) doing this is to stay in power,” said Kenneth Haney, a Detroit Medical Center employee and former union steward. “If she can keep holding elections in which the ballots are mailed out she could continue to monopolize the union.”

In late March, Faville won re-election in a disputed by-mail election of union officers. It was the first union officer election SEIU Healthcare Michigan had ever conducted through the mail. Previously, members cast their ballots at specific voting sites. Her opponents within the union have filed a complaint about the election and expect the results to be nullified and another election to take place.

“It seems unlikely that many home-based caregivers would want to add to the \$34 million that the SEIU improperly took,” said Patrick Wright, senior legal analyst for the Mackinac Center for Public Policy. “But the SEIU is allowed to seek voluntary dues contributions.”

As of April 1 of this year, the roughly 45,000 home-based caregivers are no longer in the union. However, the SEIU collected about \$6 million a year in its dues scheme and it wants as much of that to continue as possible.

The union document opens as follows:

“The purpose of this paper

is to tell the story of how home care workers in Michigan won the legal rights and benefits of representation by the SEIU [Service Employees International Union] and how right wing forces stripped these dedicated caregivers of their ability to have collective bargaining with the union of their choice as their exclusive representative. This story underscores why the executive board of SEIU HCMI believes it is right and just and necessary to waive minimum dues and establish a fair fixed dues structure which empowers home care workers to maintain continuing membership in our union.”

The union document blasted “right-wing forces” for stopping the scheme and notably mentioned the Mackinac Center for Public Policy multiple times. It also made special note of a “skim-o-meter” that kept track of money the union was taking from home-based caregivers. That was in reference to the “skim tracker” that was on Michigan Capitol Confidential’s website.

Several paragraphs then talk about benefits the union supposedly provided, but they omit numerous facts, such as:

- That collective bargaining involved a contrived dummy employer that could do virtually nothing for the home-based caregivers;
- That (based on documents obtained through the Freedom of Information Act) the dummy employer’s primary monthly focus was making sure the union got its dues money;
- That 63 percent of the home-based caregivers were family

See “SEIU Plan,” Page 14

Oregon Study Suggests Michigan Medicaid Expansion Not Worth the Cost

Health policy expert: ‘The nation’s top health economists released a study that throws a huge “STOP” sign in front of Obamacare’s Medicaid expansion’

BY JARRETT SKORUP

While the Michigan Legislature debates expanding Medicaid, a new study says that doing so may not significantly improve health outcomes.

The study, “The Oregon Experiment,” was published in the *New England Journal of Medicine* and measured several health areas, like blood pressure, glycated hemoglobin, cholesterol and depression. The report compared two groups of similar people: one group in the state’s Medicaid program and another that was not enrolled in the state’s Medicaid program.

“We found no significant effect of Medicaid coverage on the prevalence or diagnosis of hypertension or high cholesterol levels or on the use of medication for these conditions,” the study said. “Medicaid coverage significantly increased the probability of a diagnosis of diabetes and the use of diabetes medication, but we observed no significant effect on average glycated hemoglobin levels or on the percentage of participants with levels of 6.5 percent or higher.”

The group found a few positive effects from Medicaid coverage, like lower stress levels and lower rates of depression.

“Today, the nation’s top health economists released a study that throws a huge ‘STOP’ sign in front of Obamacare’s Medicaid expansion,” wrote Michael Cannon, director of health policy at the Cato Institute, in a blog post.

“There is no way to spin these results as anything but a rebuke to those who are pushing states to expand Medicaid,” Cannon continued. “The Obama

administration has been trying to convince states to throw more than a trillion additional taxpayer dollars at Medicaid by participating in the expansion, when the best-designed research available cannot find any evidence that it improves the physical health of enrollees.”

Oregon provided a unique setting for the researchers because in 2008 the state provided money for 10,000 people to go on Medicaid. Since there were more applicants than spots available, the state held a lottery to decide who would be covered on the health care program. The study compared 6,400 of the people who went on the new program to 5,800 who had entered but not secured a spot.

The study is only the second large-scale randomized control trial done. The first was a report from the RAND Corporation done between 1971 and 1982 that also found limited positive results of detectable health effects.

The report also “did not find significant changes in visits to the emergency department or hospital admissions.” This suggests that simply expanding Medicaid coverage does not mean health providers save money by making low-income citizens less likely to simply go to the emergency room.

Expanding Medicaid coverage to people up to 133 percent of the poverty line was mandated under the Affordable Care Act (more commonly known as “Obamacare”), but the Supreme Court ruled last year that the provision is optional. The federal government has pledged to pay 100 percent of the costs for the first few years, eventually dropping to 90 percent of the total.

See “Medicaid,” Page 15

BIG HOLLYWOOD

COMMENTARY

Films or Potholes? *Cost of film subsidy program would repair over 5 million potholes*

BY JARRETT SKORUP

The Republican-controlled Michigan Legislature has passed a budget allocating \$50 million for the state's film subsidy program.

Previously, the budget from House Republicans proposed eliminating the program, while Gov. Rick Snyder, who has said he is philosophically opposed to the program, asked for \$25 million. But the GOP and Democratic leadership in the Michigan Senate wanted a minimum of \$50 million annually.

Meanwhile, Michiganders are being told by the governor, legislators and outside groups that the state needs to devote more money to fixing the roads. That is true, but before legislators impose a tax increase on residents they should end the film program and use the money for infrastructure.

After all, if road funding is so important that it would literally "save lives," as advocates of increased road spending say, how many lives are the Legislature and governor risking by spending millions on subsidies to Big Hollywood?

Here is what taxpayers could get for the \$50 million lawmakers are pledging toward films for the upcoming fiscal year (all numbers are approximate):

- 5,313,496 potholes repaired;*
- More than five years of pothole repairs on the state trunk line highway system;
- The salaries of 1,200 Detroit police officers;
- The salaries of 792 conventional public school teachers;
- The salaries of 1,166

charter school teachers;

- A year of education at Michigan's public universities for 4,796 students;
- A year of education at K-12 schools for 7,116 students; and
- A year of Great Start preschool for 14,706 students.

For a lot of reasons, film subsidies are one of the least efficient ways to use public dollars. Since the program began in 2008, the state has spent \$400 million — that's an awful lot of unfixed potholes.

* There are few sources for the cost of repairing potholes. According to the Calhoun County Road Commission, it costs an average of \$9.41 to fix a pothole.

The original version of this story was posted online on June 7, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18720.

Film Incentives: The \$50 Million Sequel

State Rep.: 'I think the studios made a big push for them ... they won me over'

BY JACK SPENCER

It might be a different year, but the story is the same. Michigan taxpayers will be paying \$50 million in subsidies to millionaires and billionaires making movies in Michigan.

That comes after what initially appeared to be a move to reduce the subsidy. At the beginning of the year, Gov. Rick Snyder recommended cutting Michigan's film incentives in half, to \$25 million.

The House plan didn't include any money for the film incentive program. The Senate wanted to spend \$50 million on the incentives again.

Appropriations for the film incentives are one item within the general government budget. The full legislature does not vote on such items separately. It votes on omnibus (overall) appropriations bills that include multiple departmental budgets all rolled together.

When there are points of difference on legislation between the Senate and House, those differences are worked out in a conference committee. That means negotiations over the various aspects of the general government budget were left up to six lawmakers, three from the House and three from the Senate.

In the end, the negotiations

didn't lead to a compromise on the film incentives, such as setting the amount at \$13 million, \$25 million, or \$38 million. Instead, the Senate's original position prevailed and the amount is \$50 million.

"These film subsidies are a classic case of the bipartisan political class serving their interests ahead of the people's," said Jack McHugh, senior legislative analyst at the Mackinac Center for Public Policy. "Special interest beneficiaries lobbied intensely to get this loot, but apparently no one in the room was working for the benefit of taxpayers."

How did the legislative process

See "Film Incentives," Page 15

Taxpayer Funded Films Flop With Viewers

Taxpayer advocate: 'Economic health is not created when people's labor is used to make things nobody wants'

BY TOM GANTERT

When "Love and Honor" was filmed in Ann Arbor in 2011, it received statewide media attention. But when the movie was released, the film was more like its original working title, "AWOL."

The movie was released March 22 to two theaters and grossed \$2,815 in its opening weekend. As of April 11, it has grossed \$16,769, according to Box Office Mojo.

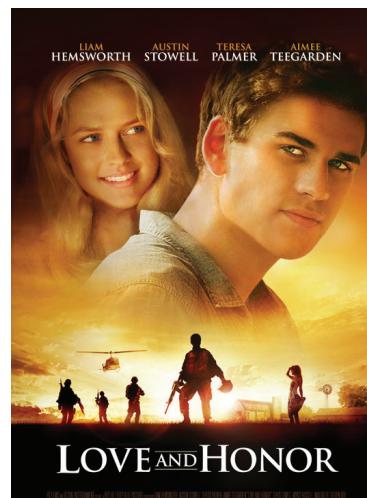


Image © Red 56, Deep Blue Pictures

Michigan taxpayers gave the "Love and Honor" production company \$1.6 million in film incentives for \$4.1 million in spending in the state.

"Love and Honor" was far from the only movie shot in Michigan to fizzle at the box office.

Entertainment One Films said "Freaky Deaky," which starred Christian Slater, never got a chance to be seen in a theater. It was released straight to DVD on Feb. 26. The movie received \$2.8 million in film incentives for \$7.8 million in spending.

"Moviegoers don't want to see the film that Michigan taxpayers are paying to see," said Leon Drolet, chair of the Michigan Taxpayers Alliance. "Economic health is not created when people's labor is used to make things nobody wants."

Drolet said he doesn't agree with the idea that bad movies still result in jobs.

To illustrate the point, he told a popular story about the late economist Milton Friedman.

Friedman was said to be on a trip in Asia when the vehicle he was traveling in was stopped while workers were digging a canal. Noticing that the men were using shovels instead of tractors and heavy machinery, Friedman asked a government bureaucrat about it. The bureaucrat explained that this work was a "jobs program." Friedman said he thought they were trying to build a canal and famously said, "If it's jobs you want, why not give them spoons?"

"If government thinks jobs is making products nobody wants, we might as well take the money and make mud pies," Drolet said.

As Michigan Capitol Confidential has previously reported, the number of jobs that existed before the film tax incentive program to today has remained largely the same at about 6,000.

Michelle Begnoche, spokeswoman for the Michigan Film Office, didn't respond to requests for comment. ■

The original version of this story was posted online on May 8, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18616.

DISTRICT SPENT \$20K

from Page One

conventional district to a charter district — one of the first two public school districts in Michigan to make such a change.

Though Highland Park was struggling financially and academically, it spent more money than every other district in the state. During the 2010-11 school year, Highland Park spent nearly \$20,000 per student. And yet, the Highland Park schools are in utter disrepair.

In 2012, a financial review team appointed by Gov. Rick Snyder declared that Highland Park was in a financial emergency. The district had spent millions more than it had received in revenue.

There were accusations of

mismanagement. Highland Park board member Robert Davis was charged with improperly spending more than \$170,000 of school district money on clothing, hotels and restaurant tabs, among other things.

Ultimately, the state gave Highland Park more than \$8 million in extra funding so that it could pay its bills.

This fall, the district reopened as a charter district. School administrators who work for The Leona Group, the charter management company that is running the schools, say that they have spent hundreds of thousands of dollars to try to clean and fix up the facilities.

Leona replaced some toilets at Highland Park schools, but not those on school floors that

aren't being used. The remaining toilets betray just how far things had declined in Highland Park schools under conventional district management. The toilet bowls are caked brown.

Ceiling tiles are missing in



many of the buildings. One hallway wall in the high school is partially caved in. The security guard showing me around the school building said that the wall was damaged during a fight last year.

"This stuff didn't just get like

this. It's been like this," said Valecia Ashford, a teacher who has been with the district for 37 years.

When I asked her how teachers and parents allowed students to attend school in these conditions, Ashford responded: "I thought about my colleagues. Always placed them in very high regard. But going into some of these rooms, and looking at the filth that was in those rooms ... my whole attitude changed toward them."

Prior to being chartered, some district officials were blaming state legislators for a lack of funding. The Michigan PTA president also called for more money. At the same time, the district was spending nearly \$20,000 per student — well over a quarter of a million per classroom — while the district shed nearly half of its

students.

The previous teachers' contract shows that the district paid 100 percent of health care premiums while granting special favors for the union, like handing over district financial information, setting up an automatic payroll deduction for dues, and allowing the local president to spend half of his or her time working exclusively on union business.

No Highland Park school board member responded to a request for comment as to how the district could have spent so much while leaving the facilities in such disrepair. ■

The original version of this story was posted online on May 21, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18520.

WHAT'S THE RUSH?

from Page One

Getting states to do the expansion is critically important to the Obama administration. It's so important that the Obama administration is offering hundreds of millions of up front federal dollars as an enticement to get states to expand Medicaid. States that take the deal will have to eventually pay 10 percent of the costs if the federal government holds true to its payment promises.

"I think it's important to find out whether the reforms in the House proposal would even be accepted by the federal government," said Sen. John Moolenaar, R-Midland. "All along, important aspects of this issue have been subject to getting information from the federal government.

"There are also numbers, such as the effect all of this is having on insurance premiums, that would be good for us to take a look at," Sen. Moolenaar continued. "That kind of information can help us make a more informed decision. Having more information is always better than having less."

Sen. Moolenaar said he is

troubled by the idea of moving quickly on a complex issue, such as Medicaid expansion, which has major long-term state implications.

"There are just so many unknown variables involved with this issue," he said. "I think it's very important that we get this right. That's the real issue here. We need to get this right, not get it fast.

"The way Obamacare works, states can opt in at any time, but once you're in, there's no backing out," Sen. Moolenaar said. "We wouldn't necessarily need to opt in this year. The federal government has agreed to pay 100 percent the first three years. Yes, if we don't opt in this year, we'd forgo the federal dollars for that first year, but if we decided to opt in next year, we'd start getting the money then. This is not a now-or-never situation."

Sen. Patrick Colbeck, R-Canton, said lawmakers should be armed with as much information as possible — that won't be the case if they hurry.

"I'd say that doing this right away would be premature," Sen. Colbeck said. "There is information we'll have later that we don't have now, such as what all of this is doing to insurance premium rates and, with

Obamacare, there are continuing developments, such as who will or won't be in this.

"We're looking at an issue that involves future generations," Sen. Colbeck added. "This is something we need to get right. That's what we should be looking at, not just what seems to be convenient at the moment."

Additionally, Sen. Colbeck said rushing to move a bill could result in missed opportunities.

"I think there is a huge opportunity here we might be missing," Sen. Colbeck said. "Instead of just putting a Band-Aid on this program by doing the expansion, we should be taking a serious look at how best to deliver quality health care.

"Does this really have to be a government solution?" he said. "If we hurry up with this, we could be missing opportunities to find some market-based solutions."

Gov. Snyder's office, which has begun calling Medicaid expansion "Healthy Michigan," said expansion needs to happen now because of the time it will take to get waivers from the federal government. Sara Wurfel, a spokeswoman for Gov. Snyder, said that would take a

minimum of 120 days.

"Michigan has a key chance to act on the Healthy Michigan plan and cushion the blow of the Affordable Care Act (ACA), a law that will have costly impacts on our residents, businesses and health providers otherwise," Wurfel said. "Choosing not to act will not stop the ACA from impacting our state, and many of those costs hit home on Jan. 1, 2014, costing Michigan as much as \$1.1 to \$1.2 billion per year.

"Healthy Michigan does not comply with the traditional Medicaid rules that the ACA envisioned expanding, which is why this is a Michigan solution designed by Michigan policy makers for Michiganders," Wurfel continued.

She said work also would have to be done and changes made to Michigan's information technology system to determine who will be enrolled in "Healthy Michigan."

"A delay in approval will set back development time by at least a month," Wurfel said. "Further HMO capacity, contracts and system changes add another reason for quick action.

"The Department of Community Health needs to make contract

changes to account for Healthy Michigan reforms, and private HMOs need time to work with provider networks to ensure adequate capacity for those enrolled, plus make changes to their IT systems to implement the reforms," Wurfel continued. "Finally, before Healthy Michigan takes effect, an effort has to be made to educate providers and consumers about changes in the law and to enroll individuals in the program."

The Mackinac Center for Public Policy, a free market research and educational institute, as well as some conservative groups, have cautioned lawmakers against expanding Medicaid. A primary concern is that once any form of the expansion is in place, state officials would find themselves at the mercy of the federal bureaucracy.

(Editor's note: This story has been updated with a response from Gov. Snyder's office, which was received days after the story was originally posted.)

The original version of this story was posted online on July 3, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18842.

How Taxpayers Are Funding Political Lobbying

Tri-County Alliance operates as a front for school districts political lobbying efforts



BY JARRETT SKORUP

Michigan law requires public school districts to report publicly on their website how

much taxpayer money they use to lobby the Legislature. But districts in Oakland, Macomb and Wayne County have found a way to work around the law.

In practice, this means that these public school districts can appear less politically active than they really are, while simultaneously spending hundreds of thousands of dollars on political lobbying.

The Setup

Enter the Tri-County Alliance.

The TCA is a 501c(4) non-profit, which means it is a tax-exempt organization that can lobby for or against legislation. The organization spends its money on a staff, contracted lobbying services, and a public relations machine aimed at inciting grassroots political activity. All this is done with funding from taxpayers via their school districts.

Here's how it works: The 86 school districts in Oakland, Macomb and Wayne County use public dollars to pay membership dues to the TCA. The TCA then uses that money to campaign and lobby, but only a handful of these districts end up reporting these membership dues as money spent on political lobbying.

In addition, the TCA operates out of the offices of Oakland Schools, the intermediate school district in Oakland County. Information obtained through a Freedom of Information Act request shows that the ISD provides the TCA operating space, employees, office supplies and services, such as

mailing, faxing, copying, printing, Internet access, information technology support, phone services, audio visual support, graphic design and more, all free of charge.

One document shows that "annual support costs" are split among the intermediate school districts in Oakland, Macomb and Wayne counties.

Oakland Schools superintendent, Vickie Markavitch, is paid about \$250,000 per year and has spent the past few months traveling around the state speaking out against education reform bills — a position that aligns with the information pushed out by the TCA.

"The Tri County Alliance covers our major counties here, but it's actually an advocacy, nonprofit advocacy group for public education," Markavitch said in December.

Interestingly, Oakland Schools lists the TCA as a lobbying group on the district website, something few other districts in the three counties appear to do.

How Taxpayer Money is Used

According to the TCA's Form 990 filed with the Internal Revenue Service, the TCA brings in about \$210,000 per year in revenue, most coming from dues paid by school districts. Documents show that the TCA received \$151,344 in membership dues for the latest fiscal year and that the vast majority of the group's funding is public dollars.

Many of the trustees for the organization are current or former superintendents in the three counties.

The TCA reports that it sends invoices to collect membership dues from all 86 school districts, but a review of the district websites show that only 34 of them actually report in their transparency documents

that they send any money to the TCA.*

Despite being under such severe financial stress that they are required to have emergency managers, Detroit Public Schools and Highland Park School District were reported to have paid \$3,500 and \$750 respectively to the TCA.

"What 'services' is the TCA providing districts for these dues?" said Audrey Spalding, an education policy analyst with the Mackinac Center for Public Policy. "If that service is lobbying then it should be reported as lobbying."

Top-ranking Democrat's Former Chief-of-Staff Now Runs TCA

The 2011 executive director of the TCA was Thomas Svitkovich who retired from the Genesee ISD as superintendent in 2010. During his tenure at GISD, according to a story on MLive, he was accused of an inappropriate use of money for travel expenses and of having an affair with one of his assistant superintendents, who, according to MINBCNews, was also alleged to have embezzled money. The state police eventually decided against filing charges over the objections of the current board and administration at GISD. After the initial accusations, he was put on leave from the TCA and no longer serves as its executive director.

That position appears to have been handed over to Lansing lobbyist, Mark Burton, who was previously the chief of staff for Senate Democratic Leader Gretchen Whitmer, D-East Lansing.

Burton left the staff of Sen. Whitmer in February, at which time he took the job as TCA executive director. At the same time, he runs a political consulting firm, Burton

See "Taxpayer Funded Lobbying" Page 10

Michigan Company Billed \$465,774 for Teamsters Pension After Laying Off Its Last Unionized Trucker

Severely underfunded private-sector union pension plans are hurting companies

BY JACK SPENCER

Think loan sharks charge predatory rates? Compared with what it costs to get out of union pension funds, those guys are cheap.

When he was forced to downsize his last, part-time unionized trucker, George Kerver said he was charged nearly half a million dollars to help bail out the Teamsters union pension fund.

"We got the bill and it was for \$465,774," said Kerver, president of Fastdecks Inc., a concrete forming company in Walled Lake. "We have made three payments so far. The first one was due five days after our receipt of their demand. Three sets of lawyers have all warned us that this law is pay now and ask questions later."

Teamsters Central States Pension Fund sent the bill to Fastdecks. Although the company had employed hundreds of union workers since its founding in 1964, the \$465,774 bill resulted from just one employee being laid off.

"By the end of 2011, business had been so bad that we had laid off almost every person in the company," Kerver said. "Fastdecks has had one Teamster truck driver for most of the years we have been in business. When we had so little work, he had to look for another job. He was laid off in December of 2011. We ceased paying into the pension fund at that time because legally, even if you want to, you can't contribute to the fund if you do not have an employee working."

Kerver said the company was "lucky" its liability was assessed as of 2011. If it had been assessed as of 2012, he said the bill would have been well over \$550,000 because the cost of withdrawing from these

union pension funds is skyrocketing.

Pension funds across the nation are underfunded and struggling.

In part, that's because companies and some governments are moving away from offering traditional pensions. However, the regulations surrounding pensions have not kept pace with the changes.

For example, the Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for pension plans in private industry. ERISA was designed to protect the assets of millions of Americans so that funds placed in retirement plans during their working lives will be there when they retire. However, those who devised the ERISA system nearly 40 years ago apparently never envisioned virtually all of the union pension funds being severely underfunded at the same time.

"As companies leave the pool of contributors each remaining company's percentage of the growing shortage gets larger," Kerver said.

In other words, the \$465,774 that Fastdecks owes the Teamster Central States Pension Fund is not based on what is owed by the company for the former truck driver's benefits. It is based on the fact that the pension fund is about \$25 billion in the hole.

"That means, theoretically, that the withdrawal liability for the last company that stays in the pool will be \$25 billion, or however much the entire fund is underfunded," Kerver said.

Fastdecks and similar businesses contribute to the pensions of those who work for them through multi-employer pension plans. These

See "Teamsters Pension," Page 12

TAXPAYER FUNDED LOBBYING

from Page 9

Consulting, LLC, which, according to documents obtained in the FOIA, was paid \$16,257.53 from Oakland Schools on Feb. 28, 2013.

It is unclear why the district paid for the consulting or whether Burton was receiving a salary as executive director for the TCA while Oakland Schools was at the same time paying Burton Consulting (in which Mark Burton is the sole member) for services. A request for comment on the matter was not returned.

The salary range for the group's executive director historically has ranged from \$110,000-\$132,000 per year. According to the TCA's 990 form, the executive director works fewer than 30 hours per week.

On the TCA's IRS forms, the group justified the director's compensation, stating: "Executive Director's compensation based on comparative compensation paid to area school directors."

But the area school directors (principals and superintendents) oversee many employees and large budgets. The director of the TCA oversees a small budget and only themselves and sometimes one part-time employee. Additionally, as mentioned, Oakland Schools provides the TCA with most operating services.

Capwiz

The TCA also operates the "Tri-County Capwiz," an email service that allows the group to mobilize public school employees and others to lobby legislators.

According to a client of the group, "Capwiz is an online advocacy program developed by Capitol Advantage that allows for users to send advocacy messages and alerts to supporters or members in a variety of ways. It also allows for messages to be sent to key legislators at the state and national levels."

When someone signs up for Capwiz, they receive direct emails from the TCA urging them to support or oppose legislation and the service provides them

an automated method to contact legislators.

Some of the emails from the TCA are factually incorrect. For example, on Feb. 19 one of its emails described Gov. Rick Snyder's proposed school budget as a "cut...



TRI-COUNTY ALLIANCE FOR PUBLIC EDUCATION

on top of the nearly \$500 per pupil cut they gave our kids in 2011."

The governor's budget proposal at the time added about 2 percent to the school aid fund. And there was not a "nearly \$500 per pupil cut" in education funding in 2011. The Legislature actually trimmed the budget \$270 per pupil with \$170 of that being the result of the loss of one-time federal stimulus dollars.

A more recent email sent on April 16 included the following:

"The House and Senate are considering versions of the school aid budget this week, and both versions will again cut funding for your school. They continue the trend of disinvestment towards our K-12 schools, and while their methods are different, the result is clear: your school will have less classroom funds [than] they did last year."

That's incorrect.

According to an article in The Detroit News just a few days before the email, "The Senate Appropriations subcommittee that writes the school aid budget voted Wednesday to raise the minimum per pupil foundation grant \$100 to \$7,066. The panel also adopted Gov. Rick Snyder's recommendation to give the state's lowest-funded schools a one-time \$34 per pupil equity payment, giving about 440 school districts \$134 more per pupil next school year."

And CBS Detroit reported, "The House and Snyder want the minimum grant raised \$34 to \$7,000 per pupil [for 2012-13]."

A request for comment sent to

the TCA and to the Capwiz account asking how they determined that Legislature proposals would "again cut funding" for districts was not returned.

When asked about the discrepancy, Oakland Schools Superintendent Markavitch wrote in an email: "House and Senate fiscal

to, but an open records request to the TCA was ignored.

This makes sense, since non-profit groups are not subject to the state's public information law. But this shows the purpose of the school districts compiling money to set up the group: Though nearly 100 percent of the funding for the TCA comes from public dollars, its

year, was referred to Burton and not returned.

When contacted with a series of questions, Danelle Gittus, communications manager of Oakland Schools, wrote on Feb. 7: "I will look into your request and be in touch."

A follow-up email was sent a few weeks later. Oakland Schools did not offer further comment.

* According to documents obtained with a Freedom of Information Act request, the following 49 districts received invoices to pay dues to the TCA, but did not report the expenditures:

In Oakland County: Avondale, Birmingham, Clawson, Hazel Park, Holly, Lamphere, Oak Park, Oxford, Pontiac, Rochester, Southfield, Troy, Waterford and West Bloomfield.

In Macomb County: Anchor Bay, East Detroit, Fitzgerald, Lake Shore, Lakeview, L'Anse Creuse, Mount Clemens, New Haven, Richmond, Romeo, South Lake, Van Dyke and Warren Consolidated.

In Wayne County: Dearborn, Dearborn Heights, Detroit, Ecorse, Flat Rock, Gross Ile, Grosse Pointe, Hamtramck, Harper Woods, Highland Park, Huron, Inkster, Lincoln Park, Plymouth-Canton, River Rouge, Riverview, Romulus, South Redford, Southgate, Taylor, Westwood and Wyandotte. ■

The original version of this story was posted online on Apr. 22, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18542.

analysis documents should give you the information you seek."

But full funding details on the school aid fund from the Senate Fiscal Agency show increased money going to schools in the upcoming budget.

Publicly funded, private dealings

Because it is a public intermediate school district, Oakland Schools has to comply with open records requests and Capitol Confidential was able to obtain documents used for this story. That will not be the case going forward.

According to an agreement between the Tri-County Alliance and Oakland Schools, the organization will be moving from being housed at the district to the Lansing area. A FOIA request to the public school district was responded

actions will soon be hidden from public view.

Taxpayer dollars are being used to lobby for more taxpayer dollars with little scrutiny from the people funding it. By creating a nonprofit, southeastern Michigan school districts are able to fund a political lobbying arm and avoid disclosing these activities.

A request to comment on the Tri County Alliance and specific information uncovered for this article were not returned by executive director Burton. A request for comment sent to the school districts of Detroit and Utica also were not returned.

A request for comment from Farmington Public Schools superintendent Sue Zaralec, who served as the interim executive director of the TCA earlier this

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Speedway Assistance: Public Safety or Corporate Welfare?

Senate budget appropriates \$800K for traffic control at Michigan International Speedway

BY JACK SPENCER

Handing over taxpayer dollars to assist Michigan International Speedway has become a tradition at the state capitol.

The Senate version of the 2014 state police budget would appropriate \$800,000 for traffic control at Michigan International Speedway (MIS). If that appropriation stays in the budget, it would bring the amount of budgeted taxpayer dollars used to help support MIS over the past five years to just shy of \$20 million.

Senate Bill 185 labels the appropriation as “Traffic Control Support.” It is used to pay for the state police to handle traffic control around the speedway, particularly for a couple of heavily attended events.

In the fiscal years between 2010 and 2012, Michigan taxpayers doled out \$18.1 million in special tax credits to MIS. One of the larger credits was the NASCAR Safety Credit. Its stated purpose was for improvements to, and maintenance of, traffic and pedestrian safety at the speedway. The stated goal of the credit was to defray the cost of addressing congested traffic conditions auto racing fans had experienced, particularly when exiting MIS, which could make them reluctant to come back for future events.

Gov. Rick Snyder’s policy on credits took hold in the 2013 budget and assistance to MIS was reduced to a \$774,812 appropriation to pay for the state police to provide traffic control at the facility. Now, \$800,000 is proposed for the 2014 budget.

“Corporate welfare comes in many flavors,” said Jack McHugh, senior legislative analyst for the Mackinac Center for Public Policy.



AP Photo

“But regardless of the form it takes, it’s still corporate welfare.”

However, Roger Curtis, spokesman for MIS, said the speedway has not asked for anything more from the state than would be expected for other events that are major attractions.

“Dr. Gary Wolfram from Hillsdale College said it best in that, ‘MIS serves as the equivalent of a venue similar to Disneyland in that, in effect, it is an export industry where out of state residents purchase services from a Michigan producer,’” Curtis said. “Because we are one of the few NASCAR Sprint Cup Series tracks not located near major interstates or state roads, we have historically had the worst traffic of all NASCAR tracks. It used to take five hours to empty all of our parking lots, and that did not include campers.

“We have not asked for incremental or special taxes of any kind,” Curtis continued. “We have not asked for a block grant to spend. We have targeted a very specific need and presented our case in purely economic terms and merits and asked that they stand

on their own. Many states and municipalities will include such services in packages to ensure that they secure special events that drive large, real and meaningful economic impacts such as Super Bowls, Final Fours and Ryder Cups.”

Currently, the House version of the state police budget does not include money for MIS. That measure is House Bill 4328, sponsored by House Appropriations Committee Chair Joe Haveman, R-Holland.

Haveman said he doesn’t oppose the \$800,000 appropriations carve-out. He said the fact that it isn’t in his bill doesn’t necessarily mean it won’t be put in.

“I really don’t have a problem with it,” Rep. Haveman said. “I’m fed up with the whole thing about picking winners and losers. I think it’s getting to the point where it is too much of a clique. We’re having other very serious discussions about this budget. I think we can make good decisions for the people of Michigan. This (the MIS carve-out) is something I just don’t have a problem with.”

However, if Sen. Patrick Colbeck, R-Canton, had gotten his way, the Senate version of the state police budget wouldn’t have any money in it for MIS traffic control. Sen. Colbeck chairs the Senate Appropriations Subcommittee on the state police budget. He is the sponsor of Senate Bill 185, but after it was reported from his subcommittee (without speedway traffic control dollars), the \$800,000 was added to the bill by the full Senate Appropriations Committee.

“It wasn’t in my budget,” Sen. Colbeck said. “I don’t think this is an appropriate use of taxpayer dollars. If MIS wants to have the state police for traffic control near the speedway, that’s fine, but they should be the ones paying for it.

“Supporters of this (carve-out) argue that the speedway spurs investment in the state and has a big economic impact,” Sen. Colbeck continued. “But there are many community organizations across the state that also help stimulate economic activity. I’m sure many of those would love to have the state police help with their traffic control issues, too. I don’t understand why MIS should be a special case. It’s just picking winners and losers.”

It is likely that the differences between the two versions of the state police budget will be hashed out in a conference committee. Even if the money for the speedway does not end up in the budget, it could be slipped into a subsequent supplemental budget bill. ■

The original version of this story was posted online on May 7, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18612.

Michigan’s Craziest Laws: Don’t Seduce an Unmarried Woman or Dance to the National Anthem

Other statutes prohibit blasphemy, adultery, cursing

BY JARRETT SKORUP

A man seducing and corrupting the moral purity of an unmarried woman is a felony with possible prison time. Throwing a few bucks into the office college basketball tournament pool is illegal gambling. And playing the national anthem for people to dance to is a misdemeanor.

Though routinely broken and ignored by citizens and government officials, these laws and more are on the books in Michigan. In fact, there are so many statutes in the state code that it is likely every resident would be considered a criminal if the codes actually were prosecuted.

State and federal laws are being added so quickly that the average citizen commits three felonies per day and cannot possibly figure them all out, said attorney Harvey Silverglate.

“Many laws are indeed routinely broken,” he said. “Since no individual can keep track of what is illegal, every citizen is in danger of being singled out for prosecution simply because he or she has come within the sights of a law enforcement official. This makes us all vulnerable to official power.”

Silverglate is the author of the book, “Three Felonies A Day,” and estimates that there are 4,000 federal criminal statutes with

See “Craziest Laws,” Page 12

COURT RULES

from Page Five

The ruling, coupled with the right-to-work law, will make it more difficult for the MEA to retain members, said Mike Antonucci, who reports on national education union issues for the Education Intelligence Agency in California.

“Not only does the local have to persuade each teacher to sign up, but to also arrange a form of payment. And it will (probably) not have the power to have the teacher dismissed for non-payment,

leaving the union in the same bind as any other business that gets stiffed by a customer,” Antonucci said. “In short, the ruling will act as an intensifier of the right-to-work law. By itself, it gets the school district out of the business of collecting dues for the union, which is a good thing, but it would only have a small effect on union finances.”

However, not everyone sees the ruling as that significant. Bill Milligan, a Gladstone Area Schools school board member, said if school districts can still take dues out for the unions under the law, it

won't be that big of a deal.

“If it's optional, I don't see it having a big impact, as many districts do it as a courtesy because it really isn't a cost or time thing for the district once it's set up,” Milligan said. “It's a cheap price to pay to show some good will toward the employees.”

Doug Pratt, spokesman for the MEA, didn't respond to a request for comment. ■

The original version of this story was posted online on May 10, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18626.

TEAMSTERS PENSION

from Page Nine

plans are designed for workers in industries where it is common to move from employer to employer. Often the employers are small private sector businesses, especially those in the construction industry.

In addition to construction, other industries that tend to have workers covered by multi-employer pension plans include trucking, garment manufacturing, and grocery stores. Among the largest multi-employer pension plans in the country are the Teamsters' National Master Freight Agreement for the Central States, Southeast, and Southwest areas; the United Food and Commercial Workers' pension plan; several construction trades' plans (such as carpenters, electricians, and plumbers); and the Union of Needletrades, Industrial and Textile Employees' plan.

A little more than five years ago, the increasing costs associated with withdrawing from pension plans caused one large company, UPS Inc. (United Parcel Service), to buy its way out. In December 2007, UPS paid \$6.1 billion to withdraw from the Teamsters Central States fund. At the time, UPS was large enough to cut a deal. Under the arrangement,

UPS was still liable for its own employees' retirement, but was excused from having to pay for the retirement of other Teamsters who never worked for it.

“Mr. Kerver's story is sad but not unique,” said F. Vincent Vernuccio, director of labor policy for the Mackinac Center for Public Policy. “Multi-employer union pension underfunding can have a real effect on businesses, large and small.

“Whether it was the structure of multi-employer plans, bad investments, businesses going bankrupt, malfeasance, or just bad luck, many of these plans around the country are in dire straits,” Vernuccio said. “The plans put a strain on businesses' bottom lines and can make them less competitive and harm their ability to support their retirees. Unions need to step up to the plate and take responsibility for the retirement they promised their members and for the funds they helped manage.”

Kerver said Fastdecks is a small

business that can employ from 20 to 100 workers but employing as many as 100 would be unusual. Its annual earnings are from \$3 million to \$7 million, but Kerver said \$7 million would be in an unusually good year.

“We're supposed to pay \$2,466 a month to the Central States fund for 20 years,” Kerver said. “With interest, it will add up to about \$580,000.

“Over the years we've been generous with our employees. But now the money we could have used to continue that policy is being sent to the pension fund,” Kerver continued. “I'm one of three owners of the company and we're experiencing a lot of angst. All these years we've been working hard and making sure our employees were covered. But we don't have any pensions ourselves. All we have is our savings.” ■

The original version of this story was posted online on May 2, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18574.

CRAZIEST LAWS

from Page 11

countless more state and local regulations.

In Michigan, some of these laws seem crazy, archaic or both.

Authorities would have to prosecute within a year, but if they do, Section 532 of an early 1930s law criminalizes “any man who shall seduce and debauch any unmarried woman.” The act is a felony, punishable by up to five years in prison or a \$2,500 fine.

Michigan's law regarding the national anthem is Act 328 of 1931. It prevents the “Star Spangled Banner” from being “played, sung or otherwise rendered ... except as an entire and separate composition or number and without embellishments ... nor be played as a part or selection of a medley of any kind ... nor be played for dancing or as an exit march.”

Another statute involves low-level gambling. Though state law allows an exception for card games played at home in which there is no money taken by the house, it remains mostly illegal to make monetary bets — even on minor things. While an estimated 50 million Americans fill out March Madness brackets, those putting money in a pool are breaking state law, which prohibits betting on college sports.

“From a legal standpoint, gambling is still illegal, although I think that generally enforcement turns a blind eye to these things,” Travis Dafoe, a Saginaw County lawyer, told MLive in March. And the federal government has been known to warn its employees against taking part in betting on

the basketball tournament.

Other acts prohibited in the state include having an unlicensed dog (the sheriff is required to kill the animal), adultery (a felony), mocking a person for refusing to duel, exhibiting deformed human beings, marrying an inmate girl from the Adrian training school without the permission of the superintendent, and cursing or blasphemy.

And while these may sound crazy, some are occasionally prosecuted.

In 1998, a man dubbed the “cussing canoeist” was convicted of violating a 101-year-old law for swearing after he fell out of a canoe on the Rifle River. The 1897 statute “prohibited using indecent, immoral, vulgar or insulting language in the presence or hearing of women or children.” While the ACLU eventually had the law struck down by the Court of Appeals, a separate Court of Appeals case from 1996 held that “the fact that a statute has not been recently enforced does not mean that it has been repealed de facto.” The case, *Stopera v. DiMarco*, cited *Washtenaw Co. Rd Comm'rs v. Public Service Comm.* (1957), which stated “statutes do not wither by disuse.”

Many of the laws on the books in Michigan may be considered unconstitutional if ever actually prosecuted. And while the regulations are mostly forgotten, ignored or unknown, there they sit for whenever the state or another citizen wants to go after someone.

“An excess of laws is very bad for society,” Silverglate said. “It saps the vitality of a state or nation for citizens to have to spend so much time figuring out if they may or may not take a certain action — with a misjudgment at their peril.” ■

The original version of this story was posted online on April 29, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18552.

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Proposed Bill Would Provide Accountability For Land Banks

County land banks rife with problems

BY JARRETT SKORUP

The Wayne County Land Bank scooped up 240 acres, spent \$26 million on “improvements,” and sold the land to a developer for \$1 with the promise of thousands of jobs; who promptly turned around and resold seven of the acres for \$179,000 while the jobs never materialized.

The Kent County Land Bank has blocked more than 40 properties from being sold, stopping sales to private developers to fund land bank operations, despite state law prohibiting the entities from doing so.

The land bank in Genesee County wants to selectively subsidize housing for certain government employees.

Land banks are government entities that acquire tax-foreclosed properties with the intent to sell it later at a profit. In Michigan, they tend to be run by counties and have had multiple problems. But a new bill would create more oversight of the land banks, limit some of their power and ensure legal recourse if they violate state law.

House Bill 4626 was recently introduced by Rep. Ken Yonker, R-Caledonia. He said the bill’s intent is simple: holding the entities accountable.

“This creates an avenue for a person or entity to be able to file

a grievance when a land bank operates illegally,” Rep. Yonker said. “If they are found guilty of violating state law, the director will be terminated.”

He said the proposed law would help deal with some of the problems that have cropped up with land banks, especially the issue in Kent County.

“In Kent County, the land bank cherry-picked properties with higher values and then did the auction,” Rep. Yonker said. “That is blatantly against state law. It is an example of government overreaching and that is not acceptable.”

Land banks have been around for a long time, but began to take off in some states when the federal stimulus program began pumping in money in 2009.

The issue could become even more prominent if one Michigan Congressman gets his way. U.S. Rep. Dan Kildee, D-Flint, has introduced a bill at the federal level that he said would spend \$1.9 billion funding demolitions to “eliminate blight.”

But the text of the “Revitalize America Act of 2013” makes it clear that a lot of the money would go to land banks or similar organizations. Before winning his seat in Congress in November, Rep. Kildee headed an

organization that promoted land banks, and previously was the head of the Genesee County Land Bank.

Audrey Spalding, a policy analyst at the Mackinac Center for Public Policy who has studied government land banks for years, said the Rep. Yonker bill would provide much-needed accountability.



Rep. Yonker

“Land banks have a long history of failure in the United States,” she said. “Michigan politicians got ahead of themselves when they approved the state’s land bank law. Government land bank officials try to play the role of speculator, developer and landlord and Michigan taxpayers have pay for it. It’s a great sign for taxpayers that legislators are considering land bank reform.”

Rep. Yonker said the land bank’s responsibilities are to try and keep area property values from falling by helping eliminate blight. But some of the county entities have gone too far.

“When private industry buys [the property], they pay taxes. But if we allow government to take over private business, we’re taking land out of the tax base,” he said. “That’s not economic development at all.” ■

The original version of this story was posted online on May 4, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18608.

Bill Would Lessen Mandates on Landscape Architects

BY JARRETT SKORUP

The State of Michigan was admitted into the union in 1837 and for most of the time since then, landscape architects were able to work without having to jump through a bunch of hoops with the government.

That changed a few years ago, but a bill in the State House would repeal some of those requirements.

In 1980, Michigan began requiring landscape architects to register with the state. In 2008, House Bill 5025 was passed, establishing a committee(s) that mandates requirements to work. The state now requires seven years of education or work experience, university-level courses, and classes that are approved by the trade group American Society of Landscape Architects (ASLA). For permission to work, citizens also need five references, three of which must be licensed architects themselves.

These requirements came because of a lobbying effort, said Rep. Ken Yonker, R-Caledonia. He recently introduced House Bill 4686, which would repeal the licensing law.

“We want to eliminate some of the licensing for the non life-threatening industries to undo some of the regulatory burden in the state,” Rep. Yonker said.

These types of licensing requirements hurt small businesses, said Lee McGrath, a legislative counsel with the Institute for Justice, a public interest law firm.

“Occupational licensing laws hurt entrepreneurs and employees by reducing jobs and opportunity by imposing arbitrary and unnecessary requirements,” he said. “In these troubled economic times, the best way to help put

people back to work is to eliminate arbitrary barriers to entry into honest livelihoods.”

The Michigan chapter of the ASLA, which approves the current classes prospective landscape architects take, is against the changes. The group says that repealing licensure for landscape architects will make Michigan the only state to have done so.

In talking points arguing against deregulation, the group said:

“Landscape architects compete and collaborate with other design professions, such as architects and civil engineers. Without licensure, we simply cannot compete and our businesses cannot function. Licensure levels the playing field for Michigan landscape architects by eliminating this competitive disadvantage on a regional and national basis, even within our own profession.”

They also think Michigan graduates will leave to seek work in other states without the mandate.

Rep. Yonker said they are working with some of the industries to try to shift away from state licensing to standards from the private associations, calling the current rules a “barrier to entry.”

“If they feel that their industry needs to be monitored for quality, then let them do it and pay for it,” Yonker said. “Why should taxpayers do it?”

(Editor’s note: Every Saturday, Michigan Capitol Confidential brings you a story about a bill being discussed in committee or presented in the Legislature for a vote. For more information on this bill, its sponsor or comments about the bill, go to www.michiganvotes.org.) ■

The original version of this story was posted online on May 25, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18669.

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TEA PARTY

from Page One

organizations. Registering as a non-profit ensures a more formal structure and makes it easier to collect donations.

Chiodo said they put together their mission statement and all the paperwork and filed with the State of Michigan and then the IRS in August 2011. The organization helping with the registration told him it should have been an easy application. Apparently it was not, however, on the federal government's end.

"We didn't hear anything for a long time," Chiodo said. "No response, no nothing."

The group eventually got a letter from the IRS after resubmitting the application and was told it would hear something in 60 to 90 days.

"It must have been a typo —

should have been 'years,'" Chiodo said.

Members of the group began making calls in January to find out what was going on. The Ottawa County Patriots had paid money to apply as a non-profit which, and at the very least, they wanted to get back.

"We tried to withdraw it and for them to give us back our 400 bucks," Chiodo said.

The IRS never approved the group or cashed the check.

In the meantime, group members began hearing rumors that the IRS was unfairly rejecting the applications of small government and tea party groups.

In fact, on its website, the group has had the following statement for some time now:

"Non-profit status:

We are waiting for the IRS to

approve our application for 501C-3 status. This will allow donations to our group as tax deductible.

Hopefully, the rumors of IRS delaying approval for tea parties is really a rumor."

Those rumors were recently confirmed by agency officials and a federal investigation has begun. President Barack Obama and Attorney General Eric Holder called the practice "outrageous and unacceptable," Fox News reported.

Chiodo has been contacted by the national Tea Party Patriots and a congressman and recently attended a press conference in Washington, D.C. ■

The original version of this story was posted online on May 15, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18640.

apparently think they should be the judge of what should be made public.

In April 2011, an administrator from a public school told staff members at the Mackinac Center that local teachers' unions were not paying their FOIA bills for information they had requested from the district. In an attempt to see how widespread the practice was, Michigan Capitol Confidential sent FOIA requests to the numerous school districts asking if there were unpaid FOIA bills from unions.

"Please stop bothering our school district (and others in the state) with time consuming and petty requests such as these," wrote William Disch, the assistant superintendent for business services at Mattawan Consolidated School. "You are keeping us from our mission which is to educate the students of our community. These requests serve no other purpose than to further your own political agenda."

The FOIA requests uncovered that about a dozen districts had unions with unpaid FOIA bills. ■

The original version of this story was posted online on May 9, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18676.

REPUBLICANS

WOBBLY

from Page Five

Perverseness

- The Law of Unintended Consequences, Obamacare Edition – National Review
- Some Unions Angry With Obamacare's Unintended Consequences – Huffington Post
- The IRS's Role in Implementing Obamacare – Heritage Foundation

Insurance Price Sticker shock

- Despite liberal spin, Obamacare will raise CA premiums – Avik Roy in Forbes
- ObamaCare's raising insurance costs – Daniel Kessler in the Wall Street Journal
- The rate-shock danger – The Economist
- ObamaCare's Health-Insurance Sticker Shock

– Wall Street Journal

Fiscal Unsustainability

- CBO: Obamacare costs double to \$1.8 trillion in first decade – Washington Examiner
- Obamacare Budget Bombshell – Heritage Foundation
- Trust not in Obamacare Medicaid Cost-Share Promises – Mackinac Center
- Michigan Lawmakers Will Add \$22 billion to National Debt with Expansion – Mackinac Center

In the fevered intensity of Lansing caucus rooms, lawmakers are sometimes stampeded by a false sense of urgency. They need to pause and imagine how their current actions will be perceived next January, when daily headlines are exposing Obamacare's harmful impacts on real people. ■

The original version of this story was posted online on June 10, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18723.

FOIA REQUESTS

from Page Five

for the charge:

"Michigan's Freedom of Information Act permits a public body to charge a fee for the cost of [duplication, mailing, search, examination, review, and the deletion and separation of the requested records] [or: complying with a request for records] if those costs are unreasonably high given the nature of the request. Under WSU's Freedom of Information Act Policy, a charge will be assessed if the cost is \$50 or more. FOIA recognizes that an indigent person requesting the records may be unable to pay the complete fee. The statute and WSU's policy exempts that individual from the first \$20 of the fee if they submit an affidavit stating that he or she is receiving public assistance, or stating other facts showing indigence. Otherwise, the statute mandates that fees are to be uniform and not dependent on the identity of the requesting person."

In another instance, the Mackinac Center put in a FOIA request to

Michigan State University in 2011 regarding an ongoing plagiarism investigation of a professor. One of the numerous redactions made by MSU was a Michigan Capitol Confidential article. MSU said records that contained information not responsive to the request were redacted.

The Michigan Press Association has numerous other examples of news organizations facing FOIA obstacles.

Kalamazoo Public Schools wanted to charge \$5,000 for a FOIA request for 12 categories of information. That charge included labor costs. The school admitted it never had established and published procedures and guidelines governing FOIA costs, said Robin Luce-Herrmann, general counsel for the MPA.

"On a weekly basis, I deal with citizens and reporters who are unable to get basic information about the functioning of their government," Luce-Herrmann said in a letter.

Many government entities have simply ignored, or delayed for months, requests from Michigan Capitol Confidential.

Other times, public officials responding to FOIA requests

SEIU PLAN

from Page Six

members or friends taking care of loved ones, and;

- That there was so little demand for the dummy employer's background check registry that it has now been absorbed by the Department of Community Health without a single additional employee being needed to maintain it.

There is another significant piece of information in the document. At several points in the document, the Michigan Quality Community Care Council (the entity that was created to help coordinate payments to the union) is referred to as the "employer" of the caregivers. At one point, the document states that "the State had already taken steps to dismantle MQC3, meaning that there would be no employer with whom to bargain after April 2013."

It is significant that the SEIU calls the MQC3 the employer of those workers because the MQC3 disagreed. In a Freedom of Information Act request last year, documents from the MQC3 to home caregivers specifically said the MQC3 was not the employer. Under the heading: "What the MQC3 Is Not" it said in bold: "We are not your employer: The Consumer is your employer."

The union wants to overturn Public Act 76, which outlawed the SEIU scheme.

SEIU Healthcare Michigan spokesman Zac Altefогt did not respond to a request for comment.

(Editor's note: The story has been edited since its original posting. More detail about the "right-wing forces" that the union blamed for ending the unionization of home-based caregivers was added to the story.) ■

The original version of this story was posted online on May 6, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18609.

Legislators Steering Michigan Toward Red Light Cameras

Photo ticketing bills presented in the Legislature

BY ANNE SCHIEBER

Michigan lawmakers have introduced bills that would legalize unmanned red light cameras in the state.

The bills, House Bill 4763 and 4762, were introduced May 22 by Reps. Wayne Schmidt, R-Traverse City, and Thomas Stallworth III, D-Detroit. The bills define running a red light that's caught on camera as a civil offense. That differs from a 2007 opinion from then-Attorney General Mike Cox, who said Michigan law recognizes red light running as a criminal violation, and the law was not authorized for photo ticketing.

On June 4, the House Transportation Committee

heard testimony on the matter. A representative from a safety group supported by a company that sells red light cameras, American Traffic Solutions, spoke in favor of the bills. Five people spoke against the bills.

Jim Walker of the National Motorists Association, said his organization has a number of studies on its website showing red light cameras cause more harm than good. The bills were still in committee when the legislature adjourned for summer recess. ■

The original version of this story was posted online on June 6, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18710.

FILM INCENTIVES

from Page Seven

result in a repeat of the last year's \$50 million level of spending on the film incentives? Michigan Capitol Confidential asked some of the conference committee members that question.

On May 23, the members of the conference committee for the general government budget were named. They were: Sen. John Pappageorge, R-Troy; Sen. Roger Kahn, R-Saginaw; Sen. Bert Johnson, D-Highland Park; Rep. Earl Poleski, R-Jackson; Rep. Eileen Kowall, R-White Lake; and Rep. Fred Durhal, D-Detroit.

against it, or if they got bought off, or what . . . ?”

There might not have been any active lobbying against the film incentives in the Capitol, but outside, many have questioned whether it is wise or appropriate for government to subsidize the film industry.

Rep. Poleski said the decision on the \$50 million for the film incentives was set by leadership of the House and Senate and the Snyder administration in the final budget targeting talks.

“That was all part of the target setting process on a \$49 billion budget,” Rep. Poleski said. “There

were made and there were some people who invested based on those commitments. It's difficult to end them all at once. It might be better to phase them out.”

Sen. Pappageorge is a supporter of the film incentives.

“You have to remember that when the governor decided on \$25 million, that was before the May revenue estimating conference,” Sen. Pappageorge said. “After that (which estimated an additional \$483 million in revenues), there were suddenly a lot of things we could do that we hadn't previously believed we could.”

“We have higher priorities,” he said. “Education, fire and police will always get funded. But every year there are items you'd like to do that are on the bubble. This was one of those. After the May estimates, we could do it.”

Pappageorge said he thinks the status of the incentives in next year's budget will depend on the economic outlook.

“If the economy is flat or worse, it could be difficult to fund them,” he said. “You don't know ahead of time. Every year is different.”

Sen. Pappageorge said it was important to note that the rules attached to the film incentives have been tightened.

“We have new regulations to ensure that they stay within Michigan,” he said. “There are different rules this year. Nobody will be able to just come in with a van for a couple of months.”

Sen. Johnson and Rep. Kowall did not respond to a request for comment. ■

The original version of this story was posted online on June 11, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18719.



“I think the studios made a big push for them,” Rep. Durhal said. “I was very cautious at first, but they won me over. I tend to believe that this is a new industry and I think we should help it out.”

Rep. Durhal said there was almost no opposition to the film subsidy proposal.

“Maybe a little from the governor's office, but I was never approached by anybody who opposed them,” he said. “If I don't see anyone on the other side, it makes me wonder if anyone is

are a lot of things that come out of the budget process that we may not like and other things we might like. For instance, we managed to do the transportation budget without increasing taxes.

“I'm not a big fan of the incentives,” Rep. Poleski continued. “Why should we give incentives to them (the film industry)? We don't do that for most businesses. A lot of people in our caucus don't like the incentives. Our [the House's] budget didn't include them. That being said, some commitments

program that doesn't improve health outcomes,” he said.

Rep. Tom Hooker, R-Byron Center, who sits on the Michigan House Health Policy Committee, said he had not seen the study, but the results do not surprise him.

“Just because someone knows they have health issues does not mean they are going to necessarily do something about it,” he said.

Rep. Hooker said he would rather the state look at other ways to deal with health coverage as well as change the system for those already on Medicaid, like requiring a small co-pay.

“As far as the expansion, I am very, very, very hesitant,” he said. “This is an expansion of an entitlement and I don't see myself supporting it at a time when the federal government is borrowing so much money.” ■

The original version of this story was posted online on May 3, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18605.

MEDICAID

from Page Six

States around the country are currently debating whether or not to expand their programs.

Gov. Rick Snyder has proposed expanding Medicaid in Michigan which would add 470,000 people to the publicly funded program, his office estimates.

“The pro-expansion argument usually revolves around the piles of cash — from taxpayers in other states — that will redound to the particular state in question,” said Avik Roy, a senior fellow at the Manhattan Institute, who recently was in Michigan speaking about Medicaid expansion. “But every state will still have to spend a considerable sum of its own money to sign onto the Medicaid expansion.

“At a time when middle-income Americans are themselves being squeezed by Obamacare's hikes to health insurance premiums, it is positively unethical to take money from them in order to fund a broken

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I'M JUST A BILL

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**A sampling of proposed
state laws, as described on
MichiganVotes.org**

House Bill 4328

**Final 2013-14 state budget:
Passed 63 to 46 in the House**

The final House-Senate compromise version of the non-education portion of the state government budget for the fiscal year that begins on Oct. 1, 2013. This would appropriate \$34.392 billion, compared to \$34.355 billion the previous year. (When interdepartmental transfers are deducted the amounts are slightly lower.)

When amounts appropriated for education are added (see House Bill 4228), the state budget for the next fiscal year will be \$49.520 billion, of which \$19.331 billion is federal money. Total state spending from state taxes, fees, fines, etc. will be \$30.189 billion, a 4.0 percent increase over the previous year.

House Bill 4328

**Final 2013-14 state budget: Passed
24 to 14 in the Senate**

The final House-Senate compromise version of the non-education portion of the state government budget for the fiscal year that begins on Oct. 1, 2013. See description above.

House Bill 4714

**Accept federal health care law Medicaid
expansion: Passed 76 to 31 in the House**

Introduced by Rep. Matt Lori (R)

To expand Medicaid eligibility to families and childless adults up to 138 percent of the federal poverty level, which implements a key component of the federal health care law (aka "Obamacare").

House Bill 4813

**Create process for dissolving fiscally-failed
school districts: Passed 58 to 49 in the House**

Introduced by Rep. David E. Rutledge (D)

To establish criteria and procedures for dissolving a school district that has become so financially unviable that it can no longer educate students, and for attaching the failed district's territory to one or more nearby school districts. The bill was introduced after the Buena Vista and Inkster school districts reached this state shortly before the end of the 2012-2013 school year.

Senate Bill 163

**Revise wetland use permit details:
Passed 66 to 42 in the House**

Introduced by Sen. Michael Green (R)

To expand certain exemptions to a state wetland permit mandate, increase some wetland permit fees and reduce others, require permit denials to document their rationale and authority, authorize grants to local governments to create "wetland mitigation banks," slightly reduce wetland regulatory burdens imposed on county drain commission projects, slightly increase the state's burden to justify restrictions on an owner's use of his or her property, prohibit the Department of Environmental Quality from imposing regulations that are beyond the scope of those required by federal law, and make other changes to these land use restrictions.

Senate Bill 284

**Authorize electric bill surcharge
for low income heating subsidies:
Passed 86 to 21 in the House**

Introduced by Sen. Mike Nofs (R)

To authorize imposing a \$1 per month surcharge on customer electric utility bills, and use the money to provide up to \$50 million annually in low income home heating subsidies.

Senate Bill 300

**Establish and impose minimum
indigent defense standards:
Passed 32 to 6 in the Senate**

Introduced by Sen. Bruce Caswell (R)

To establish statewide standards and accountability measures for court-appointed attorneys who represent indigent criminal defendants, and establish a process by which all counties in the state would be required to conform with the standards. If a local government failed to adopt them, a state commission could take over its indigent defense administration, and impose a gradually increasing portion of the state's costs for this, up to 40 percent. Locals would be responsible for maintaining funding at current levels, and all this would be subject to a detailed appeals process. The bill authorizes but does not fund state grants to cover increased costs.