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A Look at Unions in Michigan, Five Years After Right-to-Work

Most of state's largest unions have seen a collapse in members and political spending

BY JARRETT SKORUP

Five years after Michigan — the historic bastion of union power — became a right-to-work state, most of its largest unions have seen a significant decline in membership and political spending.

In 2013, Michigan began allowing workers to choose whether to be members and pay dues to unions. Since then, nine of the 11 unions that

must file reports with the federal government and have more than 10,000 participants have lost members and cut political spending. As a result, Michigan has dropped from the seventh-most unionized state to the 10th-most.

Michigan's largest unions have seen a net loss in membership of 85,000 people

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Union Membership and Political Spending in Michigan Since Right-to-Work



Source: Federal LM-2 documents, 2012 to 2017-18 for members numbers and 2012 to 2016 for political/lobbying spending (presidential election years).

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Rise In State Revenue Far Exceeds Cost Of Defeated Income Tax Cut

Pension Spiking, Early Payouts, Second Careers Make For High-Income Cops

BY TOM GANTERT

Former East Lansing Police Chief Jeff Murphy retired in 2017. In his last year on the job, Murphy collected \$157,258 in total compensation. This included \$24,257 in accrued sick time he was allowed to cash out. Another \$28,853 in accrued paid time off also

helped spike his lifetime police pension to \$91,000 a year.

Immediately after retiring at age 51 with 30 years of police service, Murphy returned to work nearby, earning \$93,747 each year working in security at Michigan State University.

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Overtime In Final Years Will Spike Ann Arbor Cop's Lifetime Pension Payout

BY TOM GANTERT

One Ann Arbor police detective with 31 years of experience would collect an annual pension of \$126,000 if he retired this year, according to the city of Ann Arbor.

Detective David Monroe is eligible for that six-figure pension because he collected \$47,491

in overtime in his final year, boosting his base pay of \$93,922 to a total of \$151,618.

The overtime pay Monroe received in 2017 would permanently boost his pension payout by \$13,495 in every year of retirement. That's because the pension system Ann

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LETTER FROM THE PRESIDENT

The Perfect Time to Panic

JOSEPH G. LEHMAN

Editor's note: This article was first published in the May/June issue of IMPACT Magazine.

A colleague returned from a strategy meeting in Lansing and reported signs of panic setting in. Some of our friends who depend on political victories for their livelihood are losing their nerve because the party that usually favors free markets faces strong political headwinds this year. I'm reminded of Buzz Lightyear and Sheriff Woody facing apparent doom in the 1995 movie "Toy Story." Buzz the heroic optimist admonishes Woody, "... This is no time to panic!" Woody flails his arms and shouts in defiance, "This is the perfect time to panic!"

Woody had a point, but his panicking didn't save the day. Historic patterns suggest this year's mid-term elections were always going to be tough for Republicans – and here are some more reasons why they are quaking.

At the top of the list is Donald J. Trump. For better and worse, and like it or not, any president is the face of his party for most voters, even for state-level elections. And this president is almost uniquely divisive for those on the left (and some on the right), and mercurial for all. The 2018 elections are shaping up as a referendum on DJT so anyone running as an "R" on the ballot, no matter where they stand on policy, will be treated by voters as a proxy for Trump. If the president is doing well at the time of the election, his party is likely to do well. But if he isn't, his party will likely do poorly. In this sense the Michigan elections will be nationalized.

The GOP is divided and some within it are demoralized. Not completely and not irreparably, but the situation seems new and unsettling to those with fewer years of experience in politics and those prone to short-term thinking.

A number of special elections around the country of late have produced Democratic victors or very strong performances by Democrats. Several Republican members of Congress who face competitive races are retiring rather than risking defeat. House Speaker Paul Ryan, one of the few politicians to produce a serious plan to control entitlement spending, will not seek re-election.

The political opposition is motivated and energized to a fever pitch. And in Michigan, there is some level of plain old fatigue with nearly eight years of Republican control of the governor's office, both houses of the Legislature, the officially nonpartisan Supreme

Court, plus the offices of secretary of state and attorney general.

Maybe all that sounds like Sheriff Woody's "perfect time to panic" for Republicans or those who see the GOP as the best political vehicle at the moment for many desirable policy outcomes. But it's not. Consider this column to be a distant early warning to check the spread of panic from the inner circles of the political class to Mackinac Center supporters and others who put their trust in ideas. Panic, like pessimism, tends to bring about bad outcomes.

There are solid reasons for optimism. The strengthening economy is especially noticeable in Michigan. (The current national economic expansion, though weaker than others, is also the longest ever.) It's now almost too late for a recession to begin, and be recognized as such, before November. President Trump's support remains surprisingly strong in spite of his erratic behavior and speech. Many of his policies are helping the people he promised to help and they know it. Eight years of Republican control in Michigan is still producing remarkable policy results that help lift the entire state. Democrats are galvanized against Republicans but far from united behind anyone or anything.

As for us, if political insiders continue to panic, so what? They're not always right, as Trump's election so dramatically proved.

Why must a policy institute concern itself with political considerations? Because all policy moves through a political process.

If the political environment changes, our approach may change. But our goals won't. Ideas are paramount, not politics, parties or personalities. No one who follows our work will confuse us with a reflexive defender or opponent of any particular political party. A party may shift to defense when it finds itself in the minority, but you can count on the Mackinac Center to stay on offense for free markets, limited government and individual liberty, no matter the party and no matter what. ■



Joseph G. Lehman
Joseph G. Lehman
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Detroit People Mover Maintenance Worker Paid \$174,602 In 2017

Transit system loses nearly \$10 per rider

BY TOM GANTERT

The highest-paid employee of the Detroit People Mover monorail train last year wasn't the general manager. It was a maintenance employee who had a base salary of \$57,220 but ended up collecting \$174,602 in total.

The employee had the job title of "electronic technician II." The general manager of Detroit People Mover earned \$119,565.

The figures came in response to a Freedom of Information Act request filed with the city agency that operates the People Mover, but the information sent did not include names. The agency is named The Detroit Transportation Corporation, but describes itself as a unit of the city of Detroit.

Three of the monorail's four maintenance shift supervisors also collected six-figure pay while having base annual salaries of \$61,131. One individual collected \$105,456, another was paid \$135,395 and the third made \$161,368.

Four people with the job title of "mechanical technician I" also were paid substantially more than their base salary of \$46,404. One made \$111,182, another made \$105,109 and the last two were paid \$94,322 and \$95,154 respectively.

Two "system control operators" had base salaries of \$53,144 but finished 2017 with six-figure salaries. One collected \$102,729 while the other was paid \$100,962.

Altogether, there were 11 People Mover employees who were paid more than \$100,000 by the city in 2017.

People Mover spokeswoman Ericka Alexander said the 2017 earnings included overtime and leave-time payouts. Alexander also said the Detroit Transportation Company hasn't overspent its budget. It did spend 16 times more than it collected as revenue from user fares, though.

"The majority of individuals earning overtime are responsible for all facets of the operations and maintenance of the Detroit People Mover (DPM)," Alexander said in an email. "There are 12 vacancies in these divisions that DTC is seeking candidates to fill. We have few employees who earn annual salaries of six figures."

The 2.9-mile downtown Detroit monorail loop lost an average of \$9.89 on every trip it provided in 2016. The cost per trip was \$10.51 and the average fare was 62 cents, according to a website that tracks transportation data. According to the city of Detroit's 2017 consolidated annual financial statement, the People Mover cost \$25.4 million to operate in 2017. The system is sustained by grants from the city, state and federal governments. ■

The original version of this story was posted online on April 10, 2018 and is available at MichCapCon.com/25520.

HIGH-INCOME COPS

from Page One

Just two years earlier, Murphy was a captain in the East Lansing department with annual compensation of \$96,362. The gap between that amount and Murphy's final gross pay of \$157,258 highlights how high-level police — and some other public officials — can use state and municipal retirement systems to their advantage and how lucrative they can be.

According to the city of East Lansing, Murphy was a police captain before being promoted to interim police chief on July 1,

2015. He was made the permanent police chief on Jan. 14, 2016. He would retire just 18 months later.

Murphy received the lump sum payments for unused sick time and leave time in his final year. Under state law, the \$28,853 worth of accrued leave time was used in the formula that calculates Murphy's annual pension payouts, which he was eligible to begin collecting immediately. The leave time boosted his annual pension payout by about \$7,900.

It is not unusual for police retirement systems to allow employees with sufficient seniority to stop working and begin

collecting a pension as young as age 50 or even sooner. Like Murphy, some retired police boost their income further by launching second careers.

Murphy didn't respond to an email seeking comment. His current position is director of security for the MSU College of Human Medicine.

East Lansing City Manager George Lahanas said that he didn't think that Murphy acted to maximize his retirement benefits. Lahanas said in an email that Murphy would have had a bigger pension had he stayed on for two more years as police chief.

"I would also like to note that Mr. Murphy diligently and professionally served the City of East Lansing for over 30 years, safeguarding the community by protecting lives and property," Lahanas said.

OpenTheBooks.com is a nonprofit that has posted several years' worth of salary data for nearly every government worker in Michigan and other states. OpenTheBooks' salary information contributed to this story. ■

The original version of this story was posted online on April 5, 2018 and is available at MichCapCon.com/25505.

SPIKED PENSION

from Page One

Arbor created for its employees allows overtime to be used in its benefit formula. Monroe is the secretary and a trustee of that system, representing members of the police department.

No one disputes that Monroe worked the hours, or suggests that city rules or the union contract limit this. Colleagues say he works as many extra shifts as he can, and the record shows that was not just in his last year with the city.

The past 10 years, Monroe's gross salary has averaged \$133,334 a year, boosted by tens of thousands in annual overtime.

Monroe's base pay his last year was \$93,922, according to the city of Ann Arbor. If his pension benefit amount were based on his base pay, his pension would be \$80,000 a year.

These compensation and pension calculations are based on information received from the city of Ann Arbor in response to several Freedom of Information Act requests.

Wendy Orcutt, the executive director of the City of Ann Arbor Employees' Retirement System, did not return an email seeking comment. ■

The original version of this story was posted online on May 9, 2018 and is available at MichCapCon.com/25574.



Ann Arbor's \$307,000 Firefighter

Some city employees hit the jackpot upon retiring

BY TOM GANTERT

When Gretchen Virlee-Wagner, an assistant training officer with the Ann Arbor Fire Department, retired in 2017 she collected \$307,516 in total compensation for the year.

Virlee-Wagner's annual base salary in 2017 was \$90,376, according to the city. But she used payments for unused compensation time, vacation time and sick time to boost that final year's income.

"Ms. Wagner retired, and the salary shown includes the pay-outs for her accumulated compensation time, sick pay, and vacation pay," City Manager Howard Lazarus said in an email. "While the City has capped the amounts for compensation time and vacation, and sick pay-out, there are a few long term employees who have accumulated large balances that will get paid-out at retirement."

According to OpenTheBooks.com, Virlee-Wagner's salary in 2014 was \$90,692. It jumped to \$102,592 in 2015 and \$110,581 in 2016.

According to the city of Ann Arbor, Virlee-Wagner retired in February 2017 with 25 years of service.



Virlee-Wagner began working for the city in 1992 and benefited from a contract provision that ended in 1999, according to a source within the Ann Arbor fire department. Whenever she worked overtime under that old rule, she could take overtime pay, or bank two hours of compensation time (time off). The current contract trims allows only 1.5 hours of comp time in lieu of taking overtime pay.

Virlee-Wagner is not the only recent Ann Arbor employee with noteworthy

compensation details. Amy Brow was appointed as Ann Arbor's assistant fire chief in 2015. Brow was also the president of Ann Arbor firefighter union. She retired in May 2017 and collected \$179,157 in pay that year, which also included salary, vacation and sick day payouts. Brow's base salary at that point was \$106,870, according to the city.

Brow was then hired in 2017 to be the Ypsilanti Township fire chief.

A third example is Ann Arbor police officer Christopher Wooley, who retired in 2017 with \$158,839 in payments. Wooley's base salary was \$83,345 that year.

All three of these individuals are also eligible for city pensions.

The New York Times published a story this week about how public sector employees are losing their foothold in the middle class.

"It's a tough time to be working in government," said Neil Reichenberg, executive director of the International Public Management Association for Human Resources, in the article.

Some of the salaries cited in this story came from OpenTheBooks.com, which contains the salaries of many of Michigan's public university employees. OpenTheBooks.com is a nonprofit that has posted several years' worth of salary data for many government workers in Michigan and other states it gathered through open records requests. ■

The original version of this story was posted online on April 27, 2018 and is available at MichCapCon.com/25555.

Michigan's Top School Pension Payouts

These retired school officials collect more than twice the average teacher's current pay

BY TOM GANTERT

During Barbara Fowler's final year working as superintendent of the Troy School District in 2014, she had 42 years of experience in public schools and was earning a salary of \$222,054.

Now retired, Fowler collects an annual pension of \$145,140 as a member of the Michigan Public School Employees Retirement System, or MPSERS.

Fowler's annual pension payout is the sixth-highest currently being paid to a retired public education employee in this state.

Albert Lorenzo, a former president of Macomb Community College, is collecting the highest annual pension payout at \$204,264.

Individual MPSERS pensions get a 3 percent annual cost-of-living increase every year. To illustrate the value of those increases, The Detroit News reported that former Forest Hills Public Schools

Superintendent Jon Washburn was collecting \$136,027 in 2011. That was then the second-highest school pension payout in the state. By 2016 Washburn's payout had grown to \$161,124, a \$25,097 increase over a five-year period, making it the third highest in the state.

In comparison, the average Michigan teacher salary was \$62,280 in 2016-17. A teacher who worked in the public school system for 30 years and then retired earning that statewide average salary would get an annual pension of \$28,026 a year.

The annual pension payments of some past Michigan school officials rival the annual salaries paid to current top education officials. For example, James McCann collects an annual MPSERS pension of \$142,728 a year. Before he retired, he was the superintendent of the Lamphere School District, which has about 2,500 students. The current Lamphere superintendent was paid \$162,111 in 2017.

Iris Salters, a former Michigan Education Association president, had the fifth-highest MPSERS pension in 2016 at \$147,924 a year. Salters was allowed by state law and the school district where she had worked to plug her \$235,447 union salary into the state pension formula used to calculate retirement benefits. The arrangement gives her the system's fifth-highest annual payout.

The pension information comes from OpenTheBooks.com, a nonprofit that tracks salary and pension information for local governments around the country.

Here's a list of the top eight MSPERS pensions as of 2016:

ALBERT LORENZO — \$204,264
Former president of Macomb Community College

THOMAS SVITKOVICH — \$188,448
Former superintendent of Genesee Intermediate School District

JON WASHBURN — \$161,124
Former superintendent of Forest Hills Public Schools

DONALD NEWPORT — \$161,124
Former president of Alpena Community College

IRIS SALTERS — \$147,924
Former president of the Michigan Education Association

BARBARA FOWLER — \$145,140
Former superintendent of Troy Public Schools

MARK ECKHARDT — \$144,012
Former superintendent of the Charlevoix-Emmet Intermediate School District

JAMES MCCANN — \$142,728
Former superintendent of the Lamphere School District ■

The original version of this story was posted online on April 2, 2018 and is available at MichCapCon.com/25497.

Millions In Taxpayer Money For Pontiac Theater And Little To Show

BY TOM GANTERT

In 2015, the state of Michigan's flagship corporate welfare agency heralded the prospect of 150,000 visitors going to downtown Pontiac, thanks to a \$4.5 million loan it made. The Michigan Economic Development Corporation loaned the money to the Strand Theatre, which, it said, would provide 90 permanent full-time jobs paying an average of \$18 an hour.

But millions of taxpayer dollars later, the theater has fallen short of the state's aspirations.

Currently, the Pontiac theater has one event publicized on its website, a Michael Jackson tribute show scheduled for June 2. It also hosted a blues concert on May 19. A third party has rented the facility for a third event that will be held on June 8. According to the theater's Facebook page, there has been three events thus far in 2018.

And the Strand Theatre didn't have a functioning phone number for at least four days in May, something the sponsoring company said it was aware of and eventually fixed.

While the theater provided some basic information on its events, it didn't respond to requests for how many full-time employees it has.

Despite the theater's floundering, politicians have applauded and given it recognition.

Gov. Rick Snyder awarded the companies involved in the theater's restoration the Governor's Award for Historic Preservation, an award created by the State Historic Preservation Office.

State Sen. Jim Marleau, whose district includes the theater, praised the project in a May 2 press release.

"This restoration project has increased the quality of life for Pontiac residents, and the theater is sure to be a destination for surrounding communities, bringing additional economic activity to the city," said Marleau, R-Lake Orion. "This great city has struggled from the economic downturn of 2008, but this restoration is representative of Pontiac's resurgence and economic comeback."

But the theater, which opened in early 2017, is around due to a constant supply of government subsidies.

The city of Pontiac pumped \$7.5 million into it from 2002 to 2005 but had little to show for that investment. The renovation was not completed in that time, according to the Michigan Economic Development Corporation, and the building was sold in 2013 to developers.

The city of Pontiac has also provided the theater with a 12-year property tax abatement. The theater also has received a \$3.5 million tax credit for historic buildings, according to the state.

The Illinois Facilities Fund, a Chicago-based nonprofit, provided the theater with a \$750,000 loan in 2016. The fund receives taxpayer money.

The Michigan Economic Development Corporation gave the theater a \$4.5 million loan in 2015 and said at that time the renovation would provide "a significant economic boost" to the area once it was up and running.

Lee Roumaya owns the Fillmore 13 Brewery. His website states



that his brewery is located "in the heart of Pontiac, across from the Strand Theater."

"I don't want to get into the politics," Roumaya said in a telephone interview, when asked about the theater. He said he came to Pontiac based on his own business concepts and wasn't concerned with how other businesses do.

"Hopefully, [the theater] will pick up a little steam and be more successful," Roumaya said.

Michael LaFaive, a fiscal policy analyst at the Mackinac Center for

Public Policy, said the state should leave investing in businesses to the private sector.

"There is no reason to force taxpayers to subsidize entertainment, either through the artist or the theater in which they perform," LaFaive said. "It is not only unfair to transfer money from the many who do not enjoy the Strand and its offerings to those who do, it is economically unproductive." ■

The original version of this story was posted online on May 23, 2018 and is available at MichCapCon.com/25601.

Detroit Teachers: Never Mind The \$617 Million, What Have You Given Us Lately?

BY TOM GANTERT

In 2016, Detroit Public Schools received a \$617 million bailout approved by the state Legislature, wiping out the debt incurred by years of the district spending more than it took in.

Just two years later, members of the renamed system, the Detroit Public Schools Community District, were holding signs complaining that the state isn't spending enough money on public schools.

The Detroit Federation of Teachers-Local 231 posted May 10 on Twitter a series of pictures featuring teachers holding signs that said what they would be able to do if the government "funded Michigan schools."



Some of the signs said teachers could have smaller classes and clean and safe buildings.

The average class size in the district this school year is 21.59 students. The median class size is a bit higher at 24 students per classroom. In addition to the overspending debt covered by the bailout, the district received a financial boost when, in November 2009, local residents approved a property tax increase to pay for \$500.5 million in new debt for building improvements.

And according to the Michigan Department of Education, operations at Detroit Public Schools Community District are among the best-funded in the state.

The Detroit public school district received \$14,754 per pupil in local, state and federal funds for its general fund in 2016-17, the most recent year for which data is available. That was nearly \$5,000 per pupil above the state average of \$9,910.

As candidates to be Michigan's next governor begin campaigning in earnest, the American Federation of Teachers-Michigan has started its own campaign — to claim that Michigan taxpayers are insufficiently funding their school districts.

It's not just Detroit's public school district that is receiving more money.

One Detroit Federation Teachers union member held up a sign that read:

"DEAR CANDIDATE: IF MY SCHOOL HAD MORE FUNDING, I could have smaller class sizes! I LIVE IN Redford"

That would be the Redford Union School District, where the local union belongs to the Michigan Education Association.

The AFT-Michigan union member holding up a sign that states he lives in Redford should know that his school district is receiving \$5 million more in state funds than it did in 2010-11, despite having 84 fewer students.

Redford Union School District received \$7,249 per pupil in state funding in 2010-11 (not including local or federal money). That translates into \$8,214 per pupil if measured in 2018 dollars.

In the current school year, Redford Union will receive \$9,075 in state funding for each student. That's an \$861 per-pupil increase over 2010-11 when inflation is factored in.

Democratic gubernatorial candidate Mark Schauer made school funding one of his top campaign themes in 2014, and it backfired when his claims of school budget cuts were widely debunked in the media and elsewhere. ■

The original version of this story was posted online on May 14, 2018 and is available at MichCapCon.com/25585.

Another Michigan Community Moving Toward Wind Farm Restrictions

DTE turbine tower plans for Beaver Township stumble on proposed zoning board recommendation

BY EVAN CARTER

The Beaver Township Zoning Board voted unanimously on Thursday to amend a proposed wind farm zoning ordinance for the Bay County community. More than 300 residents from the community of 2,900, plus anti-wind activists, wind supporters and industry representatives packed the small gym of a local church school where the meeting was held.

The measure will be discussed at the next zoning board meeting, with a recommendation that it be adopted by the Beaver Township Board of Trustees, which has the final say. According to wind project opponent Kevon Martis, the revised zoning would make the township an unattractive place for wind farm developments.

The amendments require wind turbines to have a property-line setback that is four times the height of the tower. The requirement would apply to how far the tower is from roads and communications and electric lines. Turbine towers could not be taller than 500 feet from base to blade tip, and they could not emit noise greater than 45 decibels at the property line.

Due in part to state mandates requiring utilities to use renewable energy, the township is one of many communities in or near the Thumb area of Michigan that have been eyed for wind farms. It is

one of the latest communities to craft ordinances dealing with the prospective developments.

In March, DTE Energy submitted a proposal to the Michigan Public Service Commission to add 1,000 megawatts of renewable generation capacity by 2022. The electricity would come mostly from hundreds of new wind turbines, with the balance coming from solar collectors.

If the state commission approves the proposal, DTE estimates that it will surpass the amount of renewable generation capacity it needs to secure under the state mandate. In 2016, the state enacted a law requiring utilities to get 15 percent of their electricity from renewable sources.

DTE Energy Regional Manager Carla Gribbs attended the township event and was disappointed by the outcome.

“I think it’s unfortunate that the planning commission voted to accept the proposed language,” Gribbs said.

Gribbs said that while she believes the proposal is anti-wind, DTE will work with property owners as it anticipates future developments.

For more than an hour before the vote, numerous residents addressed the board, along with activists for and against wind, DTE representatives, Bay County Commissioner Michael Duranczyk and State Rep. Gary Glenn, R-Williams Township.

The people who spoke to the board cited a number of concerns, including the environmental impact of turbines and their possible effects on hunting as well as Midland’s annual hot air balloon festival. Speakers who opposed wind farms outnumbered supporters by a 3-1 ratio.

In the weeks leading up to the meeting, both DTE and Great Lakes Bay Region SOS, a group which opposes wind farms, sent mailings to area residents.

Details of the proposed wind farms in the township have not been finalized or approved by the MPSC. Matthew Wagner, DTE Energy’s manager of renewable energy development, told Michigan Capitol Confidential that the company is looking for a development in Bay or Midland counties that could include 50 to 60 wind turbines that produce 2.5 to 3 megawatts each.

Between July 10, 2017, and April 20, 2018, a subsidiary of DTE Energy secured 98 easements for turbine towers from property owners in Bay County. Wind leases are often worth multiple thousands of dollars each year.

DTE says the process of getting local approvals and signing long-term leases for turbine towers can take two to three years. The exact location of the towers then must factor in noise levels, “shadow flicker” falling on homes, setbacks and more.

According to Gribbs, DTE has not signed leases with any members of the Beaver Township government. Wagner said the company does not have a rule that would prevent it from doing so.

In Isabella County, two members of the county board signed leases with Apex Clean Energy Inc. while the board was considering changes to its wind zoning ordinance. Last December, several people testified at a Michigan House committee hearing that similar actions took place their communities. The hearing was on a bill banning such conflicts of interest.

Wagner said that for DTE to consider a wind farm project viable, it must be able to install two to three wind turbines per square mile. The company also prefers setbacks of 1,320 feet from an inhabited dwelling and 550 to 750 feet from a property line for a 500-foot-tall turbine. It also wants noise limits with less restrictive requirements.

These preferences are a point of contention with activists like Kevon Martis, who has helped people in Michigan and Ohio oppose local wind farm development. Martis suggests that for a 500-foot-tall turbine, setbacks of 1,250 feet from a property line and 1,750 feet from an inhabited dwelling are called for. He also recommends a 40-decibel noise limit as measured at a property line.

Martis said the primary responsibility of a local planning commission is to protect the health, safety and welfare of those in their communities, not broader concerns.

“Planning commissions don’t sit down and contemplate how to solve global warming,” he said. “Even if they find something that’s that great, it doesn’t mean they can place it irresponsibly.”

The amendments adopted by the zoning board were suggested in a document by Martis’ partner, Toledo-based attorney Joshua Nolan.

Environmental activist and Midland County resident Peter Sinclair did not attend the meeting Thursday, but he told Michigan Capitol Confidential he supports wind turbines in the area.

“We need a new business model for rural areas,” Sinclair said. “So for farmers who are struggling to survive, not allowing them to make money from wind energy is unconscionable.”

Previous stories in Michigan Capitol Confidential have reported on township elections that effectively prohibited wind farm developments. ■

The original version of this story was posted online on April 28, 2018 and is available at MichCapCon.com/25559.

Kayak Tax Proponents Try to Disguise Cash Grab as Safety Measure

BY KAHRYN RILEY

Last fall, some Michigan sheriffs began calling for a new tax on nonmotorized watercraft like kayaks, canoes and paddleboards. They say that requiring Michiganders to register these boats will generate needed revenue. Although both the House and Senate have passed resolutions opposing the “kayak tax,” some proponents of the tax haven’t given up on getting it passed.

Detroit News columnist Daniel Howes describes how to overcome this apparent defeat by using a different tack: “the tax-the-paddlers crowd might have a more compelling argument if the proceeds from the registration fees were earmarked for safety training.” Howes cites the argument that if motorboat operators must take safety courses, paddlers should be required to do the same.

But not all motorboat operators have to take safety courses in

Michigan. Anyone born before July 1, 1996, can legally drive a motorboat without completing any mandatory safety course. And for “personal watercraft” — jet skis, waverunners and the like — a boating safety certificate is only required for people born after 1978. Howes is essentially proposing creating stricter regulations for paddling a kayak than for flying around in a 300-horsepower Four Winns.

Further, requiring paddlers to obtain a boater safety certificate

would put Michigan in a class of its own. While about half the states require a boater safety course for some operators of motorboats or sailboats, according to U.S. Coast Guard, no state requires a boater safety certification for the operation of paddle craft.

Attempting to recast this naked cash grab as a public health and safety measure is misguided. If there really is a problem with funding Michigan’s water-related infrastructure or first-response

teams, it certainly won’t be resolved by creating a new and totally unprecedented tax on the more than 600,000 people just trying to enjoy Michigan’s great outdoors. Kayak tax proponents should seek other avenues for identifying and remedying alleged funding shortfalls. ■

The original version of this story was posted online on May 16, 2018 and is available at MichCapCon.com/25591.

FIVE YEARS

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— 11 percent — and a decline in political spending of \$26 million — or 57 percent. The UAW, an international union with many members in other states, has strongly rebounded with the auto industry. If you remove its numbers from the count, Michigan's 10 largest unions have lost nearly 137,000 members — 33 percent of their total — since right-to-work went into effect. From 2012 to 2016, these groups spent 59 percent less on politics, even though 2016 featured a much closer presidential election. (In Michigan, Barack Obama beat Mitt Romney by 9.5 points in 2012; Donald Trump beat Hillary Clinton by less than 1 percent in 2016.)

According to federal survey data, the number of people who belong to public employee unions has declined, especially at the state and local level.

But the UAW — Michigan's largest union — has recovered, more than making up for other losses. As a result, private sector union membership has increased by nearly 12 percent since 2012, the year prior to right-to-work. Membership went from 375,163 to 419,603. Total union membership, after bottoming out in 2014, has increased by about 30,000 people in Michigan — from 628,798 in 2012 to 659,285 in 2017.

But the UAW is the rare union which hasn't taken a significant hit. The number of public sector union members has declined from 253,635 in 2012, before right-to-work took effect, to 239,682 in 2017. The number of state and local union members declined by 15 percent, from 231,453 to 197,242. This decline happened despite the state economy rebounding, which has stopped the overall decline in the number of employees across Michigan. The number of government workers in the state, which had been a free fall over the previous decade, has held steady at around 600,000 since Michigan went right-to-work. This signals that the state's right-to-work law is the primary reason for a loss in union membership and dues.

Below is a summary of union membership in Michigan for most of the state's largest unions from 2012 to the current year. The information is based on a federal report known as the LM-2, which unions have to file if they represent any private sector workers.

Five unions have more than 25,000 members in Michigan. They include:

- The UAW (state employees and auto workers);
- The Michigan Education Association (public school and college employees);
- The Teamsters (a variety of public and private sector workers);

Union Membership and Political Spending in Michigan Since Right-to-Work

Union	Membership 2012	Membership 2017-18	Membership Change	Political/Lobbying Spending 2012	Political/Lobbying Spending 2016	Political/Lobbying Spending Change
UAW	382,513	430,871	13%	\$29.9 million	\$13.2 million	-56%
MEA	117,265	87,628	-25%	\$4.84 million	\$2.47 million	-49%
Teamsters	45,625	38,659	-15%	\$150,660	\$122,667	-19%
AFSCME	48,625	32,595	-33%	\$3.5 million	\$240,010	-93%
UFCW	28,509	27,063	-5%	\$328,033	\$54,697	-83%
AFT	24,976	18,426	-26%	\$844,766	\$319,766	-62%
SEIU	47,805	21,919	-54%	\$1.2 million	\$442,882	-43%
Operating Engineers	15,007	13,810	-8%	\$326,320	\$784,093	140%
Carpenters	14,010	13,613	-3%	\$473,403	\$1.25 million	164%
Nurses	10,424	11,413	9%	\$745,042	\$565,354	-24%
SEIU Healthcare	55,359	9,719	-82%	\$3.5 million	\$291,218	-92%

Source: Federal LM-2 documents, 2012 to 2017-18 for members numbers and 2012 to 2016 for political/lobbying spending (presidential election years).

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- The United Food and Commercial Workers (mostly Kroger and food service employees);
- The American Federation of State, County and Municipal Employees (state and local public workers).

Total UAW membership is up significantly, from 382,513 in 2012 to 430,871 today. The rise has coincided with the increase in auto jobs in the state, though membership is well below the recent peak of 701,818 in 2002. Its political spending collapsed from a prior presidential cycle to the latest one — declining from \$29.9 million in 2012 to \$13.2 million in 2016. UAW Local 6000, a part of the union that represents state employees, does not report membership numbers, but the number of Michigan state employees has held steady around 47,000. About 16 percent of workers have left the union. Other parts of the UAW, which is itself an affiliate of the AFL-CIO, have also lost members.

The MEA, the second-largest union in Michigan, has lost 30,000 members — 25 percent — since right-to-work went into effect. Membership peaked in 2005 at 130,882 before dropping to 117,265 in 2012 and all the way down to about 87,000 today. (Note: The MEA counts retirees and students as membership; we only count full, dues-paying, voting members). Political spending from the presidential election years of 2012 to 2016 has plummeted from \$4.84 million to \$2.47 million.

The next largest union in the state is the Teamsters Local 43, a combination of 13 Michigan locals. Membership has declined from 45,625 in 2012 to 38,659 this year — a 15 percent drop. Reported political and lobbying spending from the presidential election years of 2012 to 2016 declined from \$150,660 to \$122,667.

AFSCME Council 25 mostly represents local government workers across the state.

Membership has declined from 48,625 in 2012 to 32,595 today — down from a peak of 58,550 in 2001, though right-to-work accelerated the decline. Political spending from the presidential election years of 2012 to 2016 has plummeted from \$3.5 million to \$240,010. The union had surged in membership after entering a little-known forced unionization arrangement with former Gov. Jennifer Granholm; membership and funds fell significantly after the scheme was disbanded.

UFCW 951 is composed of food workers in Michigan. Membership has declined from 28,509 in 2012 to 27,063 today, and political spending from the presidential election years of 2012 to 2016 has plummeted from \$328,033 to \$54,697.

Michigan state government employees are represented primarily by six different unions: the MSEA, MCO, SEIU Local 517, Troopers Association, AFSCME Council 25 and UAW Local 6000. Because they represent only public sector workers, they do not report numbers. But according to state documents compiled by the Lansing State Journal, each has seen an acceleration in the number of opt-outs, ranging from 7 percent to 32 percent.

Other smaller unions in Michigan have seen similar declines.

The American Federation of Teachers Michigan, which had 24,976 members in 2012, is down to 18,426 today. Its membership peaked at 26,860 in 2005, with a decline accelerating strongly after right-to-work. Political spending from the presidential election years of 2012 to 2016 has plummeted from \$844,766 to \$319,766.

SEIU Michigan is composed mostly of private sector health care workers. The union had 47,805 members in 2012, and it has 21,919 today. It peaked in 2010 at 49,312 members and has been in collapse since. Political spending from the presidential

election years of 2012 to 2016 has been more than halved from \$1.2 million to \$442,882. The association has had constant infighting and allegations of waste in the past few years, with several locals disbanding or switching to other unions.

Operating Engineers 324 had 15,007 dues payers in 2012, but it was down to 13,810 in 2017. The union peaked at 16,298 in 2010. Political spending from the presidential election years of 2012 to 2016 more than doubled from \$326,320 to \$784,093.

The Michigan Regional Carpenters had 14,010 members in 2012. It now has 13,613, representing a modest decline, even as the number of construction workers in the state increased by 34,600 jobs (27 percent) since 2012, according to the federal Bureau of Labor Statistics. Its peak membership came in 2001, at about 21,000. Political spending from the presidential election years of 2012 to 2016 increased from \$473,403 to \$1.25 million.

The Michigan Nurses Association had 10,424 members in 2012 and 11,413 in 2017. The association is the rare union that has been on a steady increase — from 7,703 members in 2001 up to a peak of 11,149 in 2013 and then a steady path since then. Political spending from the presidential election years of 2012 to 2016 has declined from \$745,042 to \$565,354. Employment in health care occupations has been growing. According to the BLS, health care and social assistance jobs in the state are up 38,400 jobs (about 7 percent).

SEIU Healthcare Michigan, which was composed almost exclusively of home caregivers, has had the largest total collapse in recent years. Most of that is the result of the Michigan Legislature ending the “dues skim” (automatic unionization), the U.S. Supreme Court ruling that caregivers could not be forced into a union and the state passage of right-to-work. The union has seen an 87 percent decline in membership since 2012, from 55,000 members down to less than 10,000. Political spending and lobbying costs have gone from \$3.5 million in the presidential election year of 2012 to \$291,218 in 2016.

In the next month, the U.S. Supreme Court will announce a decision in the case of Janus v. AFSCME. This decision could grant right-to-work status to government union members in nearly half the states, including California, New York, Illinois and Washington. While this will not directly affect private sector workers, all public employees could be able to choose whether to pay dues or fees to their union. ■

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The Michigan Politicians Who Approved \$6 Billion In Business Subsidies

New scorecard shows which legislators voted for how much

BY TOM GANTERT

Democratic and Republican lawmakers have approved handing out \$16 billion in cash subsidies to businesses since 2001, \$6 billion of which is included on a voting record scorecard attached to a new analysis by the Mackinac Center for Public Policy.

The Mackinac Center tally includes 37 roll-call votes in both the state House and state Senate, going back to 2001. These were on measures that directed the Michigan Economic Development Corporation to give out taxpayer-funded subsidies to a relatively small number of select businesses and industries.

The bills scored by the Mackinac Center show the amount of subsidies that lawmakers authorized, not all of which were necessarily collected. Many subsidy deals signed with individual companies never came to fruition, and the money was never paid by the state.

The analysis did not include selective tax breaks, such as property tax abatements, that don't result in government writing checks to beneficiaries. The \$16 billion in cash outlays it did score was spread among 71 laws approved by legislators and the governor.



For various reasons, not all of these measures could be included in the voting record scorecard created for the analysis. Some were part of a much larger measure, such as an omnibus state budget bill, or tacked onto a major business tax overhaul. But House and Senate votes for 37 new laws authorizing \$6 billion in subsidies were included in the legislator scorecard.

The analysis shows that state-supported corporate welfare is a bipartisan activity. The average Republican approved

\$1.47 billion in business subsidies while the average Democrat approved \$1.62 billion worth.

Over 17 years, there were 22 lawmakers who voted against every business subsidy approved while they served. In total, the voting records of 498 Michigan legislators were scored, which is all of those who have held office since 2001. Missed votes by individual lawmakers were not included.

There were 217 legislators since 2001 who scored 100 percent in approving all of the

scorecard's business subsidy authorizations that came before them during their terms.

Beau LaFave is a first-term Republican state representative from the Upper Peninsula community of Iron Mountain. He has voted "yes" on the three subsidy authorizations that have come before him since he entered office in January 2017. LaFave said the state should be cutting taxes and regulations across all sectors of Michigan government and make it easier for businesses to operate.

"Generally, I'm not a fan of picking winners and losers," LaFave said.

However, LaFave compared selective business incentives to nuclear weapons proliferation, saying he wished no states offered the incentives, but if the government in one state has the option to use them, so should the others.

"Since other states that border mine, like Wisconsin, are going to offer sweetheart deals, we have to be competitive as well," LaFave said. "So if you are talking 1,000 jobs downstate or a couple 100 jobs in the U.P., I'd be interesting in making that possible." ■

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Supreme Court Eyes Unions Politicking With Fees Compelled From Workers

Unions spent \$1.7 billion on politics in 2016 cycle; a ruling this June could bring that down

BY TOM GANTERT

In a 2014 Rolling Stone article titled, "Three New Ways The Koch Brothers Are Screwing Americans," the author wrote of an "outpouring of money" from billionaires Charles and David Koch.

The article reflected fears prevalent on the left and in the mainstream media related to the 2010 Supreme Court ruling in the case *Citizens United v. Federal Election Commission*. It held that government restrictions on political spending by corporations — including nonprofit corporations organized by individuals motivated by ideology or political views — infringe on free speech rights recognized by the First Amendment to the U.S. Constitution.

In 2016, The New York Times echoed the fears of the 2014 Rolling Stone article with a report that the Koch political network planned to spend \$900 million on a political campaign, which the newspaper called "unparalleled."

Similar stories often downplay that the *Citizens United* ruling also struck down restraints on political spending by labor unions.

Largely underreported is U.S. unions spent \$1.7 billion during the 2016 election cycle, according to an analysis by the National Institute for Labor Relations Research.

Some of that political spending was by union political action committees, which are funded by voluntary contributions by union members and others. But 75 percent of union political spending came from what are called "treasury funds." This money does not come from voluntary contributions, but from union "agency fees" and dues. These are fees that workers in a unionized workplace are compelled to pay to the union as a condition of employment.

In June, another case before the Supreme Court, *Janus v. AFSCME*, could have major impact on future political spending by big labor.



Mark Janus is an Illinois state employee who sued because he believes these compulsory union agency fees violate his free speech rights by making him pay for political activities he does not support. His lawyers also argue that in the context of a government workplace, union collective bargaining itself is inherently a political act because

the outcomes relate directly to public policy decisions by government.

If *Janus* prevails, government employee unions will lose their power to compel government employees to pay agency fees. This would be equivalent of adopting a nationwide right-to-work law for public employees.

"The unions spent \$1.7 billion on politics in 2016, just about all of which went in a leftward direction," said Larry Sand, president of the California Teachers Empowerment Network. "If the *Janus* case is successful for the plaintiff, it will be interesting to see how much union political spending habits will be impacted. Will the union spend more on right-of-center candidates to attract members? Will they be content to keep spending on progressives but with fewer members/dollars? Only time will tell." ■

The original version of this story was posted online on March 14, 2018 and is available at MichCapCon.com/25441.

Detroit Charters Send More Graduates to College Than Peers Do

BY BEN DEGROW

Detroit charter schools rightly merit attention for helping students improve on math and reading tests. But they deliver other benefits that take longer to emerge. A new analysis says that a Detroit student who attends a charter high school is more likely to pursue higher education.

The Michigan Association of Public School Academies, which represents charter schools in the state, observed that eight of the top 10 schools in Detroit for college enrollment were charter schools. The numbers come from the Michigan Department of Education, and can be easily accessed on an MLive searchable database.

Detroit Edison Public School Academy and Universal Academy topped the list, with 76 and 75 percent of graduates, respectively, pursuing a college education. Other notable examples of charter schools helping students beat the odds include Jalen Rose Leadership Academy, Cornerstone Health and Technology High School and the two University Prep high schools.

Unlike the charters on the list, the two schools run by the Detroit Public Schools Community District that finished in the city's top 10 — Renaissance and Cass Tech — have selective standards for admission. But charter schools, like most other public schools, cannot discriminate



when enrolling students. All eight of the charter schools on the list are as likely as neighboring district schools to serve low-income students — if not more so.

The fact that eight of the top 10 schools in Detroit are charter schools doesn't necessarily indicate a direct cause and effect between attending a charter and enrolling in college. But more rigorous studies from Florida, one of charter schools and one of a tax-credit scholarship program for low-income students, both indicate that school choice boosts college enrollment.

The Michigan Department of Education tracks postsecondary progress for each high school's graduates, starting with the Class of 2014. More evidence should be forthcoming in future years to show how many students who graduated from

charter and district schools also completed two-year and four-year college degrees.

This evidence may begin to validate other findings about the long-term benefits of academic achievement. A recent Mackinac Center study estimated that each dollar spent by a Detroit charter school will yield about two-and-a-half times greater student lifetime earnings than a dollar spent by the Detroit school district. This finding results in part from the fact that the city's charter schools typically take in and spend about \$5,000 less per student.

The increased college enrollment numbers follow other research that highlights the benefits Detroit students enjoy by enrolling in a charter school. A 2015 analysis from the Center for Research on Educational Outcomes at Stanford University found that each year in a charter gave students

somewhere from a few weeks to several months of additional learning. CREDO cited charters in Detroit and three other cities as "essential examples of school-level and system-level commitments to quality that can serve as models to other communities."

While Detroit's charter schools deserve congratulations for outperforming the local district, they should not be complacent. After all, that district has been rated lowest in academic achievement among the nation's major cities five straight times since 2009. The city needs more high schools achieving results like Detroit Edison and Universal academies to raise the bar further and give more students hopes of success.

As reported by MLive, Michigan charter schools outside the Motor City also distinguished themselves in sending last year's graduates to college. Ann Arbor's Central Academy, which serves a largely poor and immigrant student population, had the third-highest college enrollment rate in Michigan — the highest, in fact, outside of public schools that get to exclude students with a poor academic record. Other charters that had 2017 college enrollment rates above 80 percent were Arbor Prep, Washtenaw Technical Middle College Prep and International Academy of Flint. ■

The original version of this story was posted online on May 18, 2018 and is available at MichCapCon.com/25594.

Money For Roads Doesn't Go Where It's Needed The Most

Roads in the worst condition are not a priority

BY TOM GANTERT

In a recent social media post, state Sen. Jim Ananich, D-Flint, indirectly pointed to one of the challenges to improving the condition of Michigan roads.

Ananich, who is the Michigan Senate's minority leader, said in a March 20 Twitter post: "MI Republicans: tossing a few pennies in a pothole and making a wish won't fix our roads. I tried it just to see. Now let's work together to find a real solution."

Ananich also posted a short video in which he throws a handful of pennies into a pothole.

Michigan roads are funded through Public Act 51 of 1951 (PA 51), which governs how money gets allocated between state, county and local road agencies. Enacted in 1951, the law represented a compromise between rural and urban lawmakers. The Citizens Research

Council of Michigan calls it the "third rail" of highway funding.

"The antiquated and inefficient formula used for sharing road funds with state and local road agencies guarantees that much of this funding will not go to those roads experiencing the most traffic or those in the worst condition," the council stated in a report it released last month.

The law has not been changed in 67 years, mainly because in a big state there has never been a consensus on how to strike a balance between connecting far-flung communities and having smooth roads within them.

Under existing law, 39 percent of the money available for Michigan roads each year goes to the state Department of Transportation, 39 percent goes to county road commissions and 22 percent goes to cities and villages.



The formula also applies to \$175 million in general state tax dollars that legislators have earmarked to fix roads this year, on top of gas tax and vehicle registration tax revenue. Of that \$175 million, \$68 million will go to state roads, \$68 million to county projects and \$38 million to cities. The money not spent by the state is divided among 83 counties and 533 cities and villages.

The Citizens Research Council said the state's system of divvying up the money doesn't take into consideration which roads need repairs the most.

"Given the current PA 51 funding distribution system, it is nearly impossible to address the funding needs of heavily traveled roads or roads in greater need of repair without significantly increasing the allocation of revenues to those roads with less traffic or that have relatively lesser needs," Craig Thiel, the council's research director, said in an email. "Under this system, an increase in funding, regardless if it is one-time or ongoing in nature, will result in the same percentage increase for each road agency. This is inefficient." ■

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Michigan Electricity Rates Since 2003: 15 Increases, 1 Cut

Consumers Energy gets another rate hike

BY EVAN CARTER

Consumers Energy electric utility was approved for a \$65.8 million rate increase this week by the Michigan Public Service Commission, the state agency that regulates Michigan's electric and natural gas monopolies.

In addition to allowing Consumers Energy to charge higher rates, the MPSC also approved the Jackson-based energy provider earning a 10 percent return on equity — that is, profit — on its operations. The commission denied the utility's request to collect a profit of 10.5 percent.

This is the ninth time the commission has allowed the company to raise prices on consumers since 2005. The rate increases over that period total \$912 million. Consumers Energy earned a profit of \$616 million in 2016.

DTE Energy, the state's largest electric utility, has imposed six rate increases since 2003, totaling \$1.2 billion. During that time, DTE implemented one rate decrease worth \$79 million.

In 2016, residential customers in Michigan paid the highest price, on average, for electricity in the Midwest, according to the federal bureau that tracks nationwide energy production and trends.

The Energy Information Administration reports that Michigan's residential customers paid 15.26 cents per kilowatt-hour in January 2018, the most recent month for which data is available. Customers in Indiana and Ohio paid significantly less for a kilowatt-hour of electricity, at 11.09 cents and 11.82 cents, respectively. As of January 2018, Michigan has the 12th highest

electricity costs among the 50 states and Washington D.C.

Consumers Energy's residential customers are getting monthly rate increases averaging \$1.87 above the amount last approved by the MPSC. Because the commission only approved about half the increase the utility had requested and began collecting last fall, customers who were already paying the higher amount will see their monthly bills fall. Michigan law used to allow utilities to raise rates without prior approval, but not any longer. But they get to keep that extra money only if the state approves the increase.

"The Michigan Public Service Commission approved a rate increase for Consumers Energy based on expenses and new infrastructure investments that the Commission believes are reasonable and prudent to maintain safe,

reliable utility service," said MPSC spokesman Nick Assendelft.

A spokesperson with Consumers Energy told Michigan Capitol Confidential in a statement that even with the rate increases, the average electricity rates for consumers is lower than the national average.

"Since 2000, electric general rate cases were required periodically to reflect the ongoing costs of investment in new infrastructure to address environmental compliance, new cleaner and more efficient generation (Zeeland and Jackson), system reliability and technology (SAP, smart meters and digital customer experience)," said Consumers Energy Spokeswoman Katie Carey. ■

The original version of this story was posted online on April 3, 2018 and is available at MichCapCon.com/25500.

Union Files Federal Complaint Against Company For Giving Its Members Raises

BY EVAN CARTER

In one Michigan county, a union filed a federal complaint to stop an employer from giving raises, at least without its permission.

The National Labor Relations Board ruled that Lenawee Stamping Corporation must take back wage increases and a bonus offer it made in an attempt to attract more skilled workers.

The matter is now in a federal appeals court, with the company pushing back against NLRB. The independent federal agency says the company violated its collective bargaining agreement with the United Auto Workers union when it offered the wage increases and bonuses without the union's agreement.

According to documents filed with the NLRB, the plant manager met with two officials of the union local, including its president in November 2015, to discuss raising the starting wage for skilled employees from \$22.19 an hour to

\$30 an hour. The union officials did not agree to the wage increase, arguing that it would have to go through a collective bargaining process.

The company raised wages anyway. In subsequent meetings between the company and the union, the two parties couldn't come to an agreement over how to modify the existing collective bargaining agreement.

In March 2016, the company again announced it planned to raise wages without first consulting the union. This time, it raised the starting wage of a semiskilled worker from \$10 per hour to \$10.75 per hour. In April it notified a union representative that it was going to raise the starting wage of semiskilled workers again, this time to \$11.50 an hour. The union didn't agree to either raise.

In March 2016, the company also announced it would begin paying current employees a \$100 bonus for every new employee they brought into the facility. It also promised \$1,000 to any new

employee who kept working at the facility long enough to finish a probationary employment period. The union local never agreed to the bonuses.

The UAW filed charges against the company with the NLRB. It then issued a complaint, arguing that the auto supplier had violated federal labor law. After a one-day hearing, an administrative law judge issued an order stating that the company had violated federal law by raising wages and offering bonuses without the union's consent.

At the union's request, the NLRB then ordered the company to rescind the wage increases and offers of bonuses.

"The Company insists that its decision to increase wages was necessary given the Company's inability to hire and retain employees," said the NLRB in an argument to the U.S. Appeals Court. "The Company's motive for modifying the agreement is irrelevant to determining whether the modifications violated [federal labor law]."

Derk Wilcox, senior attorney with the Mackinac Center Legal Foundation, believes the NLRB's original decision will be upheld by the court.

"Even though taking away their raises will hurt the workers, the UAW is likely to win this legal battle," Wilcox said. "The labor law is designed to give the union control, even if it hurts the business. Here, the stamping company desperately needs to recruit and hire new employees to meet demand, but the UAW would rather reward long-time union members than see the company grow and hire more people."

Kirchhoff Automotive, the parent company of Lenawee Stamping, did not return a phone call or email requesting comment.

A spokesperson with the UAW said in an email that the union does not comment on pending NLRB matters. ■

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Rise In State Revenue Far Exceeds Cost Of Defeated Income Tax Cut

Taxpayers would have saved \$463 million; latest state revenue estimate up \$827 million

BY TOM GANTERT

The amount of tax and other revenue flowing into the Michigan state government this year and next is now projected to increase more than previously thought, marking a recurring pattern.

The projected increase was announced at a revenue estimating conference in May, one of two each year that combine the best estimates of the Legislature's fiscal agencies and Department of Treasury budget officials into a consensus estimate.

Last year, the amount flowing into the state's largest two accounts (the General Fund and the School Aid Fund) totaled

\$22.9 billion. At a revenue estimating conference in January, the consensus was that the amount would grow to \$23.4 billion for the 2017-18 fiscal year, which ends in September.

But at the May conference, held this past week, the agencies increased their revenue projection to \$23.7 billion. That's \$827 million more than those two main accounts received last year.

For the 2018-19 fiscal year, which begins Oct. 1, the agencies' January consensus was for the state to take in \$23.8 billion in those two funds. But in May, that number was revised upward to \$24.0 billion, almost

\$200 million above the January estimate. None of these figures include federal money that flows into the state treasury.

For context, that \$827 million in extra revenue the state is now projected to receive in 2017-18 as compared to the previous year is far more than the costs of a proposed income tax cut that was defeated last year. The tax cut would have taken \$463 million from the state budget next year. But the proposal was defeated in the Republican-controlled Michigan House in February 2017. ■

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Recent Corruption Scandals Involving Some of Michigan's Largest Unions

Embezzlement, financial malpractice plague unions

BY JARRETT SKORUP

In the five years since Michigan became a right-to-work state, most of its largest unions have seen a significant hit to their membership, revenues and political spending. On average, since 2012, they have lost 85,000 members (11 percent) and are spending \$26 million less (57 percent) on politics and lobbying.

If you take out the United Auto Workers, a national union that has rebounded strongly with the auto industry, the 10 largest unions in Michigan that file federal transparency reports have had a net loss of 137,000 members, or 33 percent of their total.

A loss of members and revenue isn't the only problem for many unions, however. Several of the major unions have had corruption scandals in the past two years,

further restricting their growth and power going forward.

In 2017 and 2018, six people, most of them officials with the United Auto Workers union, have been charged in a single multimillion-dollar corruption scandal. The union leaders allegedly took millions that the automaker FCA provided for worker training and instead spent it lavishly on trips, shoes, restaurants and other goods.

Last year, the former leader of the Operating Engineers Local 324 pleaded guilty to forcing businesses and employees to pay kickbacks, which he spent on alcohol, meals and a wedding for his daughter. Two other officials — the then-current president and financial secretary — also pleaded guilty to taking funds.

Also in 2017, the former comptroller of the Michigan Regional Council of

Carpenters and Millwrights pleaded guilty to embezzling nearly \$500,000 from the union.

Last year, a former office manager with the International Brotherhood of Electrical Workers Local 876 was convicted of embezzling more than \$300,000 from the union. She was sentenced to four years in federal prison.

SEIU Healthcare Michigan was placed under an emergency trusteeship in 2017 by its parent organization after allegations of financial malpractice came to light.

The recent leader of AFSCME Local 640, a hospital workers union, was charged with stealing \$600,000 from the union over a two-year period. The charges were announced in 2018.

An investigation by the Detroit Free Press found that embezzlement plagues union

offices around the country. In the past two years, about 300 union offices have discovered theft, often through audits of union finances.

Unions that represent private sector workers are required by federal law to post financial, spending and membership information online. Associations that represent exclusively government workers do not have to post this information, though states can decide whether to require them to do so. The Mackinac Center for Public Policy has published a study on bringing financial transparency to public sector unions, where questions often arise about spending and disbursements. ■

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City Denies Alcohol License to Restaurant it Doesn't Like

BY JARRETT SKORUP

A city in Michigan is denying an alcohol license to a restaurant, apparently because government officials don't like the style of service and type of food offered there.

According to the Detroit Free Press, Royal Oak city officials voted to deny an alcohol license to a Taco Bell Cantina "after police expressed opposition."

Commissioner Kyle Dubuc said that the Taco Bell Cantina didn't fit with the city's vision for the bistro-style licenses.

"I would say more that when we think of unique concepts that would not include national fast-food chains," DuBuc said. "Think locally managed, local concepts that are bringing a kind of unique flavor and unique identity."

But the Taco Bell Cantina is locally owned — it's just a franchise of Taco Bell. The "cantina" brand is an intentional effort to give the restaurant more of a local feel, and it has been rolled out in large cities throughout the U.S.

The attorney for the owners of the Taco Bell Cantina in Royal Oak said they had

planned to serve craft beer and liquor from local brewers and distillers. The location had been vacant for nearly four years, but the restaurant invested \$750,000 to develop it and hired 20 employees. If the license had been approved, they planned to hire 20 more.

"People keep on coming in, wanting slushy margaritas," [attorney Jim] Rasor said. "And we don't have them, and they leave. The location is not doing type of numbers that are going to sustain it without these new novelty alcohol drinks ... (It) may very well turn into another vacant storefront on Main Street."

When city officials decide who gets a liquor license, they should not discriminate based on their personal opinions about the food or atmosphere of the restaurant. If a legal business or individual follows the proper procedures, government rules should be fair to everyone. And if city officials feel they need to protect local residents from substandard food, they should rest assured that market competition has been providing that service very well for centuries. ■

The original version of this story was posted online on May 3, 2018 and is available at MichCapCon.com/25566.

FORtheRECORD

Teachers Union Math Lesson: \$8,326 Per Kid > \$7,462 Per Kid

The first “walk-in” demonstrations sponsored by Michigan teachers unions protesting alleged cuts in school funding took place May 9.

The events generated some media coverage, such as this from an article by WEYI-TV.

“There’s a massive shortage of teachers, there’s been a massive cut to funding and we want Lansing to listen to us,” Michigan Education Association member and Carman-Ainsworth teachers union president Frank Burger told the TV station.

The claim by Burger went unchallenged.

FORtheRECORD says: Michigan news media rarely challenge union assertions that school funding has been cut in Michigan.

State funding for Burger’s school district (not including local or federal money) has increased since 2010-11.

In 2010-11, the Carman-Ainsworth district received \$30.0 million in state dollars for 4,585 students in 2010-11, or \$6,559 per pupil. When adjusted for inflation, this is the equivalent of \$7,462 per student in 2018 dollars.

In 2017-18, the district received \$39.7 million in state dollars for 4,769 students, or \$8,326 per pupil.

State-only funding for all public schools was \$10.80 billion in 2010-11, which was the last budget of then-Gov. Jennifer Granholm. It stands at \$12.86 billion in the current fiscal year. In 2010-11, the state spent the equivalent of \$11.87 billion when stated in 2018 dollars, meaning that after inflation, state spending on schools has increased by \$1 billion since then. ■

The original version of this story was posted online on May 12, 2018 and is available at MichCapCon.com/25584.

Michigan’s Golf Courses Will Take Much More Water Than Nestle

The Michigan Department of Environmental Quality has approved a permit to allow Nestle to increase the amount of water it draws from a commercial well in Northern Michigan for bottled drinking water. The food and beverage company will now be able to withdraw up to 400 gallons a minute at its plant in Ewart, up from 250 gallons a minute.

The approval drew this reaction from Candice Miller, a former Michigan secretary of state and Republican member of Congress who is now the Macomb County drain commissioner.

“Where will Nestle be when the water is gone and the community is left with nothing, but dust and dirt?” Miller said, according to the news site MIRS.

Miller said there may be an initiative to try to overturn the decision.

In 2016 Miller was elected to head her county’s drain commission, called the Macomb Office of Public Works, responsible for maintaining the network of drains that remove standing water from low-lying land in the county.

FORtheRECORD says: Michigan environmental regulators analyzed how much water is used by the state’s golf courses in 2004. They estimated that golf courses around the state used 34 million gallons per day for irrigation. Over the course of a 225-day golf season — April 5 to Nov. 15 — that would amount to 7.6 billion gallons of water.

If Nestle ran its bottling plant 24 hours a day for an entire year, the most water it could use would be 210 million gallons.

The state report said that golf course sprinklers lose between 5 percent to 40 percent of their water due to wind drift and evaporation. That means as much as 3 billion gallons of water are “lost” by golf courses every year.

According to a county website, there are 26 golf courses in Macomb County. Klida didn’t respond to an email seeking comment. ■

The original version of this story was posted online on April 6, 2018 and is available at MichCapCon.com/25511.

Magazine’s Description Of Michigan School Funding 24 Years Out Of Date

Wealth of community not the biggest factor in how much schools get

A recent story in The Atlantic magazine about private versus public schools used examples from Michigan to illustrate some of its arguments, but was significantly out of date.

In particular, author Julie Halpert focused on Michigan’s Bloomfield Hills school district. In one section she says, “With a tax base bolstered by one of Detroit’s wealthiest suburbs, Bloomfield Hills High is the kind of public-school districts elsewhere would only dream of having. ...”

FORtheRECORD says: At least when it comes to Michigan, the author’s suggestion that schools in affluent communities gets more overall funding than those that are poorer towns is not true. The statement that Bloomfield Hills’ schools get a level of funding that “public school districts elsewhere would only dream of having” calls for a closer examination.

Bloomfield Hills is a rare exception in the Michigan school funding system that emerged from a comprehensive overhaul as a result of the 1994 Proposal A ballot measure. Before voters approved that proposal, local property taxes provided the majority of school funding, which created large spending disparities between schools in rich and poor communities. Proposal A created a new system that reduced the disparities by combining local and state tax revenue in a complex per-pupil funding source called the “foundation allowance.”

One of the challenges that Proposal A’s bipartisan creators met was to craft a formula that increased funding for schools in poorer districts while holding harmless the funding levels of richer districts. The latter came to be known as “hold harmless” districts — including Bloomfield Hills.

Bloomfield Hills Schools received \$15,927 per pupil for operating expenses in 2016-17, including local, state and federal dollars. While this gives it one of the highest general fund budgets of any school system in the state, several districts that are from far less affluent communities are not far from that funding level.

Flint Community Schools, for example, actually received more funding on a per-pupil basis in 2016-17 than Bloomfield Hills. Flint received \$20,166 per pupil for its operating expenses in 2016-17. The Michigan Department of Education said that about \$4,200 of that \$20,166 was meant to address the water crisis. But even without that extra revenue, Flint schools received \$39 more per pupil than Bloomfield Hills schools in 2016-17.

The Pontiac City School District’s general fund received \$15,402 per pupil in 2016-17. And the Detroit school district received \$14,754 per pupil.

Schools in these poor communities received significantly more money than other “hold harmless” school districts, not counting Bloomfield Hills. For example, the Troy School District received \$11,345 per pupil in 2016-17 for operating expenses, \$4,057 less than Pontiac.

The reason Michigan’s poorer urban school districts are funded at comparatively high levels is they generally get millions more in federal funding based on the number of students who come from low-income households. ■

The original version of this story was posted online on March 17, 2018 and is available at MichCapCon.com/25445.



Seven Ann Arbor Retirees Getting Six-Figure Pensions

The highest pension was for \$126,216 to former fire chief who worked 25 years

BY TOM GANTERT

Seven former city of Ann Arbor employees are currently collecting pensions that exceed \$100,000 a year, according to records from the city-run pension system.

The highest payout is to former fire chief Thomas Schmid, who is getting \$126,216 a year. Schmid retired in 2002 after 25 years of service.

The average pension payout from Ann Arbor's retirement system was

\$34,080, but not everyone getting payments is a former employee. For example, some surviving spouses are also receiving benefits. One person whose husband worked for the fire department and died in 2003 receives an annual pension of \$43,000.

Gretchen Virlee-Wagner was a fire department employee who managed to claim a final-year salary of \$307,516 in 2017. That amount included payouts for unused paid leave and sick time. Virlee-Wagner

now collects an annual pension of \$68,036.

The New York Times published a story on April 22 claiming that the public sector was losing its middle-class status with the disappearance of middle-income jobs.

Michigan Capitol Confidential has been examining public sector salaries and pensions in this state.

According to city of Ann Arbor records, Thomas Arreola was a city police officer who retired in September 2017. His base annual

salary then was \$81,723. His annual pension is \$55,109, or about 67 percent of his base salary.

Dean Ball, the deputy director of state and local policy for the Manhattan Institute, said that amount was in the ballpark of most public sector pensions.

"Many defined benefit public sector pension plans offer about 60 percent of the employee's final average salary every year in perpetuity. A generous system might be closer to 70 or 75 percent," Ball said in an email.

The median household income in Michigan was \$52,492 in 2016, according to an ongoing U.S. Census Bureau survey.

Ann Arbor's pension fund owes \$68 million in unfunded liabilities and is 88 percent funded. The system pays out about \$36.1 million in benefits to 1,061 recipients each year. ■

The original version of this story was posted online on May 30, 2018 and is available at MichCapCon.com/25613.

Lonely Are The Michigan Democrats Who Oppose State Checks To Corporations

BY EVAN CARTER

Only one out of the 233 Democrats who have served in the Michigan Legislature since 2001 never voted to approve any of the taxpayer-funded business subsidy programs covered by a recent analysis of such votes.

Rose Mary Robinson, a third-term state representative from Detroit, is the only Democrat to oppose all the subsidy measures that came before her that were

included in a voting record scorecard assembled by the Mackinac Center for Public Policy. The scorecard covers 37 votes in both the state House and state Senate over 17 years on various proposals to authorize \$6 billion in cash subsidies for businesses.

The average Democrat approved \$1.62 billion in subsidies while the average Republican approved \$1.47 billion worth.

Besides Robinson, three other Democrats approved less than

1 percent of business subsidy dollars that came before them for a vote. They were Yousef Rabhi of Ann Arbor, Stephanie Chang of Detroit and Jewell Jones of Inkster. All currently serve in the House.

Robinson did not respond to an email and a phone call requesting comment.

Robinson hasn't voted against every business subsidy that has come her way, though. In March 2015 she opposed a bill

that repealed Michigan's film subsidy program, which had given \$40 million to Disney in 2013.

Robinson later defended her "no" vote in comment on Facebook, responding to a Michigan Capitol Confidential piece titled "What Happened in Five Days." She wrote: "I voted against this particular bill because it was a ploy to renegotiate with the film industry. My vote did not change the outcome of the passage of the bill. I was not going

to be used. I put this reasoning in the journal to explain my vote. I have voted against film credits in the past. I am unequivocally against corporate welfare as my voting records since January 2012 demonstrates. I am not led by leadership or lobbyists. I attempt to represent the interests of the 4th state house district." ■

The original version of this story was posted online on May 26, 2018 and is available at MichCapCon.com/25609.

99 Teachers In This District Do Union Work on Taxpayers' Dime — 1 of every 15

BY TOM GANTERT

As a Utica Community Schools employee, Eliza Parkinson has a base salary of \$107,402 in 2017-18. Most of the time, though, she operates as a "ghost teacher" — someone who is paid to educate students but in reality spends the work day on union business. Of her salary, \$92,430 is for work done on behalf of the teachers union, for which Parkinson serves as the official representative to the district.

Parkinson is one of 99 Utica teachers this school year who are being paid by the district for performing union-related activities

at the school. The figure was provided through an open records request to the state Office of Retirement Services, which keeps records on public payrolls. The district said there are 97 teachers it will have paid for some amount of union work. The union also reimburses the school district for costs incurred when negotiations are conducted during work time.

Utica Community Schools has 1,447 full-time teaching positions this year. The district's contract with the teachers union allows the union president to give out 100 days of so-called release time to other school employees, who are then paid by the district for doing union business.

District teachers received various amounts of pay for doing union work, with Parkinson earning the most and the lowest getting \$161. All told this school year, Utica Community Schools will pay up to \$193,686 to school employees to perform union-related activities. This compensation also counts towards the calculations used to determine the educator's pension.

The union contract allows one full-time school employee to be a full-time union representative. The union reimburses the district at the rate of a first-year teacher's pay, which is \$39,310 in the current contract.

In the current school year, 177 public school employees across the state are paid by their districts to perform union duties for some portion of their time. Altogether, school districts will pay employees up to \$1,877,126 to perform union business this year. The state doesn't track whether unions reimburse those school districts for this expense.

Legislation has been introduced to ban the use of taxpayer dollars to pay public employees for union work. The proposed law is Senate Bill 795 which has passed committee but not been taken up yet in the full Senate or House. In 2015, a similar bill passed a

Republican Senate but was not taken up by a Republican House.

"Each dollar these school districts spend on union lobbyists is a dollar taken from classrooms," said Sen. Marty Knollenberg, a Republican from Troy and vice chairman of the Senate Education Committee, in a statement when the bill was first introduced. "The last thing parents and taxpayers should have to worry about is whether money is being siphoned out of classrooms to pay for lobbyists." ■

The original version of this story was posted online on May 1, 2018 and is available at MichCapCon.com/25561.

Two-Thirds Of Last Year's Gas-Tax Hike Pays Debt On Roadwork Done Years Ago

BY TOM GANTERT

While Michigan politicians are engulfed in perennial debates over finding more money for road repairs, each year about \$200 million of current state transportation revenue goes not for concrete and asphalt, but to repay debt incurred on road repairs completed years earlier.

In the current fiscal year, \$206.0 million of the money Michigan spends on roads will go to repay principal and interest on this debt, according to a House Fiscal Agency memo. To put this in perspective, the state tax increase that added seven cents to the price of a gallon of gas, starting in 2017, was projected to generate an additional \$313 million for road repairs this year.

As of 2015-16, the state still owed some \$1.463 billion on road repairs completed years earlier. The good news is, no new road debt has been incurred since 2011, and the total amount owed has been coming down: In 2011, the state owed \$2.064 billion for road repairs. The high-water mark for Michigan's road debt was \$2.258 billion, owed in 2009.

The current debt goes back to 1989. Both Govs. John Engler and Jennifer Granholm championed major debt initiatives to fix roads now and pay for it later. ■

The original version of this story was posted online on March 28, 2018 and is available at MichCapCon.com/25483.

Bill Bringing State Closer To Ending Asset Forfeiture Abuse Advances in Michigan

BY EVAN CARTER

The Michigan House Judiciary Committee voted 8-1 with one member voting present on Tuesday to advance to the full House the main bill of a civil asset forfeiture reform legislative package.

House Bill 4158 would require a person be convicted of a crime before law enforcement agencies and prosecutors could take ownership of seized cash and other assets, as long as the property is valued at less than \$50,000.

Rep. Jim Runestad, R-White Lake, who chairs the House Judiciary Committee, told Michigan Capitol Confidential that after more than a year and a half working on the legislation, he's pleased that the bill passed out of committee.

The Michigan House Judiciary Committee votes to advance a civil asset forfeiture reform bill.

"It's a balancing act and I think the bill, as it stands now, is a good one," Runestad said.

Runestad said House Republican leaders told him they are interested in the bill. He plans to take up another forfeiture bill that he sponsored as soon as next week, and work is continuing on two other reform bills that still lack a consensus.

Mackinac Center analyst Jarrett Skorup co-authored a study on Michigan civil asset forfeiture with Dan Korobkin, the ACLU of Michigan's deputy legal director. Skorup said the bill is a good step but believes the bill should be tweaked in some "small but significant ways."

"This is a solid step in the right direction and lawmakers should be commended for taking it up. Hundreds of innocent Michigan citizens lose their property every year through civil asset forfeiture," Skorup said. "We will encourage legislators to ensure that any assets gained without a criminal conviction — as abandoned or relinquished property — go to the state's general fund rather than back to local law enforcement agencies. This will better protect individual rights and prevent policing for profit."

House Judiciary Committee Minority Vice-Chair, Rep. Tim Greimel, D-Auburn Hills, was the only committee member to vote against House Bill 4158. Rep. Vanessa Guerra, D-Saginaw, voted "present."

"The bill imperils public safety by making it much easier for criminals to operate and by draining funds from local police departments," Greimel said in an emailed statement. He added, "Moreover, there are already due process protections in existing law: If someone objects to the civil forfeiture of their property, law enforcement must

prove by clear and convincing evidence that the property forfeited is connected to a crime."

Current law that would not change allows law enforcement to seize property at the scene or during an investigation when there is probable cause to believe a crime has been committed and the owner is involved. This is often but not always related to drug cases, and is not generally controversial.

Forfeiture happens later, under a legal process that lets law enforcement take permanent possession of a person's property with a lower standard of proof than it would take to convict someone of a crime.

A criminal conviction requires the highest burden of proof — beyond a reasonable doubt. If the legislation reported by the House Judiciary Committee becomes law, on drug-related crimes the state must convict a person in a court of law before a civil court decides whether the assets were gained as a result of the illegal activity.

In 2016 the typical Michigan asset forfeiture proceeding involved about \$500 worth of assets, usually cash and vehicles, according to data obtained through open records requests to the Michigan State Police. Given that low dollar value, critics of the current law say, it's often not worth it for an individual to hire a lawyer to try to get the goods back.

Michigan State Police records indicate that in 2016 law enforcement used civil asset forfeiture to take ownership of property from more than 700 people who were either never charged with a crime, or were charged and found innocent. Out of the 5,290 forfeiture cases Michigan adjudicated in 2016, less than half involved someone who had already been convicted of a crime.

More than \$15.3 million in cash, vehicles and other assets was forfeited throughout the state in 2016. Since 2000, the state has forfeited about \$20 to \$25 million worth of assets each year.

Since civil asset forfeiture has a lower standard of proof than a criminal conviction, at times, law enforcement officials have been able to use it to take property even when other charges are thrown out.

Over the past several years, some notorious cases have come to light and news reports from around the state have raised public awareness of this controversial law. Michigan Capitol Confidential has contributed to this record with stories involving a former detective, a college student, a 1965 Chevy Nova and a Traverse City couple, among others. ■

The original version of this story was posted online on May 2, 2018 and is available at MichCapCon.com/25563.

Video Sting Group Claims Michigan Union Got Payoff For Alleged Child-Molesting Teacher

BY TOM GANTERT

A nonprofit group known for undercover sting operations released a video Wednesday from its investigation into a Michigan teachers union fighting the dismissal of a high school teacher accused of sexual abuse involving a young girl.

Project Veritas reports that while dating the girl's mother, the teacher allegedly went into the child's bedroom, touched her and

tried to remove her underwear. According to the video report, the alleged abuse occurred as many as 10 times.

Years later, when the girl arrived in the teacher's own high school classroom, she accused him of abusing her. The video reports that the teacher was forced to resign from this school. But it also reports that due to intervention by the Michigan arm of the American Federation of Teachers, he was allowed to keep his teaching certificate

and got a \$50,000 settlement from the school district.

Much of the video focuses on secretly taped conversations in 2013 between a Project Veritas operative and Johnny Mickles, described as a field representative for AFT-Michigan. ■

The original version of this story was posted online on May 10, 2018 and is available at MichCapCon.com/25576.



I'M JUST A BILL

Michigan✓**votes.org**

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

House Bill 5767

Let alcohol producers and wholesalers sponsor beer tents

Introduced by Rep. Roger Hauck (R)

To revise the extraordinarily detailed law establishing a comprehensive regulatory regime on the wholesale distribution of beer, wine and liquor, so as to allow manufacturers, wholesalers or retailers to get a special license to hold a beer or wine festival in which they provide the sponsor with beer or wine dispensing or cooling equipment and a brand-logged tent.

Senate Bill 863

K-12 School Aid budget

Introduced by Sen. Goeff Hansen (R)

The Senate version of the K-12 school aid budget for the fiscal year that begins Oct 1, 2018. This bill would appropriate a total of \$14.732 billion, compared to \$14.580 billion approved last year. Of this, \$1.724 billion is federal money. The House budget version proposes spending \$14.823 billion. School districts with lower revenue would get a \$230 increase in per-pupil aid, and higher spending ones would get an extra \$115.

House Bill 4158

Require conviction for property forfeiture to police

Introduced by Rep. Peter Lucido (R)

To establish that property seized from a person because it may be associated with a suspected drug crime is not subject to permanent forfeiture (loss of ownership) unless an individual is actually convicted. However, the conviction requirement would only apply to forfeitures of less than \$50,000 (meaning police and prosecutors could still take and keep assets worth more than that using a lower burden of proof).

Senate Bill 826

Impose licensure on naturopathic physicians

Introduced by Sen. Rick Jones (R)

To impose licensure and regulation on naturopathic physicians, with license fees, education requirements and more. The bill defines naturopathic medicine as “a system of practice that is based on the natural healing capacity of individuals.”

House Bill 5100

Exempt bike racks, tow balls, etc. from ban on obscuring license plate

Introduced by Rep. Holly Hughes (R)

To establish that removable bicycle racks, trailer hitches, tow balls or similar devices are not included in the definition of “foreign materials that obscure or partially obscure” vehicle license plates, which is a civil offense. This would also apply to the object carried by the device.

Senate Bill 856

Welfare and Medicaid budget

Introduced by Sen. Peter MacGregor (R)

The Senate version of the Department of Health and Human Services budget for the fiscal year that begins Oct. 1, 2018. This covers welfare and Medicaid spending and is by far the state's largest annual appropriation. The bill would authorize spending \$25.117 billion, of which \$18.345 billion is federal money and the rest is from state and local taxes and fees.