BY EVAN CARTER

A state lawmaker in the final weeks of his final term in the Michigan House of Representatives has introduced bills that would restrict the distribution of single-use plastic items in restaurants, including drinking straws. California is currently the only state that has enacted such a ban.

House Bill 6504, introduced by third-term Democratic Rep. Tom Cochran from Mason late in previous legislature, would have banned single-use plastic items from being sold or offered after December 2023. These single-use plastic items include cotton swabs, cutlery, plates, straws and drink stirrers. The ban would not go into effect unless a “sustainable alternative” that is biodegradable is found.

The legislation proposed a civil infraction of up to $300 per year on a restaurant that offers a single-use plastic straw to a customer who did not request it.

Cochran said he hoped his bills would start a conversation on the potential harm of single-use plastics. He pointed to moves by Aldi and other grocery stores working to provide alternatives to plastic bags as examples of ways businesses could move away from using single-use plastic items.

“I guarantee my bills are not going to get a hearing or any movement. ... I felt very strongly that I wanted to make a statement and hopefully move the conversation forward and I’m working with my colleagues to hopefully get the issue taken up in the future,” Cochran said.

“Let’s not go ahead of plastics, but I think we need to be very aware of the impact single-use plastics have and try to limit their use and the impact they have on our environment.”

BY EVAN CARTER

The Michigan Department of Education has raised questions about a city of Detroit plan to provide preschool to 4-year-olds. The concerns, outlined in a document from Lisa Brewer-Walraven, director of the department’s Child Development Division, review the city’s application to the state for federal funds.

The memo, which was prepared for the State Budget Office and labeled “for discussion purposes,” says that some groups of families targeted for assistance may not qualify under federal income standards. It also asks whether Detroit has made the case that the program is needed and whether the city has the necessary facilities.

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The pop star Madonna recently made a $100,000 matching-grant challenge for Detroit Prep charter school, which is authorized through Grand Valley State University.

Detroit Prep has shown encouraging test results in a city whose conventional school district has been tarnished as among the worst in the country. For example, the 25 kindergarten students at Detroit Prep ranked in the top 1 percent of an assessment test used by 23,000 U.S. schools. For first grade math, 80 percent of students are progressing at or above a grade-level rate, and 73 percent are doing that in reading. The numbers come from testing done by the Northwest Evaluation Association (NWEA).

Detroit Prep opened in 2014, so it has not yet appeared on one of the Mackinac Center for Public Policy’s school report cards, which adjust test scores to reflect students’ rate of progress regardless of their socioeconomic status.

See “Madonna Helps,” Page 9

See “Preschool Plans,” Page 4

See “Straws,” Page 4
Dear Reader,

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Tom Gantert
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DECEMBER 2018 | 3

LETTER FROM THE EXECUTIVE VICE PRESIDENT

Races are Won at the Finish Line

BY MICHAEL J. REITZ

Editor’s note: This article was first published in the November/December issue of IMPACT Magazine.

Flush from the 1942 British victory at El Alamein, having defeated Rommel in Egypt, Winston Churchill said: “Now, this is not the end. No, it is not even the beginning of the end. But it is, perhaps, the end of the beginning.”

I thought of this statement all summer.

As you know, advocates for freedom of association celebrated the U.S. Supreme Court’s decision in Janus v. AFSCME this June. With that ruling, the court affirmed that the First Amendment protects 5 million public employees from financially supporting a union against their will.

It is important to take stock of significant victories and to acknowledge those who, like Mark Janus, secured the win. But it would be a grave mistake to assume that a significant victory — in this case, a Supreme Court decision — is the final word.

We learned this lesson after Michigan became a right-to-work state in 2013. The Legislature passed, and Gov. Rick Snyder signed, historic legislation. Unions wasted no time mobilizing a resistance. Steve Cook, then president of the Michigan Education Association, announced the union would use “any legal means” to collect money from school employees, and the union deployed multiple strategies to do just that. Union officials renegotiated school contracts to require dues for another 10 years, they insisted members could only resign in August, and they harassed those who stopped paying dues through shaming and hiring collection agencies. In the first year after right-to-work was enacted, the MEA boasted that only one percent of its members had left the union.

Once we recognized that union obstruction would prevent employees from exercising their rights, the Mackinac Center launched a legal and educational campaign that secured the free association rights of tens of thousands of employees.

So what are the relevant lessons in a post-Janus world?

Even before the Supreme Court took up that case, the Mackinac Center recognized that a good decision would be an empty victory if it wasn’t vigorously enforced at the state level, and we began preparing for this moment. Today, Mackinac Center policy experts are analyzing the reverberations of the ruling, our marketing team is educating workers about their options and our litigators are challenging the illegal barriers unions have raised (most recently in New Jersey).

The effort to expand worker freedom will require persistence. Michigan’s right-to-work law has required years of work to ensure the rights of employees since its enactment. The MEA’s membership is now down 30 percent, demonstrating that many workers prefer not to financially support a union.

A winning effort increases the number of allies. Mackinac Center supporters can be proud to have enabled us to work with leaders across the country who are responding to the Janus ruling.

Worker freedom is not a one-state solution; accomplishing lasting government neutrality in labor relations requires that the same idea is adopted in other states. Michigan can be a leader in labor reform, but the work will be more enduring if it spreads to states like California, Illinois and New Jersey. In short, it’s time to move beyond the end of the beginning. ■
STRAWS
from Page One

In July 2018, the city of Seattle made headlines when it banned single-use plastic straws and utensils at food service establishments. In September, California Gov. Jerry Brown signed legislation limiting full-service restaurants, but not fast-food establishments, from giving out single-use plastic straws unless requested by the customer. Cochran said that while the idea for his legislation was his own, his bill mirrors the California law as well as the Seattle ordinance. The former Mason representative said residents of the state’s communities would have to make sure neighbors were aware of the new single-use rule if his legislation were enacted. Enforcement of House Bill 6505 would fall on an employee of the Department of Environmental Quality, Department of Agriculture and Rural Development, or a local health officer.

Charles Owens, state director of the National Federation of Independent Business, called the legislation ridiculous. “It just shows they truly have run out of things to regulate,” Owens said.

Gail Philbin, the state director of the Michigan chapter of the Sierra Club, did not respond to an email and a phone call requesting comment on the bills. Justin Winslow, president and CEO of the Michigan Restaurant and Lodging Association did not respond to phone and emailed requests for comment.

The original version of this story was posted online on Dec. 12, 2018 and is available at MichCapCon.com/26095.

PRESCHOOL PLANS
from Page One

According to the memo, Detroit’s proposal did not take into account the eligibility requirements of a federal Child Care and Development Block Grant that the city wants to use to pay for 1,000 additional preschool slots. The state would administer the grant.

Even with expanded funding, the memo suggests, some needs could go unaddressed. “Without a statewide assessment on where the need is the greatest ... the children most in need of the child care support would be placed on a waiting list.”

The memo also questions the need for expanded preschool in the city. “Detroit has not presented a clear case for 4-year-old need,” it reads.

The memo also raises concerns about a possible lack of facilities: “Anecdotal reports from various entities in Detroit indicate that there is a shortage of facility space that is adequate and meets licensing standards.”

Eli Savit, a senior advisor to Detroit Mayor Mike Duggan, said that the questions had been communicated to city officials, who have since responded to the department’s concerns.

“We know there is a need for early childhood education in Detroit, and we are confident there is more than enough capacity to fill that need,” Savit said in a written statement.

Currently, 1,455 children in Detroit are enrolled in federally funded Head Start preschool programs. Another 4,248 children are enrolled in a state preschool program called Great Start Readiness, according to the Michigan Department of Education and the Wayne RESA, an intermediate school district.

Detroit’s plans to provide government-funded preschool to all or most 4-year-olds in the city comes as some in Lansing are looking at legislation to expand the Great Start Readiness Program and extend government-funded preschool to every 4-year-old in Michigan.

About 47 percent of Michigan’s 3-year-olds and 4-year-olds are enrolled in some sort of preschool program, according to the Michigan League for Public Policy.

The original version of this story was posted online on Nov. 21, 2018 and is available at MichCapCon.com/26040.

Teachers Union Could Face Millions In Clawback Payments To Workers

BY HEATHER KAYS

Two Michigan public school employees have filed a federal class action lawsuit against the Michigan Education Association, demanding the return of union fees they had paid to the teachers union.

The complaint comes after the U.S. Supreme Court’s June ruling in the case Janus v. AFSCME, in which the court said that compelling public sector employees to pay union dues and fees violates their First Amendment free speech and free association rights.

If the plaintiffs prevail, the MEA could be ordered to return millions of dollars to thousands of Michigan school employees, not just the two plaintiffs.

The plaintiffs, Linda Gervais and Tammy Williams, were Port Huron Area School District employees who stopped paying union fees after Michigan adopted a right-to-work law. That law prohibits an employer from making workers pay union fees as a condition of employment, which is otherwise allowed under federal labor law.

Gervais and Williams say that when they tried to stop paying the MEA after right-to-work went into effect, union officials subjected them to harassment and debt collection agencies. They are being represented by the National Right to Work Legal Defense Foundation, a nonprofit public interest law firm. The federal suit was filed in the U.S. District Court for the Western District of Michigan.

Gervais and Williams resigned from their union memberships in September 2013, about six months after Michigan’s right-to-work law went into effect. The women say the MEA kept demanding that they pay fees despite the new law, and even threatened to take them to small claims court for not paying.

The MEA contends that despite right-to-work, Gervais and Williams are liable for the payments because they failed to observe the union’s procedures for opting out of them. Specifically, the union asserts that this choice could only be made during a short time period in August called the op-out window.

According to Patrick Wright, vice president for legal affairs at the Mackinac Center for Public Policy, many Michigan workers have faced similar roadblocks to opting out of union fee payments. Wright said that five years after the law was enacted, the number is winding down.

“Most of the people who have wanted to get out have gotten out,” Wright said.

The issue of possible clawbacks of past union fee payments is a new element that arose only after the U.S. Supreme Court’s Janus ruling. The case transformed what had been a possible violation of state law into a denial of the First Amendment rights of thousands of public employees. It has also opened the door to class action lawsuits on behalf of those paying.

The clawback question applies to unionized public sector workers who had stopped paying optional union dues, but — before right-to-work or Janus — still had to pay union fees. The fees were supposed to cover just the cost of union collective bargaining and contract maintenance, while separate and voluntary union dues could be used for other purposes, including political activity.

The same First Amendment issues have caused government entities and unions across the country to stop withholding union fees from the paychecks of people who had opted out of dues payments, if they had been doing so.

The SEIU settled the lawsuit for $2,200 with an Oregon woman who had claimed the union had violated her constitutional rights by taking money from her even though she wasn’t a dues-paying union member, according to the International Public Management Association for Human Resources.

The Buffalo News reported that the state of New York stopped taking agency fees from thousands of public employees in as many as 29 different unions. The state stopped the forced-withdrawal of agency fees about two weeks after the Janus decision.

Wright said he is not surprised to see such a case after Janus, and thinks the plaintiffs have a point.

“There is a decent claim that Janus is a constitutional matter and any kind of waiver that they had signed before Janus came into effect is voided,” said Wright. He was referring to union documents that employees in unionized workplaces were encouraged or required to sign when they first started working there.

Wright explained that, “What the MEA will argue in response is that these people were still members at the time and that Janus only applies to nonmembers. But there is some question as to the breadth of Janus and what it means for people that only stayed members because they didn’t know they really had a choice.”

He also said that the ability to file a class action lawsuit now gives additional protections to people who want to opt out of unions.

Prior to Janus, Wright said, every single person who wanted to leave the union would need to hire their own attorney and file their own case, which is costly and complicated.

“So, you had a lot of people who probably just gave up,” said Wright. “It put some pressure on some people who wanted to exercise their statutory rights.”

The original version of this story was posted online on Nov. 8, 2018 and is available at MichCapCon.com/26022.
Nearly 1,000 People Not Charged or Found Not Guilty Lost Their Property Through Forfeiture

BY TYLER ARNOLD

Michigan law enforcement agencies took ownership of $11.8 million in cash and $1.3 million in property seized from individuals in 2017, through a legal process called civil asset forfeiture. The figures were obtained from an annual forfeiture report and responses to Freedom of Information Act requests filed by the Mackinac Center for Public Policy. The typical forfeiture involved assets — typically cars and cash — worth less than $500.

The forfeited property included eight homes, 711 weapons and 7,999 vehicles, according to the information obtained from Michigan law enforcement.

Forfeiture is the process of transferring assets to the government. The assets are first seized by police because they think the items may be connected to illegal activity. An important distinction in the process is that seizure is done by police while forfeiture is processed by prosecutors. In Michigan, no conviction, prosecution or even a formal arrest is required for officials to pursue forfeiture.

Out of the 6,666 forfeiture actions in 2017, 736 were never charged with a violation and 220 were charged but not convicted. There were 2,876 people who were charged and convicted, meaning that 57 percent of the people were not convicted before losing their assets.

“Before locking someone up permanently, our laws and Constitution require they be proven guilty beyond a reasonable doubt,” said Jarrett Skorup, who co-authored a 2015 report on civil forfeiture with the Mackinac Center for Public Policy. “In the same way, nobody should permanently lose their assets unless they are first convicted in criminal court and it is determined that the assets were gained through illegal activity.”

Nearly 75 percent of the forfeiture petitions that prosecutors filed in 2017 to retain seized property never went to trial because the property owner did not contest the claim. Eighty percent of assets taken were valued at $1,000 or less.

“This comprehensive report from law enforcement agencies across Michigan shows why Michigan needs to require a criminal conviction prior to taking ownership of anyone’s property,” Skorup said. “While most police and prosecutor offices are acting properly, because of poor state laws, nearly 1,000 people lost their assets despite never being charged with criminal activity or being found not guilty in court.”

Skorup said that the law encourages police officers to seize assets and pursue forfeiture whenever possible because doing so gives their agencies money they can use to pay for equipment, personnel and supplies.

Dave Hiller, executive director of the Michigan Fraternal Order of Police, takes a different stand on civil forfeiture. He said that it is a vital tool for law enforcement.

“It must be done properly, first of all, to assure due process is followed and additionally to eliminate any questions of impropriety,” Hiller said. “A law enforcement agency should work with the local prosecutor to ensure things are done the way the law is intended.”

Hiller said that in certain cases, civil forfeiture has a greater impact on criminals than criminal charges do. The Michigan FOP is, he said, open to improving the law to address due process concerns.

Michigan requires that police demonstrate “clear and convincing” evidence that an asset is linked to a crime for a police officer to be justified in taking it. But criminal convictions require a higher standard of proof, which is that prosecutors must prove someone committed a crime “beyond a reasonable doubt.” This means that an individual may lose the assets that police seize even if there is not enough evidence for a criminal conviction.

The Michigan House has passed a bill that would require a criminal conviction for most cases of civil asset forfeiture. But House Bill 4158 has not been taken up in the state Senate.

The original version of this story was posted online on Oct. 16, 2018 and is available at MichCapCon.com/25954.

American Federation of Teachers-Michigan Union Membership In Decline

Union has had a 22 percent decline in membership since right-to-work

BY TOM GANTERT

The American Federation of Teachers-Michigan is continuing to lose members five years after the state’s right-to-work law took effect.

That’s according to annual disclosures (LM-2 reports) that unions are required to submit to the federal government.

AFT-Michigan’s membership was 23,388 in 2012, the year before right-to-work took effect here. It dropped to 18,252 as of June 30, 2018, which translates to a 22 percent decline. The union lost 173 members since 2017. AFT-Michigan hasn’t lost members every year since right-to-work became effective in 2013. The union did gain three members in 2017, increasing to 18,426. But in 2018, the union was back to losing members.

Michigan’s right-to-work law prohibits employers from compelling employees to pay union dues or fees as a condition of employment.

AFT-Michigan’s largest union local the Detroit Federation of Teachers, which is the union in the Detroit Public School Community School District. That district had 3,438 full-time teachers in 2017-18.

The state’s largest teachers union is the Michigan Education Association, which has seen its active membership drop from 117,265 in 2012 to 87,628 in 2017. That’s a decline of 29,637 members, or 25 percent. The MEA usually releases its LM-2 report at the end of November.

The original version of this story was posted online on Nov. 24, 2018 and is available at MichCapCon.com/26059.
Charter Schools ‘Unregulated?’ Only If You Ignore All Those Rules

New York nonprofit gets the anti-charter buzzwords right, misses the real story

BY TOM GANTERT

A New York-based nonprofit that reports on education joined a growing number of anti-charter school voices when it stated that public school academies in Michigan are not regulated. The group’s publication, called The 74, recently published a nearly 2,500-word article that included unsubstantiated and unattributed claims about the alleged absence of regulation.

For example, The 74 wrote, “Within Michigan, and particularly Detroit, charter operators exist in the absence of regulations that are common elsewhere.”

The Michigan Association of Public School Academies says that claim is inaccurate.

Alicia Urbain, MAPSA’s vice president of government and legal affairs, recently wrote a blog post listing many of the regulations to which Michigan charters are subject:

- Charter schools are closed if their academic performance places them among the bottom 5 percent of public schools for three years in a row as tracked by the state. No such consequence applies to failing conventional public schools in Michigan, and the state is unable to name a convention public school that has been closed for academic reasons.
- Charter schools are subject to the same legal requirement as other public schools to serve special education children.
- Michigan charter schools must participate in standardized state testing.
- Michigan charter schools must hire state-certified teachers and administrators.
- Michigan charter schools must evaluate their teachers and administrators each year.
- Michigan charter schools must comply with the Open Meetings Act and the Freedom of Information Act. Charter schools also have to provide the salaries of all of its teachers and administrators in a FOIA request.
- Charter schools must post extensive financial information online.

“Charter schools in Michigan have to follow every law and regulation that applies to any other traditional public school with the exception of a few,” Urbain wrote in her post.

She indicated that those few exceptions include:

- Charter schools have tougher conflict of interest laws than conventional schools. At a conventional school, school board members must excuse themselves from a vote on a contract in which they have a conflict of interest. Charter school board members are prohibited from being on a board that would have such a conflict.
- Charter teachers are not subject to a teacher tenure system.

- Charters must accept any student who wants to attend, limited only by building occupancy limits and enrollment caps in their charter agreement. If more students want to attend than a school can serve, it must hold an enrollment lottery.
- Charters can’t levy property tax millages, including ones to pay for land and buildings or special education services. They cannot have a “sinking fund” levy to augment state aid.
- Michigan’s charters can contract out for all services. Conventional Michigan schools contract out for many services, but not for instructional services.

That last item allows Michigan charter schools to be organized in a way that makes them not subject to mandatory unionization.

“It’s flat-out wrong to claim that charter schools are unregulated,” said Buddy Moorehouse, spokesman for the Michigan Association of Public School Academies.

“The fact is, charter schools are the most heavily regulated of all public schools in Michigan. In addition to having to follow all the same regulations that traditional public schools have to follow, charters have an additional set of regulations they have to operate under.”

This refers to the detailed contracts, or charters, between public school academies and the institutions that “charter” them, which in Michigan, are mostly state universities. Among many other items, a charter prescribes academic and other performance benchmarks a school must meet to retain its charter.

The 74 responded to an email sent by Michigan Capitol Confidential asking about many of the issues with its story, but the response did not address the article’s claim about an alleged lack of charter school regulation in Michigan.

In a third installment of this analysis, Michigan Capitol Confidential will address the claim made in The 74's 2,500 word article about Michigan’s system of public school funding.

The original version of this story was posted online on Nov. 1, 2018 and is available at MichCapCon.com/26006.

Michigan’s Highest Paid Public School Servants

BY DAWSON BELL

Curtis Ivery, the long-serving chancellor of the Wayne County Community College District, retained his spot as the most highly compensated ($455,214) public school employee in Michigan during the 2017-18 school year. That’s according to data released to the Mackinac Center for Public Policy by the state’s Office of Retirement Services.

Ivery, whose district enrolls more than 18,000 students annually, was one of four community college leaders among the top 10 wage earners in the public school retirement system, ORS said in response to a Freedom of Information Act request. The salaries include all employees that are part of the Michigan Public School Employees Retirement System.

Four superintendents of K-12 districts, ranging in size from Detroit to relatively tiny Edwardsburg in southwest Michigan, were also in the top 10. Two others in the top 10 directed intermediate school districts, the regional cooperative systems which typically manage special education, professional development and statistical programs for K-12 students within the region.

The compensation figures represent salaries, bonuses and other direct payments, but do not include the value of benefits like health insurance.

Here are the top ten:

**Curtis Ivery:** chancellor of WCCCD since 1995, $455,214

**Nikolai Vitti:** superintendent of Detroit Public Schools since 2017, $294,999

**Lisa Hagel:** superintendent of the Genesee Intermediate School District since 2010, $292,529

**Timothy Meyer:** former chancellor of Oakland County Community College (fired in May 2017) who now serves as Oakland County’s deputy executive for economic development, $270,000

**Michael Rice:** superintendent of Kalamazoo Public Schools since 2007, $266,456

**Teresa Weatherall Neal:** superintendent of Grand Rapids Public Schools (and who is retiring in 2019), $265,790

**James Sawyer:** president of Macomb County Community College since 2017, $261,000

**Sherman Ostrander:** superintendent of Edwardsburg Public Schools for 23 years (and retired since June), $257,531

**Mary Jean Goodnow:** president of Delta College since 2005, $247,171

**Michael DeVault:** superintendent of the Macomb Intermediate School District, $246,173

The nonprofit OpenTheBooks.com also publishes salary information for public sector workers in Michigan. OpenTheBooks.com gets its salary information from Freedom of Information Act requests it puts it to local, state and federal units of government.

The original version of this story was posted online on Dec. 6, 2018 and is available at MichCapCon.com/26066.
Deep-Pocketed Michigan Foundations Fund News Outlets

**Big-money foundations are bankrolling media to cover their activism**

**BY DEREK DRAPLIN**

Tonya Allen has been engaged in numerous efforts to mold Detroit’s public school system over the last several years.

Allen, who was paid $413,080 in 2016 as president of the Skillman Foundation, has been a key member of numerous coalitions seeking to reshape the troubled Detroit Public Schools Community District.

And the Skillman Foundation has been funding reporting jobs at mainstream media and nontraditional news sources that report on its activities involving Detroit schools.

As traditional print newspapers have laid off reporters, well-funded, ideologically motivated Michigan nonprofits have been funding media sites that report on their efforts.

The Skillman Foundation is one of the largest. The organization reported having nearly a half billion dollars in assets ($438 million) as of 2016. It gives money to the city of Detroit, as well as consultants and businesses in the city that help provide services to Detroit’s public schools.

The Skillman Foundation’s trustees include influential power brokers such as Denise Ilitch, president of Ilitch Enterprises and a regent of the University of Michigan.

Besides Skillman, Tonya Allen also has been involved with entities like the School Finance Research Collaborative, the Coalition for the Future of Detroit Schoolchildren, Excellent Schools Detroit and Michigan Future Schools. All these organizations were created to influence Detroit’s public education landscape.

The Skillman Foundation also funds Chalkbeat, a national nonprofit education news organization that has a Detroit bureau, while also being deeply involved in influencing public policy decisions for Detroit schools.

“The Skillman Foundation works to ensure that Detroit youth have access to high-quality educational and economic opportunities and a strong, broad network of champions that work on behalf of young people's interests,” according to the foundation’s website.

The foundation also says it “embraces diversity and authentic inclusion in all areas of our work; we consider this a prerequisite for positive social change. As a guiding principle, it impacts our decisions at every level from staffing to partnerships and how our resources are deployed.”

In the past, the Detroit-based foundation has aligned itself with anti-charter school interests. The Coalition for the Future of Detroit Schoolchildren, which is an initiative of the foundation, was at the forefront of the effort to limit public charter schools in Detroit.

“We don't cover Skillman any differently than any other organization we write about in Detroit,” said Erin Einhorn, Chalkbeat’s Detroit bureau chief. “The only difference is that when we do mention Skillman, we include a disclosure since we believe that transparency is important.”

Natalie Fotias, a communications manager with the Skillman Foundation, said that it has never swayed Chalkbeat’s story coverage, but it does sometimes recommend stories.

“The Skillman Foundation funds Chalkbeat Detroit because we believe its balanced, unbiased, in-depth education reporting is a valuable resource for families, helping bring insight as to what’s happening in Detroit schools (DPSCD and charter) and the larger education space,” Fotias said in an email.

“We have not funded sponsored content with Chalkbeat Detroit and our position as a funder has never been used to sway Chalkbeat’s journalistic integrity,” she added.

“While the Skillman Foundation occasionally recommends story ideas to Chalkbeat, as we do with other media outlets, the decision of if and how to cover the story is always fully at the discretion of the media outlet.”

The foundation also funded a public radio station at the University of Michigan with a $50,000 grant in 2014 to cover education stories in Detroit.

In addition to Skillman’s subsidies for journalism focusing on its issues, other large nonprofits are paying for reporting in Michigan to cover subjects like diversity, inclusion, and equity. Some of the groups have a long history of funding journalism programs, but the focus on social justice-related reporting positions is a more recent trend.

The W.K. Kellogg Foundation of Battle Creek funded an “inclusion reporter” at WGVU Public Media, Grand Valley State University’s public radio station.

Earlier this year, WGVU posted a job listing for the inclusion reporter, a position in part funded by a grant from the foundation for $538,000, Michigan Capitol Confidential previously reported.

See “Michigan Foundations,” Page 11

'Stand Up To Billionaires And Corporations'? Tlaib Voted To Give Them One Billion Taxpayer Dollars

**She approved 8 of 8 bills that authorized taxpayer subsidies to corporations and developers**

**BY TOM GANTERT**

A fairly common tactic used by Michigan politicians — especially on the left — is to publicly complain about taxpayer-funded government subsidies to private corporations while concealing their record of support for corporate welfare handouts.

Newly elected member of Congress Rep. Rashida Tlaib, a Democrat from Detroit, provided the latest example in a video posted on Twitter. It shows her blasting tax breaks handed out to corporations by the state of Michigan.

“I’m so tired of the billionaires back home s***ing on my neighborhood,” Tlaib said in the video. “Marathon Oil refinery is blocks away from where I’m raising my two boys. I’m so tired of them getting tax breaks.”

When Tlaib ran for Congress, she wrote on her RashidaForCongress website: “We need someone who will stand up to the billionaires and corporations taking advantage of our communities and hijacking our government.”

Tlaib’s votes in the Michigan Legislature, however, show no record of her standing up to billionaires or corporations getting taxpayer dollars. Rather, they show 100 percent support for giving them the public’s money.

Tlaib served in the Michigan House from 2010 to 2014. During her tenure, seven bills came before her on the question of approving corporate subsidies. Her eight “yes” votes authorized $1.031 billion in handouts for politically favored corporations and developers.

Among the bills Tlaib approved was one authorizing a $253 million subsidy for electric car battery makers. Another one was for $228 million for a state “21st Century Jobs Fund,” which writes subsidy checks to scores of private businesses.

Here is a list of the bills, with the amount authorized by each:


$50,000,000. Senate Bill 855. Subsidize electric car battery maker in former Wixom auto plant. House Roll Call 613 on Dec. 8, 2011.


Further information on the specifics of each bill is available at MichiganVotes.org.

The original version of this story was posted online on Dec. 4, 2018 and is available at MichCapCon.com/26079.
Up 10 Percent And $3.2 Billion, State Still ‘Starved For Revenue’

BY TOM GANTERT

Tax and fee revenues collected by the state of Michigan have increased by $6.8 billion over the past eight years. After adjusting for inflation, this is equivalent to a $3.2 billion increase in real revenue over those eight years.

But two economists claim they aren’t seeing the jump in revenue, according to an article in the Detroit Free Press.

The article did not mention state revenue numbers; the ones cited here are from the Senate Fiscal Agency.

State revenue collections (not including local and federal money) rose from $26.2 billion in the 2010-11 fiscal year to $33.1 billion appropriated in 2018-19.

In inflation-adjusted terms, that $26.2 billion would be equivalent to $29.9 billion in 2018-19 dollars, so the inflation-adjusted annual revenue increase was actually $3.2 billion. That’s still an increase of more than 10 percent in real spending power for the state government.

“We’re just starved for revenue,” Michigan State University economist Charles Ballard said in the Detroit Free Press article, which also predicted an oncoming recession. “For decades, the answer to all questions in Lansing has been tax cuts. ... The first rule of holes is, if you’re in one, stop digging.”

“All these wonderful things that were supposed to happen, I don’t see it,” said Mitch Bean, who was director of the state House Fiscal Agency for 18 years. “The economy is doing better, but the whole nation’s economy is doing better. Thank goodness we have such a low unemployment rate, but what are the jobs? Are they jobs people can work at and make a living at, or do you still have to have two and three jobs to get by?”

Ballard didn’t respond to an email seeking comment. Bean responded to an email, but he claimed the Senate Fiscal Agency numbers that it cited included federal dollars including Medicaid expansion money. They did not.

Uncritical Media, Politicians Once Touted Chevy Volt As Saving Detroit

BY TOM GANTERT

“A recent independent study led by researchers at Michigan State University found that new low-carbon fuel rules could create more than 11,000 jobs by 2025, while saving money for consumers and adding to the state's economic output. It’s time for Michigan to become a leader in promoting the new technologies that will fuel the cars of tomorrow and help spur the next automotive revolution. With the right policy, Michigan — and the new Chevy Volt — might just come out on top.”

Nov. 30, 2010 (Source: Stabenow press release)
U.S. Sen. Debbie Stabenow, D-Michigan

“Today's official launch of GM's Chevy Volt marks a major milestone in automotive innovation. The Volt not only showcases GM's successful turnaround, but also highlights the efforts of the hardworking men and women who are making the battery packs, building the engines, and assembling the Volt right here in Michigan. Production of the Volt will help strengthen Michigan's clean-energy economy, create good-paying jobs, and reduce our dependence on foreign oil.”

Oct. 21, 2011 (Source: Votesmart.org)

“I'm proud to have spent an exciting day with labor and management at GM's Brownstown plant to experience first-hand the innovative work they do with battery assembly,” said Dingell. “In order to keep good-paying, high-quality jobs right here in the U.S., we must continue our national commitment to promote the domestic production of advanced technology vehicles. Making these vehicles in America is an all-around win, not only for the economy, but also for the environment, for the American auto worker, American families, and American industry.”

April 15, 2012 (Source: MLive)
MLive Columnist Rick Haglund

Headline: "Why Republicans are foolishly fighting the Chevrolet Volt"

“I’ve spotted quite a few Chevrolet Volts on the road over the past year or so, but I can’t recall seeing a single one with a bumper sticker carrying any sort of political message. That makes me think Volt owners are buying them because the cars are highly fuel efficient, technologically advanced or fit the owners' driving needs.”

Sept. 19, 2012 (Source: Grist.org)
Former Gov. Jennifer Granholm, Democrat

Q. So you see the electrification of the automobile as inevitable?

A. Oh yes. I have a very personal opinion about this because I drive a Volt. It is the best car I have ever driven. I cannot believe that everybody doesn’t want to have one of these. Granted, it’s a luxury car. It is expensive, so mine is a lease car. I don’t spend any money on gasoline. People think they’re like tin cans or something. This is such a beautifully made car. We cannot believe that it has not flown out of the dealer lots. In part, it’s probably because it’s been vilified by the right as a symbol of the auto rescue.”

The original version of this story was posted online on Dec. 5, 2018 and is available at MichCapCon.com/26081.
By Tyler Arnold

In 2017, the Michigan House of Representatives rejected a promised reduction in the state's income tax rate. That tax cut, had it been passed, would have saved individuals and households $463 million last year. Opponents deemed the measure a budget buster.

But last year, the state of Michigan was projected to pay $623 million in taxpayer-funded subsidies to a small number of favored corporations. Many of the recipients have likely been collecting large payments for years. The last of these payments won't be sent to companies until 2032.

The payments were authorized by dozens of economic development laws enacted by Michigan lawmakers from 1998 through 2017. The biggest was called MEGA, which was begun by former Gov. John Engler but used most heavily by his successor Jennifer Granholm, especially at the end of the 2000s. The program was suspended in 2011 by what was at the time the new Rick Snyder administration.

Cash disbursements to corporations will, under current law, continue until 2032. Altogether, lawmakers have authorized $16 billion in payments to corporations, although it’s likely that far less will ever be collected.

One reason the Snyder administration suspended MEGA is that the costs of its deals with individual companies are not for fixed amounts. Rather, they rise and fall from year to year with a firm’s payroll and other factors. The Department of Treasury recently said that its previous estimate for the program’s costs through 2032 was $86 million too low.

This aspect of the program has drawn criticism from state Treasury officials who have to estimate and budget for the annual payments to firms, which are styled as refundable tax credits under the subsidy laws.

Ron Leix, the deputy public information officer at the Michigan Department of Treasury, said that these numbers are just estimations and subject to change.

“Forecasts change as economic conditions change,” Leix said. “Reports are developed on the best information available at the time.”

The credits are not fixed, he explained. Many of them are instead performance-based credits. Their payouts can change based on job growth, employee wage growth, and changes in health care costs, among other factors. This means that Michigan likely will owe more in credits when the businesses and the overall economy are performing better.

Leix pointed to another subsidy programs called the Renaissance Zone credit, which he blames for most of the recently projected cost increase. Companies benefitting from that program are claiming more than expected.

“Businesses have been doing better than expected in these renaissance zones,” Leix said. “However, as zones expire, the cost will decline.”

According to Leix, the expected increase in credit payouts is a positive sign.

“There is a tradeoff on these credits since they are performance-based,” Leix said. “If some of these businesses closed in an economic recession, yes, the credits would cost less, but that’s not good news for total revenue collections.” When the economy is doing well, he added, it is likely that both business tax revenue and business tax credits will increase.

James Hohman is the director of fiscal policy at the Mackinac Center for Public Policy. Both he and the Mackinac Center have studied the subsidy programs and found them ineffective. For Hohman, their ineffective nature is not the only reason he objects to them: “Taxpayers are still on the hook for billions of business subsidy deals that were approved two administrations ago,” he said.

Hohman recently co-authored a study documenting that the majority of legislators from both parties voted "yes" on most all the subsidy authorizations that came before them.

The original version of this story was posted online on Nov. 20, 2018 and is available at MichCapCon.com/26038.
Campaign Season, And More Taxpayer-Funded Tax-Hike Electioneering

BY TYLER ARNOLD

A Michigan community college seeking a property tax hike on the Nov. 6 ballot faces charges that college staffers illegally used public resources for political purposes by politicking for the measure during work hours and using taxpayer-funded equipment to do so.

Attorney Karen Woodside filed the complaint against Schoolcraft College with the Michigan Secretary of State. Woodside alleges that employees of the Wayne County community college broke the law by using college computers to send mass emails to voters urging support for the tax hike.

The proposal raises the property tax levied by the college from 1.7766 mills to 2.27 mills, which would cost about $50 more each year for the owner of a home with a $200,000 market value. The college has said that without the increase it will look elsewhere for more money, which could mean higher student tuition and fees, or it could reduce current services it provides to students.

State law prohibits public bodies from using public resources for political purposes, and it bars public employees from engaging in political activity during working hours. If found responsible, the college could face fines of up to $20,000, and the individuals involved could be subject to misdemeanor penalties of up to a year in jail and a $1,000 fine.

Referring to the state statute that contains these prohibitions Woodside said, “There should be no communications going out with MCL 169.257(3) stating that a public body must refrain from mass communications. It is outrageous.”

The college denies that it violated the law.

The complaint included emails sent from college employees to the entire staff using the college email system. Among these were comments from College President Conway Jeffress to faculty:

“We desperately need your support for this ballot proposal,” one email signed by Jeffress said, which included his title as president of the college.

Another email appears to have been sent to staff and students from the work email of Todd Stowell, the college’s director of student activities. It states, “Schoolcraft College is going for a ballot initiative in November 2018 for Headlee override to provide quality education to its students without raising tuition. And we need your support for a successful Headlee override.” The email is electronically signed by Harshang Patel.

Patel’s LinkedIn profile lists him as a Schoolcraft student, and in 2017, he was a staff writer for the college’s student newspaper, the Schoolcraft Connection. Stowell is listed as the advertising adviser for the newspaper.

Gerald Champagne is a professor at Schoolcraft College and on his work email he sent a group message to other employees imploring them to get others to vote “Yes” on the ballot proposal.

Champagne’s email said:

Just more evidence of what each of us can do for the ballot proposal. I received the below text from someone that received the email earlier this morning and was inspired to make their own push via Facebook.

The couple of minutes I spent this morning on the email from home has already paid off in so many ways.

Let’s keep going!!!

Jerry Champagne
This is what I posted on my Facebook account...

“The last thing any of us want to see is another ‘pitch’ for your vote Nov 6th, however, I would like to appeal to some of my Schoolcraft School Servicing Districts (Canton, Plymouth, Northville, Livonia) to please consider voting ‘Yes’ for the Ballot Proposal. Schoolcraft has so many Great Programs for all ages and if the proposal doesn’t pass, some programs may go away, tuition goes up and enrollment goes down.

"On a Two Hundred Thousand Dollar home Value, we are talking about $50. annually, ($1.93 every two weeks) No one wants to see their taxes go up, but this is a tax where you can actually see where it goes! An Investment in our Kids, Community and future."

While the state law against using public resources for politics is lightly enforced in this area, the one infraction that can draw attention from the Secretary of State Elections Bureau is committing “express advocacy,” or sending taxpayer-funded messages urging a “yes” or “no” vote on a measure.

Another email sent to faculty and staff from Frank Ruggirello Jr., the college’s executive director of marketing and advancement, said that employees could pick up a campaign button for the proposal if they wanted to help the college maintain high standards.

“Ethics are of paramount importance in every organization and entity,” Woodside said to Michigan Capitol Confidential. “This undermines the integrity of the school, the administration and least of all this election.”

Kim Madeleine, a spokesperson for Schoolcraft College, said that the institution has not violated any laws.

“The college is allowed to provide facts and information regarding the ballot proposal to employees, students and community members without advocating for support of the proposal,” Madeleine said. “Therefore, the college’s communications regarding this ballot proposal has been factual only.”

Fred Woodhams, a spokesperson for the Michigan Secretary of State, said the office has not decided whether to investigate the complaint.

“Bureau of Elections staff will review the complaint and decide whether to dismiss it or go forward with an investigation within five business days,” Woodham said. “We don’t typically comment further until the complaint is dismissed or resolved.”

Eric Doster, an attorney who has worked with the state GOP in the past and is an elections law expert, called the emails “blatant express advocacy.”

“As long as this Legislature tolerates this monkey business, it will continue,” Doster said.

In response to extensive and ongoing complaints about government entities using public resources to electioneer in favor of tax hikes, in 2015, the Legislature passed a law prohibiting public bodies from sending residents any communications about a ballot question within 60 days of the vote. Schools and local governments sued, and the law was eventually set aside by a federal judge, with the agreement of the Michigan Secretary of State.

The original version of this story was posted online on Nov. 3, 2018 and is available at MichCapCon.com/26012.
BY TOM GANTERT

Political messages and stories making false claims about public school funding have become a staple of recent Michigan elections campaign. The current campaign season has seen articles repeating false narratives about cuts to Michigan’s K-12 school system and school districts in low-income communities being less well-funded than the average district.

Actual data from the Michigan Department of Education reveals both those claims to be false.

State Funding For K-12 Public Schools Has Increased Every Year During Gov. Rick Snyder’s Two Terms

Rick Snyder has signed eight annual state budgets, and every one of them has increased state spending on K-12 schools, according to the nonpartisan Senate Fiscal Agency.

Snyder’s first school aid budget, in 2011-12, authorized spending $11.09 billion of state revenues on schools, which was up from $10.81 billion the previous year. The figures refer to state aid only; the state also passes federal dollars to Michigan public schools peaked at $2.18 billion. In the current state school budget, the amount from Washington is down to $1.72 billion.

Schools in Poor Urban Communities Get More Money Than Schools in More Affluent Places

Being in a poor city doesn’t mean that a school is poorly funded. In fact, the less affluent urban communities get significantly more for their schools than more affluent suburban communities, due to additional state and federal dollars devoted to districts with a higher percentage of “at-risk” students, defined as those from lower income households. Benton Harbor received $2,932 per pupil in federal dollars compared to just $90 federal dollars per student in St. Joseph in 2016-17.

The per-pupil average for state aid to school districts’ general fund budgets was $9,910 in 2016-17, while communities with lower average household incomes received substantially more than the state average. Examples include public school districts in Flint ($20,166), Pontiac ($15,402), Detroit ($14,754), and Lansing ($13,371).

Despite the Extra Money, School Budgets Are Squeezed by Skyrocketing Pension Costs

Chippewa Valley Schools, a large district in a middle-class Macomb County community, had to contribute $23.86 million in 2017 to the Michigan Public Schools Employees Retirement System. In 2011, Chippewa Valley’s contribution to the under-funded state-run system was only $9.60 million.

The Macomb County district had general fund revenues of $135.62 million in 2011. This grew to $150.83 million in 2017, but when Chippewa Valley’s additional pension expense is deducted, and after adjusting for inflation, the district had the equivalent of about $11 million less in 2017 than it did in 2011. The additional $14.26 million in pension costs wiped out the district’s increases in real, after-inflation revenue over that six-year period.

The original version of this story was posted online on Nov. 5, 2018 and is available at MichCapCon.com/26015.

MICHIGAN FOUNDATIONS

The original version of this story was posted online on Nov. 17, 2018 and is available at MichCapCon.com/26034.
Media Praises Hardworking Detroit Teacher, But Ignores Key Fact:
Her school is among Michigan's very worst

BY TOM GANTERT

USA Today partnered with the Detroit Free Press recently to publish a series of stories on U.S. public school teachers who say they have been disrespected.

One article chronicled a day in the classroom of Detroit school district teacher Felecia Branch. The teacher’s compassion for her students is highlighted, with images of Branch hugging her students and descriptions of how she builds up their confidence through daily interactions. The article states that Branch is a motherly figure to many of her students.

But the report ignored one important aspect of public education: Are the children in this school learning?

In the case of the school where Branch teaches, the answer is a resounding “no.” MacKenzie Elementary and Middle School is and has been among Michigan’s very worst public schools, according to recent assessments by both the state and by the Mackinac Center for Public Policy.

The Mackinac Center report cards cover the 2011-13 time period. Importantly, they incorporate the effect of students’ economic backgrounds into how they grade schools. This allows the report cards to measure the amount of learning that actually takes place in a school, rather than how far its students may lag their peers in more affluent communities when starting out.

Schools where disadvantaged students advance more rapidly do better on this report card than schools where more advantaged students progress at a slower pace, even if the latter group may score higher on state tests.

In contrast, the state of Michigan’s school rankings do not factor in the socioeconomic background of the students they serve. This means that most schools with a higher percentage of disadvantaged students tend to be clustered at the bottom of the state’s ranking, even if their students are advancing at a faster pace than those elsewhere.

MacKenzie Elementary and Middle School has ranked at the bottom under either methodology. The state places it in the bottom one percent of all public schools.

In the Mackinac Center’s 2011-13 and 2014-16 report cards, MacKenzie Elementary and Middle School received an “F.” But that doesn’t quite cover just how poor the academic performance of that school has been.

In the 2011-13 report card, the Mackinac Center reviewed 2,246 elementary and middle schools and MacKenzie Elementary and Middle School finished 2,229th, meaning just 17 Michigan public schools performed worse.

In the 2014-16 report card, the Mackinac Center reviewed 2,261 elementary and middle schools and MacKenzie Elementary and Middle School placed 2,246th, meaning just 15 schools performed worse in the entire state.

The USA Today report states that MacKenzie teacher Felecia Branch suffered a pay cut and then had no raises for several years. But the article doesn’t explain why Detroit teachers had to take pay cuts. It happened because the district experienced an enrollment implosion over the past decade, due an exodus of students escaping the worst performing city schools in the United States.

That status was awarded by biannual National Assessment of Educational Progress reports, long called the nation’s report card, which ranked Detroit as the country’s worst urban school district in 2009, 2011, 2013, 2015 and 2017.

The period covered by these reports coincides with a 47 percent plunge in Detroit school district enrollment, from 95,494 students in 2009 to 50,210 in 2018.

Parents were helped in getting their children out of the city’s failing schools by two Michigan public school choice programs: one that let children enroll at charter schools and another that let students attend schools in neighboring districts.

Enrollment at public charter schools in Detroit has risen to 50,460 in the 2016-17 school year — more than the 44,890 students who remained in the conventional school district. Tens of thousands more students who live in Detroit attend charters in other communities, or travel to other school districts under a state program known as Schools of Choice.

“Context matters, especially when the results at this school — and many others in Detroit — are so dismal,” said Ben DeGrow, director of education policy at the Mackinac Center. "Many parents have fled these schools to find better opportunities for their kids, and most of them are satisfied with what they’ve found. Charter schools in Detroit are getting better results for their students for significantly less funding. The typical charter environment is enabling teachers to make a greater impact on how much students learn. We need to be more curious about what’s causing that kind of success, and how to make it even better.”

The original version of this story was posted online on Oct. 24, 2018 and is available at MichCapCon.com/25980.

Farm Lobby Says 1 In 6 State Jobs Due To Ag; Economists Call ‘Manure’

BY TYLER ARNOLD

Michigan farm owners and businesses received $305 million in federal subsidies in 2017, even though official statistics show agriculture accounts for less than 1 percent of the state economy. Critics say the generous taxpayer support contrasts with other industries that get fewer or no federal handouts but contribute far more to the economy.

The $305 million in subsidies was released in a report by the Environmental Working Group, which gets its data from the U.S. Department of Agriculture.

When asked about the subsidies, the Michigan Farm Bureau declined to comment, but a representative provided a link to a recent paper by a Michigan State University economist on the economic impact of the state’s food and agriculture system. It suggests that when indirect jobs are included, agriculture accounts for more than one out of every six Michigan jobs.

A different impression comes from James Hohman, a fiscal policy analyst at the Mackinac Center for Public Policy. He points to statistics from the U.S. Bureau of Economic Analysis, which show that in 2017, there were 64,860 Michigan residents classified as farmers or farm workers. That amounts to less than 1.1 percent of all Michigan jobs.

Hohman said that several industries play a much larger role in this state’s economy. In contrast to farming, he said, 680,278 people are employed in the health care industry, 613,291 work for governments, 408,621 people have professional and business service jobs and 255,639 work in finance.

The farming industry, he added, directly added about $3.1 billion to Michigan’s economy — a mere 0.6 percent of the total state GDP. Each of the other industries mentioned accounted for far more of the state’s economy: $89.3 billion for finance, $66.2 billion for professional and business services, $53.9 billion for government and $41.1 billion for health care.

“Every industry is connected to each other and some are more connected to others,” Hohman said. “And if you work in agriculture, it is the most important industry to you. But it’s a small part of the total state economy and nowhere close to Michigan’s second largest industry.”

His conclusion on the farm subsidies was, “We should look at how to secure our food system without them.”

Chris Edwards, the director of tax policy studies at the Cato Institute in Washington, D.C., told Michigan Capitol Confidential that there is no justification for massive subsidies to U.S. farmers.

“There’s nothing unique about farming, really,” Edwards said.

Subsidies do nothing to keep food prices down, Edwards continued. The arguments in favor of subsidies tend to be based on the lack of stability and the fluctuation of prices and uncertainty of the products, he said. But, he said, this is not substantially different from a lot of other industries, such as energy and mining, which don’t get massive subsidies each year.

“I don’t see any reason for any [government] involvement,” he said.

The Michigan State University working paper that the Michigan Farm Bureau pointed to was written by William Knudson, a product-marketing economist at the MSU Product Center. He estimated that the farming industry contributed some $104.7 billion annually to Michigan’s economy from 2014 to 2016 and accounted for 805,000 jobs, of which 256,000 were from what he called “indirect or induced effects.” The larger jobs figure would mean that agriculture accounts, at least in part, for more than 17 percent of the 4.698 million Michigan jobs reported by the state in September 2018.

The original version of this story was posted online on Nov. 6, 2018 and is available at MichCapCon.com/26016.
Citing State Regulatory Burdens, Man Closes Small Business
‘Navigating an unreliable system is despair-inducing’

BY TYLER ARNOLD

A small-business owner providing pool repair services in the suburbs south of Detroit gave up on his career and shut down the business after experiencing burdensome and costly licensing regulations from the state.

The former business owner, Adam Alexander, suggested that special interest groups were behind the tedious licensure requirements.

“Being forced to buy a trivial class is degrading,” Alexander said in a letter he posted on his website and sent to state legislators. “Wasting so much time is demoralizing. Navigating an unreliable system is despair-inducing.”

Alexander ran a small business that focused on pool and hot tub repair, but it also included other home repair and leak-detection services. The business, formerly in Southgate, was called No Worries Pool & Spa. Without a license, Alexander was allowed under state law to do residential jobs that were worth $600 or less. For bigger jobs, he needed to acquire a residential builder license.

The cost of the classes, the test and the license he needed amounted to nearly $900. The largest financial burden came in the time required to study for the test. Taking time off work to study for it cost him at least $10,000 in income, he said.

“The study material covered a vast range,” Alexander said in his letter. “I had to learn about scaffolding that I had never seen on a construction site. … I learned about steel wire rope for cranes though I’ve never had plans of buying one. I learned about storing diesel in stationary tanks though I’ve never seen such a tank on a residential build. I spent [hundreds] of hours memorizing construction trivia of the world.”

Alexander said much of the material contained in the test was not necessary because, as a contractor, he would simply look up codes that he did not have memorized. Additionally, a lot of codes he was required to memorize were not likely to apply to his line of work, he said.

“Essentially, it was a lot of information that just doesn’t apply to the real world,” he said. “It was as if a group of people who don’t know anything about construction made a test about what they think construction is about.”

When Alexander thought he had finally navigated the red tape, he found out that he would be required to take an additional 21 hours of classes within his first three years of acquiring the license, and then another 21 hours in years four through six.

With the continuing cost and time associated with a license, and because it had become virtually impossible to make a living from $600-or-less jobs, he decided to close his business. His next step was to take up a job splitting firewood in a minimum wage job. Although he was offered a position as a boom truck operator and could work in the construction field under a larger company, he said he believed special interests were behind these regulations, and he refused “to facilitate this corruption.”

The regulations that cost Alexander his business were proposed in 2007 by two state senators, a Republican and a Democratic. Though the Office of Regulatory Reinvention advised the state to eliminate the pre-license class requirement in 2012, legislators reaffirmed it in a 2013 bill introduced by former State Rep. Frank Foster, R-Petoskey. It passed in a bipartisan fashion, receiving only one “no” vote in the House and one “no” vote in the Senate.

Jarrett Skorup, director of marketing and communications at the Mackinac Center for Public Policy and author of a report on occupational licensing, said that burdensome licensing laws are a serious problem throughout Michigan.

“More than 20 percent of the workforce in Michigan is required to have a license to work,” Skorup said. “This equals nearly a million jobs and has been growing.”

Skorup said that Michigan requires licenses for occupations that many states do not, such as painters, roofers, hair shampooers, teeth whiteners and potato dealers. He said the Legislature should pass legislation to reduce these burdens.

Alexander said that he wishes legislators would end the construction class he called “a complete waste of time” because the reading materials and test questions don’t properly reflect the job.

In a 2015 study, the Pacific Research Institute, a California-based free-market policy nonprofit, ranked Michigan in the bottom half of U.S. states for its burdensome regulatory requirements, at 28th.

Michigan lawmakers are considering legislation that would review current state mandates, allow more people to have access to licensed work by removing barriers faced by some ex-offenders, and prevent local governments from adding on their own regulations.

Kent County Agency Wants 10 Years To Fill Open Records Law Request
Agency says it will cost $241,000

BY TOM GANTERT

In October, patient advocate and licensed social worker Marianne Huff submitted a Freedom of Information Act request to Kent County’s community mental health authority asking for documents about cuts in payments to private mental health service providers.

Officials at the authority responded that it would cost $241,000 to locate and provide the requested documents. They also said the work would not be complete until April 23 — in the year 2029.

Michigan Capitol Confidential is not aware of any other open records request in the state of Michigan in which a government entity claimed it would take 10 years to provide the records sought.

The county mental health authority is called Network 180, and it contracts with dozens of private mental health professionals to deliver services to county residents.

Huff requested “all memoranda, directives, policies, emails, presentations and/or meeting minutes” from the eight-month time period of Feb. 1 through Sept. 30. She was looking into “the implementation of utilization management and the reduction of network provider rates.”

Network 180 estimated that it had to go through 98,567 messages and it would take 6,574 hours to complete the work, with an average of 12 hours per week dedicated to the effort. That came out to 548 weeks to complete.

“Once those emails are determined, every one of them must be individually read and reviewed for information exempt from disclosure, and information redacted if needed,” Network 180 told Huff in an email.

Network 180 is Kent County’s community mental health authority, with a $154.3 million annual budget. County authorities such as Network 180 are the means through which most government-funded mental health services are allocated and delivered in Michigan. They are funded by a combination of federal, state and local dollars.

Network 180 didn’t respond to an email seeking comment.

Huff said the issue still has not been resolved.
Granholm: Income Tax Would Be Lower If GOP Left It Alone

*Republicans repealed scheduled reductions in former Democratic governor’s 2007 tax hike*

**BY HEATHER KAYS**

In fall 2007, the Democratic-controlled state House and Republican-controlled Michigan Senate approved an income tax hike sought by then-Gov. Jennifer Granholm, a Democrat. The measure, labeled as temporary at the time, raised the state tax rate from 3.9 percent to 4.35 percent. It also included a schedule of future reductions that would have rolled the increase back by the end of 2015.

Granholm recently tweeted the following: “Facts: I signed a bill during the fiscal crisis that raised personal income taxes temporarily. That bill required taxes to be fully reduced back to 3.9% by 2015. In 2011, after my terms, GOP stopped that rollback; but for that action, Michiganders would be paying 3.9% today.”

The former Democratic governor is correct, and the rate has barely changed since it was increased under her watch. The single 0.1 percentage point reduction that has occurred was part of Gov. Rick Snyder’s overhaul of the state business tax in 2011. That legislation repealed the scheduled income tax rollback.

That was the situation in February 2017, when a new Republican Speaker of the House called for a vote on cutting the rate by two-tenths of a percent, to 4.05 percent. The income tax cut was defeated when 12 Republicans joined all 43 Democrats who were present to vote “no.” No further action has occurred.

Granholm’s recent tweet did not mention three Republican bills introduced between 2008 and 2010 to repeal the rate hike altogether or accelerate its scheduled reduction; none of them received a hearing in the House, which was then controlled by Democrats. The first of these bills was introduced in 2008 by Republican Sen. Phil Pavlov, then a member of House minority, and would have immediately returned the rate to the pre-tax hike of 3.9 percent.

Michigan Capitol Confidential asked Pavlov why the lawmakers have failed to roll the rate back despite a strong economy and a GOP trifecta that’s been in place since 2011:

“It’s been difficult because government has become accustomed to the revenue,” he said. Pavlov pointed to special interests, including those focused on the 2013 Obamacare Medicaid expansion, and a steady increase in funding for public schools. His explanation for the initial 2007 vote to increase rates was that “the tax eaters were more powerful than the taxpayers in that case.”

Pavlov acknowledged Granholm’s support for the scheduled rate rollback in 2007 and in the recent tweet, but he added that the former governor likely understood how difficult a rollback would be for legislators. “There was no illusion there,” said Pavlov.

“The crisis is long gone. It’s still nearly impossible to repeal that income tax hike.”

“It’s a disappointment,” said Pavlov, referring to the inability of the current Republican governor and Legislature to lower the state income tax rate. He said he is committed to returning “dollars back into the pockets of hardworking taxpayers.”

The original version of this story was posted online on Oct. 15, 2018 and is available at MichCapCon.com/25953.

Bill Would Authorize Payroll Withholding For Lottery Tickets

*For every $1 dollar spent on the lottery, players lose 40 cents on average*

**BY AMELIA HAMILTON**

Every week in Michigan, people buy millions of state lottery tickets. Rep. Beau LaFave wants to bring the legal form of gambling into a new setting — the workplace — and in the final weeks of the previous legislature introduced a bill to do just that. If passed, the bill would have authorize employers to withhold money from workers’ paychecks, with the money used “to hold a lottery,” in a form that the state lottery agency would devise. LaFave said he plans to reintroduce the bill in the new legislature.

Employees working for participating employers could choose to check a lottery withholding box, which would cause $26 to be withheld from their earnings each year and deposited into a new weekly payroll lottery.

“The thought process behind this particular game,” LaFave told Michigan Capitol Confidential, “is that you kind of have to go out of your way to play these games right now. If you make it easier to play these games, I think the majority of people would check the box to play.”

The Republican from Iron Mountain says the lottery revenue could help schools while stimulating the economy. Using ballpark figures, he said “If half (of workers) check the box (that’s) $100 million, half prizes, (and) half goes directly to the School Aid Fund. Then, further divide it down, that would be about a million dollars a week in prizes and a million dollars a week in the schools.”

With top prizes expected to be around $10,000, “Winnings are low, so nobody is quitting their jobs over it,” LaFave said.

LaFave did not address the economic impact of employees losing money, given that only 60 percent of lottery revenue is paid out in prizes.

LaFave said he got the idea years ago when considering how to bring the lottery to more people. “From a freedom perspective, which is how I look at everything, if people want to play the game, why not let them?”

Dean Stansel, an associate professor at Southern Methodist University, said government programs such as a lottery seldom are analyzed by what they cost in comparison to the benefits they provide.

“The idea that any government program is going to ‘stimulate the economy’ is based on the common error of only looking at one side of the ledger,” Stansel said in an email. “While there may be some measurable benefits from any particular government program, those have to be measured against the costs: what taxpayers would have done with that money if they’d been allowed to keep it. If you ignore that cost, any use of taxpayer funds seems beneficial, which of course it isn’t.”

J. Scott Moody, CEO of the Granite Institute think tank in New Hampshire, said that studies have shown that a lottery is a very regressive tax that puts a heavier burden on poorer taxpayers.

“This leads to conflicting and self-defeating policy such as providing help to the poor through schemes such as the earned income tax credit while at the same time burdening them through regressive taxation such as the lottery,” Moody said in an email. “This bill would do nothing to stimulate the economy. A person choosing to spend money on the lottery simply means they have less money to buy milk or gas.”

Leon Drolet, chairman of the Michigan Taxpayers Alliance, found the bill to be incredible. If the state was going authorize payroll withholding for something, Drolet wondered, why the lottery? he said.

“They don’t offer that for food or housing or any other product, so to suggest they do it for (a lottery) seems extremely bizarre.”

He continued, “It’s interesting that the state wants to facilitate purchasing such a colossal waste of money. Basically facilitating the worker becoming poorer at the benefit of the state.”

The original version of this story was posted online on Dec. 11, 2018 and is available at MichCapCon.com/26092.
Legislature Makes Strong Pro-Israel Statement, U-M Goes Other Way

BY TOM GANTERT

Two days after a synagogue shooting in Pittsburgh, the University of Michigan hosted an anti-Israel event put on by one of its departments.

The university’s Center for Middle Eastern and North African Studies held what it dubbed a “Teach-In Town Hall” Oct. 29. The event was part of a national campaign calling against Israel, called boycott, divestment and sanctions, or BDS.

The Alegmeiner Journal, a New York-based newspaper that covers Jewish issues, reported that the center’s director, Samer Mahdy Ali, sent an email on Oct. 26 that described the teach-in event as “decidedly pro BDS.” The event transpired just two days after suspect Robert Bowers was accused of killing 11 people and injuring seven others in a shooting at a Pittsburgh synagogue.

The leader of the B’nai B’rith International said the U-M event wasn’t only about criticism of Israel. “I question the motivations of those pursuing this,” said Daniel Mariaschin, CEO of B’nai B’rith International. “Their interest is in delegitimizing Israel. It’s a movement meant to demean, delegitimize and demonize the state of Israel.”

University of Michigan spokesman Rick Fitzgerald said U-M officially opposes a boycott of Israel.

The University of Michigan earlier made news when in October John Cheney-Lippold, an associate professor, changed his mind and refused to write a student a recommendation letter required by a student to study abroad. This happened after Cheney-Lippold learned the student’s program would be in Israel. Cheney-Lippold then cited a boycott in favor of the Palestinians as the reason for his refusal to make the recommendation, according to The Detroit News.

Neither of these actions at the university would trigger a state law enacted in December 2016 prohibiting the state from giving a construction contract to a person, company or organization that refuses to affirm that it will not participate in a boycott of Israel. What’s notable about that law is that it was supported by lopsided bipartisan majorities in the Michigan Legislature.

Just one month after the election of Donald Trump as president, only 10 of 108 members of the Michigan House did not vote for the anti-boycott bill, and only three opposed it in the 38-member Senate.

The law was sponsored by Rep. Robert Wittenberg, a Democrat from Oak Park. “I’m not really sure if it can be triggered by an employee acting on his/her own behalf,” Wittenberg said in an email. “I would assume it would have to be based on a decision made by the University Board, President or someone in leadership. I’ll have to do some research and get back to you.”

In June, the Michigan Legislature voted to appropriate $370.2 million for operations at U-M’s Ann Arbor, Flint and Dearborn campuses in the fiscal year that began Oct. 1, 2018.

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Gov. Gretchen Whitmer served three terms in the Michigan House and two terms in the Senate, making her the first former legislator in the governor’s office since John Engler. Among other things this means Whitmer has a voting record, including proposals she introduced to enact 212 new laws.

Here is a brief sample of the laws Whitmer sought to enact:

### 2013 Senate Bill 299
**Mandate “comparable worth” pay**
Introduced by Sen. Gretchen Whitmer (D)

To establish a government “commission on pay equity” to “develop definitions, models, and guidelines for employers and employees on pay equity.” Senate Bill 298 would prohibit employing a person for a wage or salary that is less than the commission’s rulings would require.

### 2013 Senate Concurrent Resolution 10
**Adjourn 2013 legislature immediately so Medicaid expansion can begin Jan. 1**
Introduced by Sen. Gretchen Whitmer (D)

To adjourn the 2013 legislative session immediately (rather than on Dec. 31), so that the Obamacare Medicaid expansion can go into effect at the start of 2014. When the legislature approved the expansion in August they did not give the measure “immediate effect,” which means it cannot go into effect for three months after the legislature adjourns for the year.

### 2013 Senate Bill 405
**Repeal same-sex marriage ban**
Introduced by Sen. Gretchen Whitmer (D)

To revise details of state statutes related to marriage so they would conform with the proposal in Senate Joint Resolution W to repeal the 2008 state constitutional amendment establishing that “the union of one man and one woman in marriage shall be the only agreement recognized as a marriage or similar union for any purpose.”

### 2012 Senate Bill 1041
**Subject legislator communications to FOIA**
Introduced by Sen. Gretchen Whitmer (D)

To expand government document disclosure requirements required under the Freedom of Information Act to include legislators and legislative offices. Note: The bill makes no exceptions for communications from citizens to legislators.

### 2011 Senate Joint Resolution I
**Expand Collective Bargaining mandates**
Introduced by Sen. Gretchen Whitmer (D)

To place before voters in the next general election a constitutional amendment to declare collective bargaining as a right for “every person,” including government employees. Under current law, schools and local governments are required to bargain with government employee unions to determine the pay and benefits of their employees. Under the proposed amendment, this law could not be repealed, and the mandate would be extended to private sector employers.

### 2011 Senate Bill 86
**Restrict “bounced check” fees**
Introduced by Sen. Gretchen Whitmer (D)

To prohibit a savings bank from imposing more than one overdraft fee per day regardless of how many checks a person bounces, and mandate that this fee be charged against the smallest bounced check.

### 2008 Senate Bill 1074
**Extend biodiesel and ethanol tax subsidies**
Introduced by Sen. Gretchen Whitmer (D)

To extend a lapsed tax-break subsidy on the sale of biodiesel and E-85 ethanol fuels.

### 2007 Senate Bill 726
**Expand commercial/industrial groundwater restrictions and regulations**
Introduced by Sen. Gretchen Whitmer (D)

To give any “interested persons” the ability to submit a petition to the director of Department of Environmental Quality if they believe that adverse resource impacts are occurring or are likely to occur as a result of a commercial and industrial facility using groundwater, and require the DEQ to investigate the petition. The bill would also give local governments the authority to regulate large quantity commercial and industrial groundwater withdrawals.