SEIU Membership Drops 80 Percent After Dues Skim Ends

BY JACK SPENCER

More than 44,000 home-based caregivers no longer are part of the SEIU Healthcare Michigan, according to federal reports filed by the union.

The workers previously were forced to pay dues or fees to the SEIU after the union orchestrated a scheme that took money from the Medicaid checks of the people the workers were caring for in homes across the state. The “dues skim” ended in 2013, but not before the SEIU took more than $34 million from the elderly and disabled across the state.

According to the union’s LM-2 report filed with the U.S. Department of Labor, 44,347 home-based caregivers no longer are union members. That number represents virtually all of the long-term home-based caregivers affected by the dues skim. It also is more than 80 percent of the 55,265 members the union claimed to have at the end on 2012.

In the mid-2000s, the Service Employees International Union targeted the assistance checks of Michigan participants in the federal Home Help Program as a potential revenue source. The Home Help Program, which began in the 1980s, allows the elderly and disabled to be cared for in their homes instead of being put in nursing homes or long-term care facilities. A majority of the caregivers in the program are family members or friends who take care of loved ones.

The dues skim scheme was created in 2005 when Jennifer Granholm was governor and incorporated the use of a dummy employer, the by-mail election, and assistance by some Republicans in the Legislature who did not act to end the scheme with legislation. The dues skim lasted from 2006 to early 2013.

During those years, the SEIU Healthcare Michigan boasted that it was the fastest growing union in the state. However, according to the union’s LM-2 report, its membership has fallen to 10,918 since the home-based caregivers were freed from the forced unionization on March 1, 2013.

“This evidence shows the truth about the Granholm-inspired unionization of those in the Home Help Program,” said Patrick Wright, director of the Mackinac Center Legal Foundation. “When given the choice, those in the program didn’t want to give the union a dime.”

Michigan Families Helped Harris v. Quinn Succeed

BY JACK SPENCER

The recent U.S. Supreme Court ruling in the Harris v. Quinn case means that parents of disabled children, relatives and friends taking care of loved ones and child care providers can no longer be forced to financially support unions simply because they receive taxpayer-provided assistance.

“I felt like doing back flips,” said Sherry Loar, when asked her reaction to the high court’s decision. Loar is the Petoskey child care provider, who in 2009 brought the first forced unionization of workers to the attention of the Mackinac Center for Public Policy.

“Trying to bring to light the fact that this is about preventing money that belongs to families seeking aid from being sent to union slush funds has been such a long road.”

The 89,000 Clean Energy Jobs Myth

BY TOM GANTERT

Former Gov. Jennifer Granholm used an oft-repeated but ever changing statistic recently when she cited Michigan as having 89,000 “clean energy” jobs at the World Energy Innovation Forum in California.

However, there appears to be no basis for the 89,000 figure, which has been repeated in various forms by numerous organizations.

Carole Love, director of communications for the former governor, said she believes the number is a projection for the year 2020 based upon industries currently in Michigan, not current job numbers. That means numerous organizations are erroneously reporting the 89,000 jobs figure as jobs already existing, and so is Granholm’s own website.

Granholm’s website states: “her leadership attracted to Michigan more than 89,000 clean energy jobs ...”
The Michigan Education Association says members may opt-out only in the month of August. Now is the time to make your decision.

AugustOptOut.org
A MESSAGE FROM THE President

HOW TO TELL WHAT A BILL ACTUALLY DOES

BY JOSEPH G. LEHMAN

We might not have the ObamaCare mess if more people judged legislation by what it actually does instead of what its proponents hope it will accomplish. Think of verbs to truly understand what a bill does. There are specific verbs that describe the precise action of any bill. The Mackinac Center’s short, plain-English bill descriptions (found on the VoteSpotter app and MichiganVotes.org) are built around those verbs. A great many descriptions include words like “prohibit,” “mandate,” “impose,” “tax,” “require,” “restrict,” “penalize” and “subsidize.”

If those verbs sound negative, it’s not because we have a bias against the bills. It’s because those verbs simply are the things bills do. A good law to protect citizens from killers does so by “prohibiting” murder. A bad law to “create jobs” won’t hire anyone but it may directly “subsidize” film makers.

ObamaCare’s official name is the Patient Protection and Affordable Care Act. There are three main things the 2,000-page law actually does:

1) Mandates the purchase of health insurance; 2) Defines what constitutes acceptable insurance coverage and prohibits unacceptable plans; and 3) Subsidizes some people’s purchase of health insurance and imposes an array of new taxes, fees and regulations.

ObamaCare might be even better understood if we pretend for a moment that it involves housing instead of insurance, since most people are more familiar with homes than insurance.

ObamaHome would: 1) mandate universal home ownership; 2) define what constitutes an approved home and require demolition of noncompliant homes; and 3) subsidize the new homes of certain people and impose new housing bureaucracies, fees, taxes and regulations.

Political opportunists with ties to home builders would note that not everyone owns a home even after public policies propelled home ownership to historic heights. They would lump together everyone who does not own a home — renters, those living with relatives or friends, those saving for a home, those who just prefer not to own a home, and the truly homeless — and label them all “the unhoused.”

The truly unhoused — those with utterly no roof over their heads and no one to help them — would constitute a tiny minority. Wise observers would liken their number to those very few who need health care but can’t even obtain it at emergency rooms for some reason. A problem, but not one big enough to remake the entire health care market, for instance.

The president would pledge: “If you like your home, you can keep it.” Bulldozers would later demolish millions of houses in front of their gasping owners.

The fine for not buying a home would be renamed a tax. New homes would include mandatory features like wheelchair ramps and electric car plug-ins people may not want or be able to afford. All housing costs would jump.

Those needing a housing subsidy would be funneled to a faulty government website that would render hundreds of thousands temporarily homeless.

But “housing the unhoused” would sound a lot better than “mandate,” “prohibit,” “subsidize” and “impose,” even though those verbs would describe exactly what ObamaHome does.

Joseph G. Lehman is president of the Mackinac Center for Public Policy. The original version of this story was posted online on June 2, 2014. It is available with hyperlinks and more info at www.mackinac.org/20138.
MICHIGAN LOSES 40K GRADS; CORPORATE WELFARE PROGRAM PAID $127K EACH TO KEEP 125 OF THEM

BY TOM GANTERT

Attracting about 125 college graduates a year won’t do much to stop an annual exodus of nearly 40,000. But the corporate welfare arm of Michigan government is happy about spending $126 million for that result.

James Hohman, assistant director of fiscal policy at the Mackinac Center for Public Policy, questions the assertion made by a state official that a Michigan Economic Development Corporation program is helping reverse a “brain drain.”

Paula Sorrell, the senior vice president for entrepreneurship and venture capital for the MEDC, made her pitch for how her organization is helping stop the exodus of young college graduates from the state.

In an op-ed in Bridge Magazine, Sorrell wrote, “The tech sector developed here also serves as a reverse ‘brain drain’ for graduating college students who now stay in Michigan because they want to be part of exciting new tech companies.”

She added, “The state kicked off the 21st Century Jobs Fund about a decade ago and now provides some form of support to about half of the state’s venture capital funds.”

The MEDC has a 21st Century Jobs Fund that gives money to venture capital firms. Since 2006, the fund has given $126.4 million to firms that it says will have either retained and/or created 995.5 jobs — that is about $127,000 for each job. The program as a whole has repeatedly fallen short of the state’s projected jobs.

However, the state of Michigan lost 39,207 college graduates in just 2012, according to the Census Bureau.

The 21st Century Jobs Fund doesn’t have a significant impact of attracting college graduates to the state, Hohman said.

"If the program was really about retaining college graduates or reversing the brain drain, it is clearly a failure," Hohman said.

Nicole Kaeding, a budget analyst with the Cato Institute, said these state investment programs are ineffective and mostly a way for public officials to give the appearance of economic productivity.

"Economic development programs, like the 21st Century Jobs Fund, are popular among policymakers, but their effectiveness is questionable at best," Kaeding said. "State policymakers are inserting themselves into private market activities to entice firms to Michigan. A much better approach would be to lower the costs to businesses in the state by cutting taxes, and lowering regulatory burdens. These sort of development programs are an acknowledgement that Michigan is uncompetitive. Spending more money doesn’t solve the issue; it attempts to hide it."

The original version of this story was posted online on August 1, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20365.

Beverly Hills Cop

BY TOM GANTERT

Detroit is bankrupt and received a $195 million bailout from state taxpayers, but it apparently is the perfect backdrop for the new Beverly Hills Cop movie, which will get $13.5 million in state dollars.

The sequel to the 1984 classic will feature Eddie Murphy and is being made by Paramount Pictures, which is owned by Viacom. Viacom reported a profit of $3.7 billion in 2013.

"Now that’s irony," said Eric Larson, president of the Kent County Taxpayers Alliance.

The movie production is estimated to spend $56.6 million in Michigan while filming.

Viacom CEO Philippe Dauman received $37.2 million in compensation in 2013, according to a USA Today report. Viacom had revenue of $14.9 billion in 2013, which is about $1 billion more than Michigan spends on K-12 public education in state dollars.

"It’s bothersome that we are giving money to really rich people when we are raising taxes on people and crying poverty," Larson said. "We have a bankrupt city that we are bailing out and we are unable to fund our roads. You are basically giving money away to people who don’t need it. We have no movie industry that is going to be here any longer than the tax credits are."

Paramount had two movies that grossed more than $200 million in 2013: “Star Trek Into Darkness” ($228.7 million); and “World War Z” ($202.3 million), according to Box Office Mojo, which is a box office reporting service.

“You are taking what would have been in the revenue coffers and moving them into the pockets of the Hollywood elite,” said Scott Drenkard, an economist with the Tax Foundation, who has studied film incentives around the country.

He said trying to lure a transient business like Hollywood movies to the state should not be a high priority when spending taxpayer dollars.

“I just don’t think it is a good budget priority," Drenkard said.

Even filmmaker Michael Moore questioned in 2008 why Michigan should give film subsidies to a corporation like Viacom.

These are large, multinational corporations — Viacom, GE, Rupert Murdoch — that own these studios. Why do they need our money, from Michigan, from our taxpayers, when we’re already broke here?” he said. “I mean, they play one state against the other, and so they get all this free cash when they’re making billions already in profits. What’s the thinking behind that?”

Moore, however, received $841,145.27 from Michigan taxpayers for his movie attacking capitalism, according to a story in The New York Times.

The original version of this story was posted online on July 2, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20243.
Daycare Workers Could Get Refund

BY JACK SPENCER

Michigan daycare operators who had millions of dollars taken from them in a unionization scheme that has since been outlawed may get some of their money back.

On June 30, the U.S. Supreme Court ruled 5-4 in Harris v. Quinn that people who take care of others and are paid with funds that partially come from the state cannot be unionized because they are not state workers. It also opened the door for Michigan daycare workers involved in a previous, separate scheme to revisit a class action lawsuit to get money back that was taken by

Carrie Schlaud, who operates a child care center in North Branch, is the chief plaintiff in the case. She, along with other Michigan child care providers had dues and fees deducted from the checks they received on behalf of customers who were on assistance. The dues and fees were then sent to the AFSCME.

“What we're hoping is that justice will be done,” said Patrick Wright, vice president of legal affairs at the Mackinac Center for Public Policy. “That would include the child care providers getting all of their dues money back.”

Michigan’s “daycare dues skim” lasted a shorter time than the home-based caregiver scheme in the state, and roughly $4 million was taken by the union. By contrast, the Service Employees International Union took more than $34 million from the elderly and disabled in Michigan before that scheme was outlawed last year.

In Michigan’s daycare forced unionization, the dummy employer was called the Home Based Child Care Council and the by-mail election took place in 2006. It was the second by-mail unionization election in Michigan history. The one involving home-based caregivers in 2005 was the first.

Messenger said that it took AFSCME longer to put its scheme in place than it took the SEIU with the home-based caregivers.

The daycare dues skim started in 2009 and was ended by Gov. Rick Snyder in early 2011. The unions arranged for dues to be taken from the checks of 34,084 daycare providers in 2009 and 32,272 in 2010.

It is up to the court to decide what the next step is for daycare workers and the possible return of money, Messenger said.

The original version of this story was posted online on July 7, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20254.

Charters that Fail, Close

BY TOM GANTERT

There are 51 schools that have been in the bottom 5 percent of the Michigan Department of Education’s Top-to-Bottom rankings three years in a row. Of those 51 schools, four were charter public schools and three of those four were closed.

Meanwhile, the conventional public schools on the list remain open.

“Charter schools have traditionally been the only public schools that have been held accountable for their performance,” said Michigan Association of Public School Academies President Dan Quisenberry. “If they fail their students, they’re closed down. That’s never happened with a traditional public school, ever. What we need is this same level of accountability for all schools — charter or traditional.”

Twenty-nine of the 51 schools that finished three consecutive years in the bottom 5 percent were conventional schools in the Detroit Public Schools district, or were former DPS schools that have recently been converted to charter public schools or are now under supervision of the Educational Achievement Authority. The EAA was created to help the lowest performing conventional public school districts improve.

Claims about a lack of accountability in charter public schools have been a topic in the news recently since the Detroit Free Press did a series on what it determined were problems with some charter public schools. The series quoted various officials insisting on more accountability for charter public schools in Michigan. It did not address problems with conventional public schools.

The Free Press series looked at school districts that were in the bottom 5 percent in the state’s Top-to-Bottom rankings, which evaluates student performance in mathematics, reading, writing, science, social studies and for graduation rates.

The three charter public schools that made the list that closed were: Academy of Flint in Flint Township; Aisha Shule/Web Dubois Preparatory Academy in Detroit; and the Center Literacy & Creativity in Detroit.

The Nah Tah Wahsh Public School Academy is still open. That charter school is located in Wilson in Menominee County and serves primarily Potawatomi students.

The Michigan Association of Public School Academies has offered a “School Accountability Pledge” to conventional public schools asking those schools to adhere to the same accountability, transparency and oversight laws as the state’s charter public schools. One of the standards in the pledge includes closing any school that is in the bottom 5 percent of the Top-to-Bottom list for four straight years.

As of July 7, no conventional school districts have signed the pledge.

“People concerned about Michigan’s failing schools should be concerned about conventional schools,” said Audrey Spalding, education policy director at the Mackinac Center for Public Policy.

The original version of this story was posted online on July 9, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20258.

Wind Power ‘Success Story’ Was a Massive Failure

BY TOM GANTERT

A few years ago, Vice President Joe Biden called a wind turbine facility in Saginaw one of the top “100 Recovery Act Projects that are Changing America.”

In 2010, the American Recovery and Reinvestment Act awarded Merrill Technologies Group a $22 million advanced energy manufacturing tax credit that then-Gov. Jennifer Granholm’s office said was used to buy advanced manufacturing equipment needed to create wind turbine components in a facility in Saginaw. The Recovery Act also gave Merrill Technologies another $3 million.

The former governor trumpeted the facility as the future of Michigan’s economy that would help create 89,918 clean energy jobs.

The facility produced one wind turbine on its website, 45,000 square foot manufacturing facility in Saginaw. (Image from the company’s website)

The facility “never got started,” said Michael Shore, spokesman for the Michigan Economic Development Corp., in an email he sent in May in response to questions about the project.

Yet, that hasn’t stopped wind power advocates around the country from touting the project as a success.


Saginaw Future Inc., which is a public-private alliance that includes the city of Saginaw and 15 local municipalities, cited the wind turbine facility on its website,
Michigan vs. Minnesota Report Says Little About What Policies To Pursue

BY JARRETT SKORUP

A new report from Michigan Future says Michigan should dramatically increase taxes and government spending to become more prosperous.

But it represents a classic case of mistaking correlation for causation — while making little effort to prove the case.

The study, authored by business reporter Rick Haglund, attempts to show that increasing taxes and spending more money on K-12 education, public universities, preschool, municipal revenue sharing, health and human services and transportation will lead to better economic performance.

"It’s clear that if Michigan is to regain the prosperity it enjoyed decades ago when the auto industry here reigned supreme, the state must aspire to be more like Minnesota than Indiana," the report says.

But the report doesn’t prove this thesis. The analysis lacks evidence that differences in taxes and spending led to economic growth. Moreover, some of the facts cited are misleading.

The crux of the argument is that higher taxes and more spending equals a better economy, comparing just the two states on a few factors. But a look across the nation shows that the states with the highest taxes are those that have been stagnating the most in job and income growth.

In recent decades, states like Texas, Utah and North Dakota are far outperforming states like New York, Connecticut and Rhode Island.

And even the specific factors cited do not do much to prove the point.

On K-12 education spending, the report says Minnesota spends $2,067 per pupil vs. $1,447 in Michigan, implying that the former is a much higher spending state. But per capita doesn’t tell you much. The important thing is how much schools actually receive. According to the U.S. Census Bureau, the average school district in Minnesota receives $13,163 per pupil vs. $12,433 in Michigan. But that only accounts for the most recent year. Going back for the past few decades, Michigan has spent more per pupil than Minnesota in every single year with the former spending about 10 percent more in 1990.

Adjusted for income, Michigan spends among the most in the country on K-12 education, ranking 9th, which is 20 spots ahead of Minnesota. And a look at where the money is going shows another stark difference. According to the National Center on Education Statistics, Michigan teachers have an average salary of $61,560 compared to $56,268 in Minnesota.

The report also compares early childhood education spending. It cites per capita spending between the states, which is almost identical. But this is simply another correlation. The states that have the most 4-year-olds in preschool are primarily in the South, but there’s little evidence that this has in itself led to better education and economic achievement.

The same is true of higher education spending. The Michigan Future report notes that Minnesota spends $242 per capita vs. $172 in Michigan. While the report says that Minnesota is ranked 10th for the percent of the population with a bachelor’s degree or above, this is not likely due to Minnesota’s generosity to its state universities. A look at what states spend across the nation shows there is no correlation between higher education spending and more graduates. For example, Mississippi spends $313 per capita but has far fewer people with a bachelor’s degree or above.

The report is also confusing regarding how it is measuring economic progress and policy changes that it regards as bad. It critiques Michigan’s business tax cut, eliminating a pension tax loophole, lowering of EITC payments, and decline in higher education spending and municipal revenue sharing in 2011. But since then, the states are pretty similar regarding job growth and the lowering of their unemployment rates, with both states down about one-third (11 percent to 7.4 percent for Michigan and 6.8 percent to 4.7 percent for Minnesota).

This isn’t to say that those policies necessarily caused that outcome in Michigan, but it doesn’t mean it makes sense to criticize recent policy changes for the economic climate over the past few decades.

Besides these factual issues, readers should be skeptical about relying on the tax and spending analysis for failing to cite its sources. It is easy to provide a link to sources, but the report is lacking in this regard. Considering that the spending trends can look different when they’re adopted from the National Association of State Business Officers or the Census Bureau or from state budgets and reports themselves, readers ought to be told which sources are used to make the assertion in the report.

In an email, Haglund said he would likely provide a more detailed list of sources if he did future reports.

These issues aside, the report does not show that Minnesota’s policies account for its higher per capita personal incomes. The report simply lists some of the tax and spending differences between Michigan and Minnesota. It does not attempt to show that the states that adopt these policies tend
From Detroit To The Ivy League: One Student’s Journey

BY JARRETT SKORUP

DETROIT — Driving down Waterman Street in Mexicantown in Southwest Detroit you pass boarded up houses, closed down businesses, and other things that make up too much of the city.

Until you get to Cesar Chavez Academy. The school stands out like an island. No boards. No graffiti. No garbage in the parking lot. This is a place for learning.

And it’s where Daniel Felix has excelled. He came to Detroit from Los Angeles as a child and lives a few blocks from the high school with his two brothers, a grandfather, and parents who speak mostly Spanish.

That’s not unique in his neighborhood. What’s special about Daniel is that he’s headed to one of the top universities in the world later this fall.

He’s not sure which one yet, and it’s a tough decision, because Daniel has gotten into most of them. Acceptance letters have come from Harvard, Stanford, Princeton and the University of Michigan. He’s still waiting to hear from Yale and Columbia.

Speaking with him, one is struck by Daniel’s humbleness.

He credits his success in school to his parents. His father works as a landscaper and his mother is a homemaker.

“Since an early age, my parents motivated me to go to good schools,” he said.

Bill Would Allow Strip Searches for Misdemeanor Crimes; Probable Cause Not Necessary

BY TOM GANTERT

Citing safer jails and a reduction in unnecessary lawsuits, State Sen. Rick Jones introduced legislation that would allow anyone put in jail for a misdemeanor to be strip searched without probable cause.

Sen. Jones, R-Grand Ledge, recently introduced Senate Bill 958. It was referred to the Senate Judiciary Committee.

Sen. Jones said the law would bring Michigan's jails in line with the federal prisons, where he said strip searches are allowed without cause. There have been people with weapons hidden on or inside their bodies, he said.

Sen. Jones has a background in public safety and served as a jail administrator for four years.

"It is just simply not safe to not check people before you put them in the jail population," he said.

Oakland County Sheriff Mike Bouchard said there are many examples of people smuggling contraband and weapons inside their bodies. And he said he’s seen it happen with people convicted on seemingly non-violent crimes.

"[T]he only way we can keep a facility safe is to have the ability to do a strip search," Sheriff Bouchard said.

Without it, he said, "lives will be lost; it’s the simplest answer.”

Rana Elmir, deputy director of the ACLU of Michigan, said the civil rights organization strongly opposes the bill.

"Forcibly strip searching a person without suspicion who is being held for a minor infraction is a heavy-handed solution in search of a nonexistent problem," Elmir said. "Allowing our jails to conduct blanket strip searches without suspicion is wrongheaded, degrading and unnecessary across the board, but doing this to people who simply neglected to pay a traffic ticket or are in court because they got caught fishing out of season is particularly egregious.”

State School Rankings a Poor Measure of Charter Public School Performance

BY AUDREY SPALDING

Just a year ago, the Detroit Free Press had high praise for Thirkell, an elementary school in the conventional Detroit Public Schools district.

Reporter Lori Higgins wrote that Thirkell was “defying the odds by posting strong proficiency rates on the MEAP.”

Editorial Page Editor Stephen Henderson characterized Thirkell in a column as having an environment of “focus and consistency,” with a “dynamic and skilled” principal.

However, in a week-long series, the Free Press has repeatedly criticized charter public schools that have received low rankings on the Michigan Department of Education’s “Top-to-Bottom” list. In a recent article, Higgins and co-author, Kristi Tanner, pointed to Top-to-Bottom rankings as evidence of poor charter performance. In a Sunday column, Henderson pointed to those rankings as proof of a “charter school mess.”

The next Thursday, reporter David Jesse reported that Hope Academy, a charter public school, scored dismally in 2012-13, ranked below 99 percent of Michigan schools.

That year, Thirkell received the same ranking.

The issue is not that Thirkell is a bad school. Indeed, in 2013, the Mackinac Center for Public Policy identified Thirkell as the highest-performing Michigan elementary or middle school in the state. We were thrilled to celebrate Thirkell and seven other DPS schools for posting impressive academic results. Several of those other DPS schools would also be considered failures under the Free Press’ analysis.

Hope Academy, in comparison, ranks in the top 70 percent of Michigan elementary and middle schools when poverty is considered.

The Mackinac Center recognizes the academic impact that outside factors can have on schools, and so produces an annual report card that adjusts for student socioeconomic status. This report card’s methodology has since been replicated by the Center for Michigan. These independent report cards grade schools on how well they perform given their unique student population — instead of their neighborhood struggles.

An outgrowth of the Mackinac Center’s report card work was publishing a study in October that strongly criticized the state’s Top-to-Bottom ranking. In that study, we showed that the state’s Top-to-Bottom ranking was essentially a proxy for poverty, instead of a measure of actual school performance. In other words, schools like Thirkell were being unfairly penalized by the state, simply because they tend to serve more low-income students compared to other schools around the state.

In the wake of that finding, I argued in the pages of the Free Press that the state should change the way it grades schools. I noted that under state law, schools that receive low Top-to-Bottom rankings can be forced to fire their principals, or even be closed. This law has already triggered principal dismissal in some Michigan schools.

Though the Free Press is arguing for increased regulations to penalize what it characterizes as failing charter schools, the newspaper has yet to mention the penalties already imposed upon low-ranked schools anywhere in its coverage.

By using the Top-to-Bottom list in an attempt to show that Michigan charter schools are poor performing, the Free Press is missing the mark and ignoring its own past reporting on the limitations of relying too heavily on these state rankings.

There’s clearly more to a school than its rank on a poorly designed state metric. Free Press reporters have demonstrated that they understand this when it comes to some schools. Should they give the same consideration to others, namely charter schools? Or has the Free Press changed its mind about Thirkell? ■
SEIU MEMBERSHIP
from Page One

A majority of the 10,918 members the union claimed to have in 2013 work at private medical facilities. But it is likely that figure includes a formulated number of home-based caregivers to represent the fact that the forced unionization remained in force during January and February of 2013. If so, next year’s report likely would disclose an even smaller membership in the union for 2014.

SEIU Healthcare Michigan’s disclosure reports of previous years appear to have used some sort of formulated method of determining how many home caregivers were union members. These union estimates have consistently been in the neighborhood of 45,000. However, the Michigan Department of Community Health (MDCH) has counted more than 60,000, based on how many individual home caregivers had dues and fees taken out of their checks. The discrepancy seems to be a result of the fact that even caregivers who were only briefly in the program were automatically unionized and subject to the deductions. Precisely how the union has accounted for those temporary members in its reports to the government is unclear.

SEIU Healthcare Michigan officials did not respond to a request for comment.

The amount of dues and fees reported as having been received by the union reflected the end of the home health care dues skim as well. According to the disclosure report, in 2013 the union received $7,119,322 from dues and fees. That is $4,187,992 less than the $12,078,838 the union reported having received from dues and fees in 2012.

Roughly $1 million of the $7,119,322 was apparently from home-based caregivers who still had union dues and fees deducted from their Medicaid checks in January and February of 2013. The rest came from members employed in private medical facilities.

The loss of 80 percent of its members has not been the only blow to the SEIU Healthcare Michigan over the past year and a half. Seven of the eight protesters arrested at the state capitol building in December 2012 were identified as employees of the union. The arrests took place during demonstrations against the passage of Michigan’s right-to-work law after the protesters tried to force their way onto the Senate floor.

In addition, the SEIU, the international union behind the SEIU Healthcare Michigan, was fined almost $200,000 for concealing that it bankrolled Proposal 4 of 2012 — the failed ballot effort to lock the forced unionization of home-based caregivers into the state constitution. According to state officials, the penalty the SEIU was assessed for the campaign finance violations was the second largest in Michigan history.

The Mackinac Center Legal Foundation has filed a legal action with the Michigan Employment Relations Commission in an attempt to get back some of the dues that was taken from home-based caregivers. That case is still pending.

The original version of this story was posted online on April 30, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20032.

IVY LEAGUE
from Page Seven

“They encouraged me to try my hardest. Always told me education was the key to success and improving your life. They didn’t really have much education when they grew up.”

Daniel has a near-perfect score on the SAT-II Spanish and a 760 on the mathematics portion (top 2 percent). He is on the robotics team, in the National Honor Society, and participates with students from other high schools in the “Generation of Promise,” a leadership development program. And he does this all while taking three advanced placement classes.

His high school principal, Juan Martinez, says Daniel possesses the most important thing of all: character.

“Daniel is like many of our students,” Martinez said. “He’s outstanding. He’s courteous. He’s kind, respectful, as all of our students are. He is also special because he has set high goals for himself. He has many aspirations and he’s pursuing his dreams.”

One of those dreams is to become a doctor. Daniel said he became interested in a medical career when he helped translate for doctors when his grandfather had to spend time in the hospital because of health problems. That led to an internship at the Karmanos Cancer Institute in Detroit.

Now he is deciding between majoring in pre-med or computer science. Or, perhaps both.

Having a supportive family and the drive to succeed has certainly helped with Daniel’s achievements. But there is another important piece to this journey: His school.

And it almost wasn’t to be.

Half a mile away from Cesar Chavez is Detroit Southwestern High School where Daniel would have gone had the charter public school not been an option for him.

It is only in the past decade that Michigan began to expand its school choice programs, culminating in the elimination of the arbitrary cap on charter schools two years ago.

The differences between the high schools are stark.

Southwestern High was closed in 2012 for being continually ranked by the state among the lowest 5 percent of all schools in Michigan. The students were divided up and sent elsewhere.

Cesar Chavez Academy was ranked No. 2 out of 684 public high schools in Michigan on the Mackinac Center for Public Policy’s latest “Context and Performance” report card, which looks at student test scores and growth and accounts for socioeconomic status.

In addition to offering lots of academic and athletic programs, Cesar Chavez has a graduation rate of 85 percent and 90 percent of students who apply to college are accepted. For the conventional schools in Detroit Public Schools, a report a few years ago found that students had less than a 25 percent chance of graduating.

“Students [at Cesar Chavez] were posting results far and above what we would expect given their backgrounds, and when we came here we saw that teachers had a great level of autonomy,” said Audrey Spalding, director of education policy at the Mackinac Center.

“There was a focus on excellence and despite the fact that this is a high poverty neighborhood, they really fostered the sense of security and focus.”

Daniel and his parents are happy about how things have turned out. All three Felix boys attend a Cesar Chavez school.

“I didn’t feel a connection to Southwestern,” Daniel said. “I was glad to have a choice.”

Principal Martinez said he hopes Daniel’s inspiration can be used by others.

“Daniel’s success has lit a fire amongst his peers,” Martinez said. “There are so many students who are excited about Daniel’s success and the fact that he’s been admitted to universities. I believe more students will be following that course in years to come.”

The original version of this story was posted online on April 28, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20023.
MEA Sends Credit Agency After Teacher Who Stopped Paying Dues

BY TOM GANTERT

The Michigan Education Association is following through with its vow to threaten the credit of employees who don't voluntarily pay dues despite their desire to exercise their right under the law and leave the union.

Bangor Public Schools kindergarten teacher Kimberly Byrd received a notice from a collection agency for unpaid dues in the amount of $394.20 with the Michigan Education Association listed as the creditor. Byrd said she thought she was out of the union when her union contract expired in 2013.

A new contract with a tentative agreement for teachers in the Van Buren County district was made on Sept. 9, 2013. Michigan's right-to-work law became effective March 28, 2013.

However, the MEA only allows its members to opt out during the month of August. The Mackinac Center for Public Policy has set up a website, www.AugustOptOut.org to educate teachers about the August window.

Byrd said she was not aware of the August window. She said she thought that when her contract ended in August she was “free and clear” because of the state's right-to-work law.

According to the MEA, there are still 7,000 members who haven’t signed up for automatic dues withdrawal, which became necessary for the union after a state law made it illegal for school districts to automatically deduct dues or fees from teacher paychecks.

In anticipation that it would have trouble collecting from everyone, the MEA created a policy about how to deal with teachers who don't voluntarily pay. It calls for the local association president to forward late dues to collection agencies after 90 days of nonpayment.

The MEA's legal counsel, Art Przybylowicz and Michael Shoudy, did not return requests for comment.

Byrd has been a member of her union for 19 years. She estimated that she's paid as much as $17,000 in union dues over her teaching career.

Yet, Byrd says the union has not helped her in two of her concerns involving her benefits and then engaged in cyberbullying and intimidation once she decided she no longer wanted to be part of the union.

“They keep trying to beat you down and make you feel like you are so afraid and so alone,” Byrd said. “Now, they are going to ruin my credit. The easiest thing to do is throw up your hands. I feel very alone. There is nobody I can talk to about it. I don't know if anybody else has been turned over to creditors.”

Byrd said Randy Ward, the local union president, sent an email to all the teachers in the bargaining unit identifying Byrd and the handful of other members who hadn't paid dues. Byrd said one teacher felt compelled to explain she couldn’t afford the dues, which bothered Byrd.

Bangor Public Schools Superintendent Ron Parker confirmed that the email was sent out.

Ward did not respond to a request for comment.

Byrd said the union also turned a deaf ear to her salary and insurance concerns.

She said she has two master's degrees and the salary pay scale didn't reflect the additional education. Many contracts reward education beyond a master's degree. Byrd said the union told her she was the only teacher in that situation and therefore the union wouldn't spend time on it.

Byrd said for more than a decade she's been paying the same rates on her insurance as employees with the family plan even though she is single. The union contract didn't differentiate between single and family plan rates. Many contracts in other districts offer different rates.

“They have never negotiated for me or to benefit me, but their negotiations have often hurt me,” Byrd said.

The Mackinac Center is representing several teachers in a legal dispute over the MEA's limited window for resigning. The teachers say they also have been bullied by their union and want to resign their membership. Most have said they were told repeatedly about how to pay dues but never told how or when they could opt out.

The original version of this story was posted online on June 12, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/2014s3.

Right-to-Work States Dominating In Job Growth

BY JARRETT SKORUP

Since 1990, nearly all of the top 10 states for job growth are right-to-work states, while nearly all of the 10 states with the least amount of job growth are non-right-to-work states.

More broadly, 18 out of the 25 states with the fastest employment growth are right-to-work states while 19 of the 25 states with the slowest growth are non-right-to-work states, according to data from the U.S. Labor Department's Bureau of Labor Statistics.

For the past nearly quarter of a century, right-to-work states have averaged job growth at about twice the rate of non-right-to-work states.

Excluding Michigan and Indiana (which became right-to-work in 2013 and 2012, respectively) would mean that 21 out of the 25 states with the slowest employment growth are forced unionization states. And that all of the 10 states with the least amount of job growth for the past quarter century are non-right-to-work states.

The employment growth was measured from January of 1990 to April of 2014.

Professor Mark Perry, an economist at the University of Michigan-Flint and an adjunct scholar with the Mackinac Center for Public Policy, said the results are not surprising.

“This confirms previous research that shows that economic performance when measured by job growth, unemployment rates, income growth, or new business creation is generally higher in right-to-work states than in forced unionism states,” Perry said. “When thousands of firms make decisions on the expansion of their existing operations, opening businesses or factories in new locations, and possibly relocating their businesses, labor costs and labor flexibility are primary considerations. Compared to forced unionism states, right-to-work states offer U.S. and U.S. based companies a more business friendly environment, lower labor costs and greater workplace flexibility, and it makes sense that right-to-work states have demonstrated a clear ‘job growth advantage’ over their forced unionism counterparts since 1990.”

The employment gains cannot be explained by the growth of any particular industry. For example, while the United States has seen a boom in oil and gas production in recent years, the states benefiting the most from this industry’s growth are almost evenly split between right-to-work and non-right-to-work states.

According to the U.S. Energy Information Administration, five of the top 10 oil-producing states were right-to-work over the time period while four were forced-unionization states and one changed about halfway through. Here are the top 10 states for natural gas production (right-to-work states are in bold): Texas, Louisiana, Pennsylvania, Oklahoma (became right-to-work in 2001), Wyoming, Colorado, New Mexico, Arkansas, West Virginia and Utah.


The top 10 states with the least employment growth: Connecticut, Rhode Island, Michigan (became a right-to-work state in 2013), New Jersey, New York, Ohio, Illinois, Pennsylvania, Maine and Massachusetts.

Similarly, according to the EIA, five of the top 10 gas producing states were right-to-work over the time period while four were forced unionization and one changed about halfway through. Here are the top 10 states for crude oil production (right-to-work states are in bold): Texas, North Dakota, California, Alaska, Oklahoma (became right-to-work in 2001), New Mexico, Louisiana, Colorado, Wyoming and Kansas.

The original version of this story was posted online on May 29, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20127.
Union Opposes Privatization For Others, Outsources For Itself
MEAspents $155K outsourcing non-union janitorial service

BY TOM GANTERT

The Michigan Education Association has been an outspoken critic of school districts that privatize custodial services to save money.

Yet, the MEA contracts out work with non-union companies for its own janitorial services. The state's largest teachers union had contracts with six companies in 2012-13, according to financial reports it filed with the U.S. Department of Labor.

The MEA paid a total of $155,623 for janitorial services in 2012-13, the records show. The MEA paid the companies between $5,500 to $86,112. Michigan Capitol Confidential confirmed that the companies are not unionized.

The MEA did not respond to a request seeking comment.

"It is good to see that the Michigan Education Association remains a champion of competitive contracting — at least at their headquarters," said Michael LaFaive, the director of the Morey Fiscal Policy Initiative for the Mackinac Center for Public Policy. "This is a useful management technique that can save money and improve services. Unfortunately, the MEA has long opposed the practice in districts with whom they bargain. Such hypocrisy is rank, but it doesn't seem to bother this old industrial union of janitors, bus drivers, food service workers and teachers."

On its own website, the MEA spells out why it doesn’t want school districts to follow in the MEAs steps when it comes to hiring private contractors to do work.

*The appeal of privatization is based on the flawed economic assumption that private companies can provide the same services as public school employers at lower costs. Theoretically, a good contract with a private firm could provide the same services with the same quality, responsiveness and accountability as an in-house operation. The problem is that to achieve this, a private contractor is very likely to charge more than it costs to provide the service in-house. Private contractors need to earn profits, finance corporate overhead and pay taxes. These factors drive the cost of the contract up and/or the quality and quantity of the service down. Time after time, districts that try to save money by hiring private contractors end up with inferior service, higher costs or both."

The MEA sponsors a Statewide Anti-Privatization Committee. And at its most recent annual conference, the union had several sessions on “fighting privatization.” Part of the description for one read: “Come learn how to recognize the threat of Privatization, how to fight privatization battles, defending members' careers, and steps to take in protecting your own local.”

Charles Owens, state director of the National Federation of Independent Business, called the MEA’s practice inconsistent. He said if the union truly opposes privatization for schools, it shouldn’t be outsourcing its own janitorial services.

"If they are saying that for the people they represent, then they certainly should be setting the example," Owens said. "Otherwise it sounds an awful lot like, 'Do as I say, not as I do.'"

The original version of this story was posted online on May 27, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20122.

Reuben Sandwich With A Side Of 500K Lost Jobs

BY TOM GANTERT

Last spring, President Barack Obama visited Zingerman's Deli in Ann Arbor in a self-professed politically motivated press stop.

The president is pushing to raise the national minimum wage. Zingerman's co-owner, Paul Saginaw, went to Washington, D.C., in January to lobby for an increased minimum wage.

So what was reported about the president's visit to Ann Arbor? Paragraphs of detail on the $14 Reuben sandwich the president ate.

What wasn’t reported?

That the reason for the visit — to promote increasing the minimum wage — will reportedly result in the loss of around 500,000 jobs, according to a report from the nonpartisan Congressional Budget Office.

Michigan Capitol Confidential reviewed nine articles by eight different news organizations covering President Obama's visit to Zingerman's Deli. Each article mentioned that the president wants to increase the minimum wage to $10.10 an hour.

But it was the level of detail on President Obama's food order that truly was impressive: "Zingerman's corned beef, Switzerland Swiss cheese, Brinery sauerkraut & Russian dressing on grilled, hand-sliced Jewish rye bread" was the second paragraph of an article by WXYZ-TV.

The Detroit Free Press reported: "It was initially unclear which pickle the president ordered, but he ruled out the garlic pickle because he has to go to Chicago later today for a fundraiser."

The Detroit Free Press did mention the CBO report in the 11th graph of a separate story on President Obama's speech at the University of Michigan.

Michigan Radio included comments from Saginaw and President Obama on how raising the minimum wage would be beneficial, but it didn't mention the CBO report. The Michigan Capitol Confidential does say "Republicans" believe the proposal "will reduce the number of jobs."

The Ann Arbor News food and dining reporter staked out the deli on the off chance she would get to meet the president. Her column also mentioned the president's campaign to increase minimum wage.

Although the stories were color pieces describing the scene created by the arrival of the President of the United States, every one of them mentioned his agenda for raising the minimum wage, but none mentioned the CBO report of a major drawback — the loss of jobs.

Charles Owens, state director of the National Federation of Independent Business, said there is nothing stopping Zingerman's owner from paying his workers above the minimum wage.

"And he doesn’t need an act of Congress to do it," Owens said. "In fact, any employer — and many do — who wants to pay more than the minimum wage can do so right now. Not every business in the USA has the benefit of a captive audience of well-to-do clientele because he is located in a university city where much of the standard of living is subsidized by the government through taxpayers' dollars. It's unfortunate that the mainstream media was so excited by a visit by the president that they failed to report substantive news beyond what he ordered for lunch."

The original version of this story was posted online on April 9, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/19956.
Union Surrenders Member Benefits To Keep Unenforceable Clause In Contract

BY TOM GANTERT

A union representing workers in the Wyoming Public Schools district gave up as much as $12,700 in annual salary and concessions that would have been paid to its members so the union could keep language in the contract that makes the payment of dues or fees mandatory as a condition of employment.

But the state’s right-to-work law makes illegal if the contract takes effect after a specific date, and, Matt Lewis, director of finance and human resources for Wyoming Public Schools, said district officials believe that clause is not enforceable.

The Kent County Education Association wanted the district to leave language in the contract that says if a teacher fails to pay dues or fees to the union, the district would begin “involuntary payroll deductions.” In return, the union gave up paid leave days and altered the salary schedule by as much as $12,700 a year in some instances, Lewis said.

“Preserving that language in the contract until 2016 earned us a lot in return,” Lewis said.

A separate state law prohibits school districts from deducting union dues or fees from teachers’ paychecks.

Michigan Education Association UniServ Director Sandy Paensens, who represents the unions in the Wyoming Public Schools, did not respond to a request for comment.

The district has since stood by its belief that the clause is not enforceable. In April, the union asked the district to fire a bus driver who was not paying dues or fees to the union and the district rejected that request.

When the right-to-work law was passed in December 2012, many unions negotiated with school boards so they could extend their contracts for several years before right-to-work became effective on March 28, 2013.

Some unions gave up salary and benefits to get that agreement with their districts.

Patrick Wright, vice president for legal affairs for the Mackinac Center for Public Policy, said the union security clause in the Wyoming district was put in before March 28, 2013, but did not take effect until Aug. 15, 2013. That means it has no legal standing.

Lewis agreed.

“The union security clause is valid but innocuous,” Lewis said. “In other words, we are a closed shop, but the district cannot threaten termination of an employee who refuses to pay union dues.”

Audrey Spalding, education policy director for the Mackinac Center, said the negotiations to keep language that benefited the union by forcing people to still pay dues or fees wasn’t in the best interest of teachers.

“This clearly shows that the union doesn’t care what is best for the teachers but what is best for the union," Spalding said. "They gave up thousands of dollars per employee for unenforceable language.”

Non-Christians Given ‘Special Consideration’ In Union Teacher Contract

BY TOM GANTERT

The teachers union contract in Ferndale Public Schools in Oakland County gives “special consideration” to applicants who are of “the non-Christian faith.”

Michigan’s Elliott-Larsen Civil Rights Act prohibits discrimination in employment and public services on the basis of religion. The state constitution says it, “shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.” And the Federal Civil Rights Act prohibits employment discrimination based on religion.

The contract ran from 2011 to 2012 but was extended to 2017. The teachers belong to the Ferndale Education Association, a division of the Michigan Education Association.

Regarding promotion to a vacant position, it states on page 22:

Should there be two (2) or more of these applicants with equal qualifications for the position and one (1) or more of these applicants with equal qualifications is a current employee, the current employee with the greatest seniority shall be assigned. Special consideration shall be given to women and/or minority defined as: Native American, Asian American, Latino, African American and those of the non-Christian faith. However, in all appointments to vacant positions, the Board’s decision shall be final.

Earlier in the contract is a “no discrimination clause” that states no employee can be discriminated against based on their religion.

Ferndale Superintendent Gary Meier, Board President Jim O’Donnell, and MEA UniServ director Troy Scott did not return several requests for comment.

“This just strikes me as so un-American that they can put in open language for people to see that they are going to be discriminating against Christians,” said Richard Thompson, president of the Thomas More Law Center in Ann Arbor. “Why would they be discriminating against Christians? They are not supposed to be discriminating against people for their religious beliefs. It’s outrageous. And I believe it’s unconstitutional.”

Thompson also wondered why a public school district was tracking the religious beliefs of employees.

“Now, they are going to ask people, ‘Are you a Christian?’” Thompson said. “Are people going to hide their faith so they can get a promotion? There is a subtle persecution [here] of Christians.”

Rana Elmir, deputy director of the American Civil Liberties Union of Michigan, said she couldn’t speak to the specifics highlighted in the contract “because it comes down to how it is implemented.”

“There’s nothing wrong with encouraging people from diverse faiths to apply for a position. In fact, doing so recognizes that our classrooms and communities are diverse;” Elmir said. “However, public schools themselves should not be in the business of promoting particular religious beliefs or religious activities over others and they should protect children from being coerced to accept religious or anti-religious beliefs.”

A spokesman from Ferndale Public Schools, who responded after the story’s original posting, said the district does not discriminate when hiring.

“The district appreciates your bringing this antiquated language to our attention. The timing is perfect since Ferndale Public Schools just completed bargaining and, with the advice of our legal counsel and approval from the district EA (union) representative, this language will be deleted from new contracts,” said Shelley Yorke Rose, a spokeswoman for the district. “Unfortunately, there are no employees in the district who have been here long enough to explain the origins of the language, which we estimate to have been inserted between 1976-79.”

“Please note that the district does not discriminate in hiring on the basis of religion or other related issues,” she said.

A recent study from the Mackinac Center for Public Policy showed that about 60 percent of public school union contracts in Michigan had illegal provisions. Michigan Capitol Confidential has reported on some of the most egregious. For example, in 2012, Capitol Confidential reported on a teachers union contract in Bay City that had provisions allowing teachers to be drunk and on drugs several times before being fired.”

The original version of this story was posted online on May 9, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20067.
JOBS MYTH
from Page One

In 2011, the Pew Charitable Trusts lauded Granholm when it announced she would serve as a senior adviser to champion clean energy policy.

Joshua Reichert, managing director of the Pew Environment Group, is quoted in a press release as saying Granholm attracted more than 89,000 clean energy jobs to Michigan.

But even Granholm changes the definition of the 89,000 figure. In a Nov. 19, 2010, Huffington Post article, Granholm cited the 89,918 jobs and correctly classified them as “projected.” But later in the article, she said: “If economically challenged Michigan can create 89,000 clean energy manufacturing jobs in three years with the right energy policies, just think what could happen for the entire country if Congress committed to clean energy.”

“Even then it’s questionable how Gov. Granholm’s policies influenced green jobs,” said James Hohman, assistant director of fiscal policy at the Mackinac Center. “The business tax hikes and income tax hikes and industrial favoritism played a role in the state’s decade-long recession, which pushed out green and non-green jobs alike.”

Michigan has nowhere to the $83 million in 2013. It is available with hyperlinks and more info at www.MichCapCon.com/20125.

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School Districts Copying Each Other’s Homework While Calling Increased Funding a ‘Cut’

BY TOM GANTERT

Farmington Public Schools Superintendent Susan Zurvalec said in a June 13 letter to parents that a $50 per-pupil increase in the school's foundation allowance “means another $335,000 loss for Farmington Public Schools ...”

There are now two superintendents in Oakland County claiming an increase in funding somehow translates to an overall loss of revenue for the district. Walled Lake Consolidated Superintendent Kenneth Gutman made a similar claim recently.

For Farmington Public Schools, Zurvalec appears to come to the loss by taking the $83 per-pupil foundation allowance increase the district had budgeted to receive and factored how much less the district received with the $50 increase. The district had 10,871 students in 2013-14. Fifty dollars more per student translates to additional $543,550 for the year.

Zurvalec did not respond to requests for comment.

“Show me one other industry where getting an increase, but not as much as you wanted, is considered a cut,” said Audrey Spalding, education policy director of the Mackinac Center for Public Policy.

In the letter, Zurvalec stated that the district has reduced its budget by $65 million since 2002. According to the district's audit and budget documents, the district's expenses have been reduced by $7 million, dropping from $152.8 million in 2002 to $145.8 million in 2013.

The letter Zurvalec sent has a striking similarity to the letter sent by Walled Lake Superintendent Gutman.

Zurvalec ended her letter with this paragraph: “While this week's reductions are difficult, our challenges are even more significant with this recent news from the State. We are, and will continue to be, an incredible school district, and will face these trying times as a collaborative, caring community.”

Gutman wrote: “While last week's reductions are difficult, our challenges are even more significant with this recent news from the State. We are, and will continue to be, an incredible school district and we will face these trying times as a collaborative, caring community.”

“Who's copying whose homework?” said Kyle Olson, founder of Education Action Group, a non-profit organization that promotes education reform and has its headquarters in Michigan. “The cuts are so dramatic that they can't even take the time to write their own letter? Instead, it appears they are just using a form letter that someone generated to communicate their situation. It's part of an overall political public relations campaign that they deserve some more money.”

The original version of this story was posted online on June 23, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20214.
Teamsters Drop Case Requiring Non-Members Pay Unfair Fee

BY JACK SPENCER

The Teamsters Union in May agreed to dismiss all of its claims against three city of Dearborn employees in a case that involved union representation obligations under Michigan's right-to-work law.

The Teamsters and the Mackinac Center Legal Foundation agreed to end the lawsuit with the union also agreeing to pay attorney's fees to MCLF.

Last year, after the state's right-to-work law went into effect and it became illegal for unions to have an employee fired for not paying dues or fees, the Teamsters instituted a fee for non-members who wanted to file a grievance.

"We're glad that we could settle this amicably," MCLF attorney Derek Wilcox said. "Unions simply cannot institute policies that discriminate in this manner against non-union employees whom the unions choose to represent. Across the state we see unions throwing up roadblocks to employees resigning their union membership, be it through windows that only allow resignation during certain time periods, or through penalties that make employment harder for those who exercise their worker freedom. This won't be allowed to stand."

Under the state's law, workers who opt out of a union must still surrender the right to speak and act for themselves in regard to bargaining with the employer because unions continue to reserve the right to represent every employee — union members and non-members alike. State law requires that unions treat all employees they represent equally. Unions fight for this exclusive representation to enhance their bargaining power, whether workers want it or not.

After the MCLF brought suit on behalf of the Dearborn employees who resigned from the union, the Teamsters changed the policy so that all employees would be treated equally. However, the Teamsters also made counterclaims alleging that the three Dearborn employees failed to properly resign from the union and that these employees had to continue paying dues and owed back dues. These were the claims the union eventually dropped.

Legislator Blames ‘Shady Bankers’ For Detroit’s Problems Despite Voting To Double Debt

BY TOM GANTERT

In June 2009, the city of Detroit’s unrestricted deficit had nearly doubled from the previous year, increasing from $501.3 million to $920.2 million, according to the city’s financial audit.

The state Legislature responded by approving a bill about six months later that doubled Detroit’s ability to finance more debt.

At the time, Mackinac Center Senior Legislative Analyst Jack McHugh wrote a blog titled, “Is Another Credit Card the Solution to Detroit’s Spending Problem?”

State Sen. Coleman Young II, D-Detroit, evidently thought the extra borrowing option was a good one because as a then-state representative, he became a sponsor of House Bill 5626 in 2009. Then-Gov. Jennifer Granholm signed the bill in February 2010 and Detroit’s ability to finance debt via bonds doubled to $250 million.

Five years later, Detroit’s spiral to bankruptcy has been well chronicled and there were few serious attempts to fix the structural problems that have plagued the city for decades.

City officials and many in the Legislature resisted potential solutions such as selling even a single piece of art, privatizing services or selling the city’s water and sewerage department.

Instead, the Legislature passed another deal where Michigan taxpayers would bail out the city of Detroit for $195 million.

Five years later, Sen. Young had harsh words for those who allowed the city to go into more debt. Except, he wasn’t blaming his fellow legislators, but “shady bankers.”

“Yes, the collection of the Detroit Institute of Arts will not be sold off to pay shady bankers who made loans to a city who know they couldn’t afford it — the definition of predatory lending,” Young said after the bailout was finalized by the Legislature.

McHugh said the Legislature isn’t free and clear of blame.

“If the lenders were ‘shady’ and ‘predatory’ then what does that make the 75 House and 30 Senate members — including then-Rep. Coleman Young II — who voted in 2010 to double how much Detroit could borrow to cover current expenses and paper over its overspending a little longer?” McHugh said, also noting that Rep. Young cosponsored the bill. “Members of the Detroit political establishment blaming lenders for the city’s fiscal malpractice is like someone with a gambling problem blaming the ATM machine for delivering cash to buy more lottery tickets.”

Sen. Young did not respond to requests for comment.

MEA Still Chasing Thousands Not Paying Dues Or Fees

BY TOM GANTERT

The Michigan Education Association could lose thousands of its members in August when the one-month window to leave the state’s largest teachers union begins.

Thousands of teachers already are withholding dues or fees from the union despite promises by the MEA that it will send debt collectors after those who don’t sign up for automatic dues withdrawal.

Patrick Wright, vice president for legal affairs for the Mackinac Center for Public Policy, said he thinks the MEA could lose as many as 10,000 members this year.

Last week, Doug Pratt, the MEA’s director of member and political engagement, told Michigan Public Radio that 7,000 teachers still had not paid dues or fees to the union. This comes three months after MEA Executive Director Gretchen Dziadosz testified under oath that 8,000 members had had yet to pay their dues.

She said in February that technical issues could be to blame for the large number or that members had not been contacted by their local association. Those who were contacted, she said, were happy to sign up for automatic withdrawal.

Either most of the non-paying members have still not been contacted, or they are holding out until August when they can officially resign from the union.

“We are expecting them to drop thousands if not tens of thousands in dues paying members,” Wright said.

Neither Pratt, nor MEA Spokeswoman Nancy Knight responded to requests for comment.

Michigan’s right-to-work law no longer makes the payment of union dues or fees a prerequisite to employment and if the members don’t pay their dues or fees, the MEA could lose them.

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MICHIGAN FAMILIES

from Page One

Loar, along with Paulette Silverson and Michelle Berry fought the forced unionization of daycare providers all the way to the finish.

In the mid-2000s unions began viewing taxpayer funded assistance programs as potential sources of revenue. Daycare programs and the federal Home Help Program, which since the 1980s had allowed the elderly and disabled to be cared for in their homes, were the primary targets unions chose.

With help from cooperative politicians, tens of thousands of participants in these programs were subjected to forced unionizations in a number of states. These unionizations took place in a variety of ways, depending on the laws of each particular state. The Service Employees International Union took more than $34 million from home-based caregivers in Michigan and combined with the money taken in other states, unions likely have taken hundreds of millions from caregivers across the country.

“We are thrilled . . . actually we are beyond thrilled,” said Jennifer Parrish, of the Coalition of Union Free Providers, a group formed to fight forced unionizations of child daycare providers and home-based caregivers in Minnesota. “In the brief time since the ruling came down we’ve been getting people from all over visiting our website to find out how they can get out of the unions.”

Despite repeated attempts, the unionization of daycare workers in Minnesota has yet to take place. That’s due primarily to resistance from the coalition of which Parrish is a leading member. That unionization attempt has been on hold while the 8th U.S. Circuit Court of Appeals awaited the Harris v. Quinn ruling.

“Now the unions can’t go forward with their unionization election,” said Parrish, who is a child care provider in Rochester, Minn.

In most states, individuals who want to be free of the forced unionizations apparently will still need to file paperwork to officially leave the unions or possibly wait out legal entanglements. Not so in Michigan, where the Mackinac Center and Michigan Capitol Confidential led the fight to shed light on these schemes, which then led to them being made illegal in Michigan.

As in Minnesota, the unions in Michigan divided up the daycare providers and home-based caregivers in their unionization attempts. The SEIU went after the home-based caregivers and the American Federation of State, County and Municipal Employees (AFSCME) went after the daycare providers.

The forced unionization of Michigan’s daycare providers was smaller and the scheme that supported it less elaborate than the one used for the state’s home-based caregivers. Gov. Rick Snyder ended the daycare scheme shortly after taking the oath of office in January 2011. However, the path to ending the forced unionization of Michigan’s home-based caregivers, which later became known as the SEIU “dues skim” involved numerous twists, turns and detours.

The SEIU’s scheme in Michigan was orchestrated in 2005 when Jennifer Granholm was governor. The dues skim featured the forced unionization of Home Help Program participants, carried out with a dummy employer, a mail-in election, and cooperation from state officials, including some Republican Legislators who did not act on legislation that would have ended the scheme.

Key organizers of the home-based caregiver forced unionization were SEIU officials from California with experience gained in the nation’s first such the forced unionization, which had railroaded 155,000 Los Angeles area home-based caregivers into Local 6434. Among those organizers was Rickman Jackson, a former assistant to Andy Stern, who headed the national SEIU until 2010, and in the early months of the Barack Obama administration was known as the “man who had Obama’s ear.”

To facilitate the forced unionization, the Michigan Quality Care Community Council (MQC3), was created as a “dummy employer” to provide a supposed “employer-employee” relationship with the home-based caregivers. Without this fabricated relationship, the forced unionization could not have taken place.

The Michigan Bureau of Employment Relations required a signature to certify that Michigan’s home-based caregivers, numbering more than 61,000 at times, were employed by the MQC3. That signature was apparently supplied by a former ACORN “community organizer.”

The unionization election of Michigan’s home-based caregivers was the first in state history to be carried out by mail. The union reportedly sent out about 43,000 ballots, but fewer than 20 percent were returned. Caregivers who subsequently became union members later said they did not even know there was an election and figured mail from the SEIU was junk mail or mail wrongly sent to their address.

Although most media outlets largely ignored the scheme, it gained some attention when affected families began telling their stories. Steven Glossop, an ex-Teamster, told the story of taking care of his mother and learning of the unionization scheme. Like most others, he was surprised.

“It’s hard to believe the union could get away with something like this,” he told Michigan Capitol Confidential in September 2012.

And then there was Robert and Patricia Haynes, who take care of their adult children who have cerebral palsy. The former Detroit police officer and his wife contacted the Mackinac Center for help when they realized the SEIU was taking money from their children.

They also stood firm in their insistence that the unionization should never have been allowed. And for doing so, Robert Haynes was called an “idiot” by Dohn Hoyle, executive director of The Arc Michigan, a group that works with people with developmental disabilities and their families.

In September 2009, the Mackinac Center Legal Foundation discovered the forced unionization and information about it was released to the public. Over the following year and a half, state lawmakers became aware of what was going on.

When the dummy employer was defunded by the Legislature in 2011 it was believed the forced unionization and dues skim would end. But the SEIU funneled money to the MQC3 to keep it from folding and dues continued to be taken from the Medicaid checks. At one point the MQC3’s executive director could only work three hours or less a month or she would lose her unemployment benefits.

In early 2012, Michigan Capitol Confidential began regularly reporting and writing articles about the dues skim and a “skim tracker” that tallied the SEIU’s mounting bankroll from the skim was posted on the news service’s website. In late March 2012, the Legislature passed legislation to outlaw the dues skim, and in April, Gov. Snyder signed it into law.

The SEIU then turned to federal court to keep the dues flowing to its coffers. The court ruled that the union could continue receiving dues from the checks as long as a collective bargaining agreement existed between the union and the dummy employer.

With its dues skim endangered, the SEIU bankrolled Proposal 4 in 2012 to try to lock it into the state constitution. Backers of the proposal attempted to fool uninformed voters that the proposal would create programs that, in reality, had already existed for years. But in November, Michigan’s voters soundly defeated the measure.

Gov. Snyder then replaced the MQC3 board of directors with new members who would represent workers and taxpayers instead of the union. In December 2012, the new board members voted to disband the MQC3, which led to an end to the dues skim as soon as the collective bargaining agreement expired at the end of February 2013.

The Mackinac Center Legal Foundation has filed a complaint against the SEIU to try to get back some of the dues that was paid to the SEIU. That case is still pending. The Legal Foundation also filed an amicus brief in the Harris v. Quinn case and joined the Cato Institute and the National Federation of Independent Business in another case filed with the Supreme Court.

Officials from the SEIU Healthcare Michigan, the union affiliate tied most closely to the SEIU’s Michigan Chapter, were also parties to the lawsuit. That case is still pending.

The original version of this story was posted online on July 1, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20236.
MID vs. MN
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stating that the expectation is the facility “will become a major supplier for Michigan-made wind turbines.”

Andrea Fisher, a spokeswoman for Merrill Technologies, said the company was eligible for, but did not receive, the $22 million advanced energy manufacturing tax credit from the Recovery Act.

Merrill did receive $3 million from the Recovery Act, which the company matched with its own $3 million. That equipment is not being used for building parts for wind turbines but is being used for other manufacturing purposes, Fisher said.

In a presentation in May at the World Energy Innovation Forum, former Gov. Granholm included the Saginaw facility project as contributing to the inaccurate 89,000 clean energy jobs in Michigan figure.

“Does it not surprise me that wind power proponents point to this as a ‘success story,’” said James Taylor, senior fellow for environmental policy with the Heartland Institute. “The reason being is wind subsidies across the board have been wasteful boondoggles that produce little wind power, fewer jobs, but tremendous economic hardship. Wind power so-called ‘jobs created’ are merely jobs purloined from conventional energy companies and come at the expense of jobs throughout the entire economy.”

Lindsay North of American Wind Energy Association and Tom Miller, spokesman for Saginaw Future, did not respond to requests for comment.

The original version of this story was posted online on May 28, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20149.

Hypocrisy Over Private Organizations ‘Profiteering’ Off Education System

BY TOM GANTERT

Michigan Education Association President Steve Cook does not like charter public schools and says he is concerned about how they are funded.

“If we’re going to be honest with ourselves for just a second, we have to acknowledge there is simply too many people and private corporations making too much money off the public schools with very little student learning to show for it,” Cook told the State Board of Education, according to a story in MIRS.

Cook’s total compensation was $212,848 in 2013 as president of the MEA, a private organization with annual revenue of $133 million. The MEA, which is the state’s largest teachers union, has 112 employees who have annual salaries of $100,000 or more, according to reports filed with the IRS.

Neither Cook, nor an MEA spokeswoman responded to a request for comment.

But the MEA is not the only organization in Michigan that complains about charter public schools “making money” while they profit off the public school system.

In December 2012, Michigan Association of School Administrators Executive Director William Mayes signed a letter that complained about “profiteers who will be allowed to take taxpayer dollars …” in public education. That letter was in response to 2012 legislation that would allow more charter schools.

However, MASA also makes money from its relationship with public schools. Traditional public school districts pay MASA dues every year. For example, the Lansing School District paid MASA $2,321 in annual dues in 2012-13.

Mayes total compensation was $214,112 in 2012.

In 2011, Kalamazoo Public Schools Superintendent Michael Rice was one of a dozen superintendents who signed a letter criticizing charter public schools and raising concerns about the “for profit” status of the management companies.

Yet, the district has privatized some of its food and custodial services. In 2013, Rice had a base salary of $214,881 and a total compensation of $347,932.

And a number of school districts in the state are using taxpayer money to fund political action that works to benefit themselves.

Gary Naeyaert, executive director of the Great Lakes Education Project, which is supportive of charter public schools, said Cook’s comments were akin to “the pot calling the kettle black.”

Naeyaert said there is a double standard among the critics of charter schools when it comes to finances in public education.

“A charter school that has any revenue in excess of expenses, that’s dirty profits,” Naeyaert said.

“But a traditional school district that has a multimillion dollar fund balance, that is sound financial management. Their double standard and lack of consistency is frustrating, if not appalling.”

The original version of this story was posted online on May 16, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20097.

MASSIVE FAILURE
from Page Five

from the Recovery Act, which the company matched with its own $3 million. That equipment is not being used for building parts for wind turbines but is being used for other manufacturing purposes, Fisher said.

In a presentation in May at the World Energy Innovation Forum, former Gov. Granholm included the Saginaw facility project as contributing to the inaccurate 89,000 clean energy jobs in Michigan figure.

“Does it not surprise me that wind power proponents point to this as a ‘success story,’” said James Taylor, senior fellow for environmental policy with the Heartland Institute. “The reason being is wind subsidies across the board have been wasteful boondoggles that produce little wind power, fewer jobs, but tremendous economic hardship. Wind power so-called ‘jobs created’ are merely jobs purloined from conventional energy companies and come at the expense of jobs throughout the entire economy.”

Lindsay North of American Wind Energy Association and Tom Miller, spokesman for Saginaw Future, did not respond to requests for comment.

The original version of this story was posted online on June 18, 2014. It is available with hyperlinks and more info at www.MichCapCon.com/20194.

STILL CHASING
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fees mandatory as a condition of employment. When union contracts end, workers can decide if they want to belong to the union.

The MEA, however, only allows its members to opt out in a one-month window in August of every year. At issue is how many of the MEA members knew last year they could only file to leave the union in August.

In March, the MEA dropped its fight against two Michigan teachers who filed unfair labor practice complaints against it and allowed them out of the union. Coopersville kindergarten teacher Miriam Chanski and Petoskey high school teacher William “Ray” Arthur said the MEA didn’t make any effort to let them know they could only opt out in August, but both were repeatedly told how to pay dues.

Ray Arthur believes this August will be different last.

“I am sure that the majority of teachers now know of the August window,” he said.

The MEA reported having 147,659 members as of Aug. 31, 2013, a reduction of 4,112 members from the previous year, according to documents the union filed with the U.S. Department of Labor.

The American Federation of Teachers-Michigan reported having 21,456 members as of June 30, 2013, a reduction of 1,932 members from the previous year, according to documents it filed with the U.S. Department of Labor.

Michigan’s right-to-work law does not go into effect for employees unless a contract is signed after March of 2013. At least 145 school districts in Michigan worked with unions to extend their union contracts, which do not give teachers and other school employees the option to leave.
A sampling of proposed state laws, as described on MichiganVotes.org

**Senate Bill 813**
Increase some State Police pensions
Introduced by Sen. Tom Casperson (R)
To increase the monthly pension payment to certain retired State Police employees by $300.

**Senate Bill 911**
Repeal mandate on governments to use unionized print shops
Introduced by Sen. Tom Casperson (R)
To repeal a 1937 law that mandates all state and local government printing (with specified exceptions) must be done by a printer who is approved by local unions (styled in the law as “the allied printing trades council of the locality”).

**Senate Bill 927**
Ban hunting with a drone
Introduced by Sen. Phil Pavlov (R)
To prohibit using an aerial drone to take game. Senate Bill 926 bans using an aerial drone to interfere with or harass a person who is hunting.

**Senate Bill 981**
Ban divorce lawyer ‘ambulance chasing’
Introduced by Sen. Rick Jones (R)
To prohibit a lawyer from soliciting business from a party to a divorce action within 30 days after proof of service in the action was filed with the court, punishable by fines of $30,000, and $60,000 for subsequent violations.

**House Bill 5410**
Mandate more tattoo parlor notices
Introduced by Rep. Harvey Santana (D)
To mandate that tattoo parlors post a notice that certain tattoos may disqualify an individual from military service, law enforcement employment, or further promotion in a job.

**House Bill 5431**
Require internet safety instruction in schools
Introduced by Rep. Rudy Hobbs (D)
To require public schools to offer instruction on “Internet safety” using resources the state Department of Education would be required to make available.

**House Bill 5449**
Designate ‘Blanchard’s cricket frog’ as official state amphibian
Introduced by Rep. Matt Lori (R)
To establish in law that henceforth the “Blanchard’s cricket frog” (acris crepitans blanchardii) shall be designated as the official State of Michigan amphibian. At present, Michigan does not have an official state amphibian, but does have an official state reptile, which is the painted turtle (chrysemys picta). Past bills have proposed designating the northern spring peeper (Pseudacris crucifer), the marbled salamander (Ambystome opacum) and the eastern gray tree frog (Hyla versicolor). Note: The Blanchard’s cricket frog is named after a herpetologist, not a former Democratic Michigan governor of the same name.

**House Bill 5449**
Repeal county promotions tax, except for Washtenaw
Introduced by Rep. Rick Outman (R)
To repeal a law that allows counties to impose a 0.5 mill property tax for trade expositions, tourism promotion or to advertise the county’s “agricultural advantages,” except for Washtenaw County, which appears to be the only county that currently imposes this tax.

**House Bill 5514**
Give tax break to Olympic games prize winner
Introduced by Rep. Dian Slavens (D)
To authorize a state income tax deduction for prize money from the U.S. Olympic Committee for participation in the Olympic games.

**House Bill 5577**
Designate peeper as official state amphibian
Introduced by Rep. Sam Singh (D)
To establish in law that henceforth the northern spring peeper (Pseudacris crucifer) shall be designated as the official State of Michigan amphibian.

**House Bill 5666**
Repeal county promotions tax, except for Washtenaw
Introduced by Rep. Rick Outman (R)
To repeal a law that allows counties to impose a 0.5 mill property tax for trade expositions, tourism promotion or to advertise the county’s “agricultural advantages,” except for Washtenaw County, which appears to be the only county that currently imposes this tax.