



Giving A Friend A Manicure Or Haircut Is Illegal in Michigan

*And getting the license takes more
training than homebuilders or EMTs*

BY SANDY MALONE

You're breaking the law if you cut the hair of another person in Michigan without the government's permission, even if it's for a friend or family member, and even if there's no charge. An aunt cutting her nephew's hair? Illegal. A girlfriend giving her boyfriend a trim? Not allowed. And teenage girls giving each other manicures? They're all committing misdemeanor crimes under Michigan law.

That's according to the state statutes imposing licensure requirements on barbers and cosmetologists. The law states, "An individual shall not perform any form of cosmetology services, with or without compensation, on any individual other than a member of his or her immediate family without a license under this article."

See [Haircut](#), Page 6



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IS UNAMERICAN**

Headlines From An Earlier Outbreak:
1968 Hong Kong Flu



NEWS BITES

MEET THE STAFF



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Pontiac School District teacher Jennifer Dooley wrote an item for the Michigan Education Association website on the “difference between equality and equity that exists in our education system” that included this:

“When you understand that there’s a child that just got to school late because he had to put his two siblings on the bus and then get to school because Mom had to go to work already—you wouldn’t say ‘Go get a pass!’ You would say ‘Come on in, baby; I’m happy to see you.’ Until we truly see each one of these kids whether red, blue, green, black, brown or purple—as our own and we educate them as our own, we’re going to miss it.”

Both the federal and state government provide extra money to schools that serve larger numbers of students who are considered “at risk” or “economically disadvantaged.”

For example, 80% of the 4,158 students enrolled in the Pontiac school district met the criteria for “economically disadvantaged” in 2018-19, making the district eligible for \$2.66 million in extra state “at risk” funding

By comparison, just 15% of the 13,104 students enrolled in the Troy school district were considered economically disadvantaged, which means it received just \$412,000 in extra state “at risk” funding that same year.

This applies even more with federal dollars. While Pontiac’s school district received \$1,633 per pupil in federal money in 2018-19, Troy got just \$294 per pupil. These extra revenue streams are a major reason why school districts serving Michigan’s poorer communities are among the best-funded in the state.

The Michigan House of Representatives is considering a spending bill that would add \$271.8 million in state spending to the 2019-20 budget.

None of that money would go to fix the roads.

In a Facebook post on the exit of Elizabeth Warren from the Democratic presidential nomination process, progressive economist and former US Secretary of Labor Robert Reich expressed his view of the private sector economy in the US:

“Thank you, Elizabeth Warren, for helping American understand how the system is tilted overwhelmingly toward corporations & the rich because of ‘corruption, plain and simple.’ This is not a critique from the ‘left.’ It’s the truth — and it’s shared by the vast majority of Americans.”

Reich collected \$304,802 from the University of California in 2018. According to its website, for that

money Reich taught one class in the fall of 2018 on the Berkeley campus. It was a public policy class for graduate students on Tuesday that ran from 12 p.m. to 2 p.m. He also taught a two-hour class on Friday during the spring of 2019 on wealth and poverty.

Gov. Gretchen Whitmer is in the process of borrowing \$3.5 billion for road repairs. The loans must be repaid with interest, with the money coming from future road tax revenue, meaning less will be available to maintain roads after the borrowed money is spent.

How much will those interest and principle payments deduct from future road budgets? Current estimates put the amount at around \$5.1 billion over approximately 25 years.

A Feb. 26 Detroit Free Press story carried the headline: “Gov. Whitmer’s call for increased transparency still a work in progress”

The story highlighted all the problems that are inherent when asking for public documents from municipalities in a Freedom of Information Act request. That includes paying high fees for the government entity to produce the information and lengthy delays in releasing the information.

The Mackinac Center for Public Policy recently put a FOIA request into the state of Michigan’s Office of Retirement Services.

Two days after the Mackinac Center put in the request, the Office of Retirement Services provided the information and waived the costs because they had just compiled the information for a similar request.

The type of information request generally costs hundreds of dollars and has taken months to obtain in the past.

The Office of Retirement Service fulfilled its duties in a very timely manner and at no charge. The department said it did so “in the spirit of cooperation.” The city of Detroit has released its annual financial report covering 2019, and the audited figures have the city’s Office of the Chief Financial Officer projecting a rosy outlook for the city:

“In the five years since bankruptcy, the City has stabilized and strengthened its fiscal position,” according to Detroit’s financial brain trust. “The City has completed five fiscal years with a balanced budget, increased recurring income tax revenue by 26%, significantly improved its property tax collection rate (from 69% to over 83%) and created a budget reserve fund at nearly 10% of annual expenditures.” ■

Water Bottler A Drop In The Trillions Of Gallons That Fall On Michigan

State appears awash in water

BY TOM GANTERT

Roughly 55 trillion gallons of rainwater fall on the state of Michigan every year. That's enough to fill about 83 million Olympic-sized pools.

That's also 135,500 times the output of the Michigan water bottling operation run by Nestle.

According to the state of Michigan, Nestle Waters North America reported that it used about 400 million gallons of water at its four Michigan locations in 2017.

The size and magnitude of the waters that surround Michigan and lie under its ground is often lost in debates over water used for residential, commercial, industrial and agricultural purposes.

Recently, House Bills 5290 and 5292 were introduced by a group of Democrats in the Michigan Legislature, which would treat Michigan groundwater under a "public trust" doctrine.

MichiganVotes.org explains, "This would replace the current legal doctrine

that gives the owner of real property a property right to the reasonable use of groundwater, to the extent this does not diminish the ability of neighboring property owners to obtain water. Instead, the use of groundwater would be subject to state approval and regulation."

The bills are unlikely to advance in the current session, but their passage is supported by the environmental advocacy group Clean Water Action.

And Nestle's is the target singled out by Clean Water Action in supporting the bills.

"While they [Nestle] may not be able to take tanker trucks full of water or build pipelines to other states, they can still take massive amounts of our water, bottle it in containers of 5.7 gallons or less, and sell it back to us at a huge profit," Clean Water Action stated on its website. ■

The original version of this story was posted online on Jan. 8, 2020 and is available at MichCapCon.com/27133.

All On Its Own, Flint Was A Financial Basket Case For Years

BY TOM GANTERT

The city of Flint's financial woes can be blamed in part on Michigan state government and the emergency managers it appointed to run the city, according to Ridgway White, CEO of the Flint-based Charles Stewart Mott Foundation.

But White's claim appears to be contradicted by a 2011 report from a financial review team appointed by then-Gov. Rick Snyder in response to persistent financial mismanagement by the city. Flint was not under state control then, and the report painted a stark picture of a municipal government's financial incapacity.

Here is what Mott Foundation's CEO said, according to a recent report by Crain's Detroit Business: "But I will say this, if you take the last 10-15 years ... we've had an emergency manager in control of the city at least half of that time — emergency manager, RTAB (Receivership Transition Advisory Board), etc. So at some point, it's not local people that's made this decision, it's the state as well. So there's a joint responsibility there. We've had an equal amount of EFMs as we've had mayors in the city of Flint since 2000."

The city of Flint operated under a limited form of state receivership from July 2002 to June 2004, in the person of an emergency manager appointed by the governor. But a scathing 2011 critique by a financial review team documented financial misfeasance beginning three years after the earlier state emergency manager had departed. These failures in governance happened under the city's own leaders and managers, not under a state-appointed manager.

For example, the city persisted in spending more than it brought in for four consecutive years, accumulating a deficit that increased from \$1.5 million in 2007 to \$25.7 million in 2011. This was caused in part by elected officials adopting annual budgets based on such unrealistic assumptions that they were "effectively meaningless as a financial management tool," according to the 2011 review.

When Michigan cities spend more than they bring in during a year, they may take short-term loans from the state in return for agreeing to undertake specific corrective actions. For example, in return for assistance in 2008, Flint had to submit a five-year deficit-elimination plan. This promised to reduce the city's accumulated operations deficit to \$9.1 million in 2010. But instead of going



down, it ballooned to \$14.6 million over the next two years.

Worse yet, to cover the city's bills, Flint officials had been raiding municipal water service revenue, which was held in separate accounts. By 2011 the water system had accumulated its own deficit of \$9 million. A few years after that, the water system, in an effort to reduce its costs, changed the source of its water, which led to lead in the water and a public health crisis.

The 2011 report also described evidence that Flint officials had broken the law in another way. The city's General Fund, from which week-to-week operational expenses — including payroll — are paid, was in debt to a local street fund for \$1.68 million. The report stated that under law, "local street monies may only be expended on local streets. ..."

In another footnote, the report observed that "the sum" of relevant provisions of municipal finance laws that the city was violating "is not an aspirational goal but a legal requirement."

The review team, appointed by Snyder during his first year in office, was triggered by city officials asking the state to tide them over after another year of overspending. Specifically, on Feb. 28, 2011, they asked the state for \$20 million in a stabilization loan. In return, they promised to cut payroll and staff, and also place several cost-reducing city charter amendments before voters that coming fall.

Seven months later, however, city officials told the state review team that only a fraction of the promised staff reductions had happened. They also had not submitted the proposed charter amendments to voters.

The Mott Foundation did not respond to an email seeking comment. ■

The original version of this story was posted online on Jan. 28, 2020 and is available at MichCapCon.com/27176.

‘Vital’ Great Lakes Program Funds Playground Rehab In Milwaukee

BY TOM GANTERT

A recent Toledo Blade editorial praised a proposed increase in federal spending on the Great Lakes Restoration Initiative, a grant program.

The op-ed repeated many of the buzzwords, such as “critical” and “crucial,” routinely used in media reports describing the GLRI, which has spent \$2.7 billion since 2010. “Preserving the initiative’s work is crucial to protecting the lakes, their environment, and the economies and quality of life of states that border them,” the Toledo Blade editorial stated.

Such language suggests that the program funds only major water quality research efforts and large-scale cleanups, and some of the journalists who use it may have that impression. Yet many of 5,300 proposals the GLRI has funded are for activities that appear only loosely connected to the lakes.

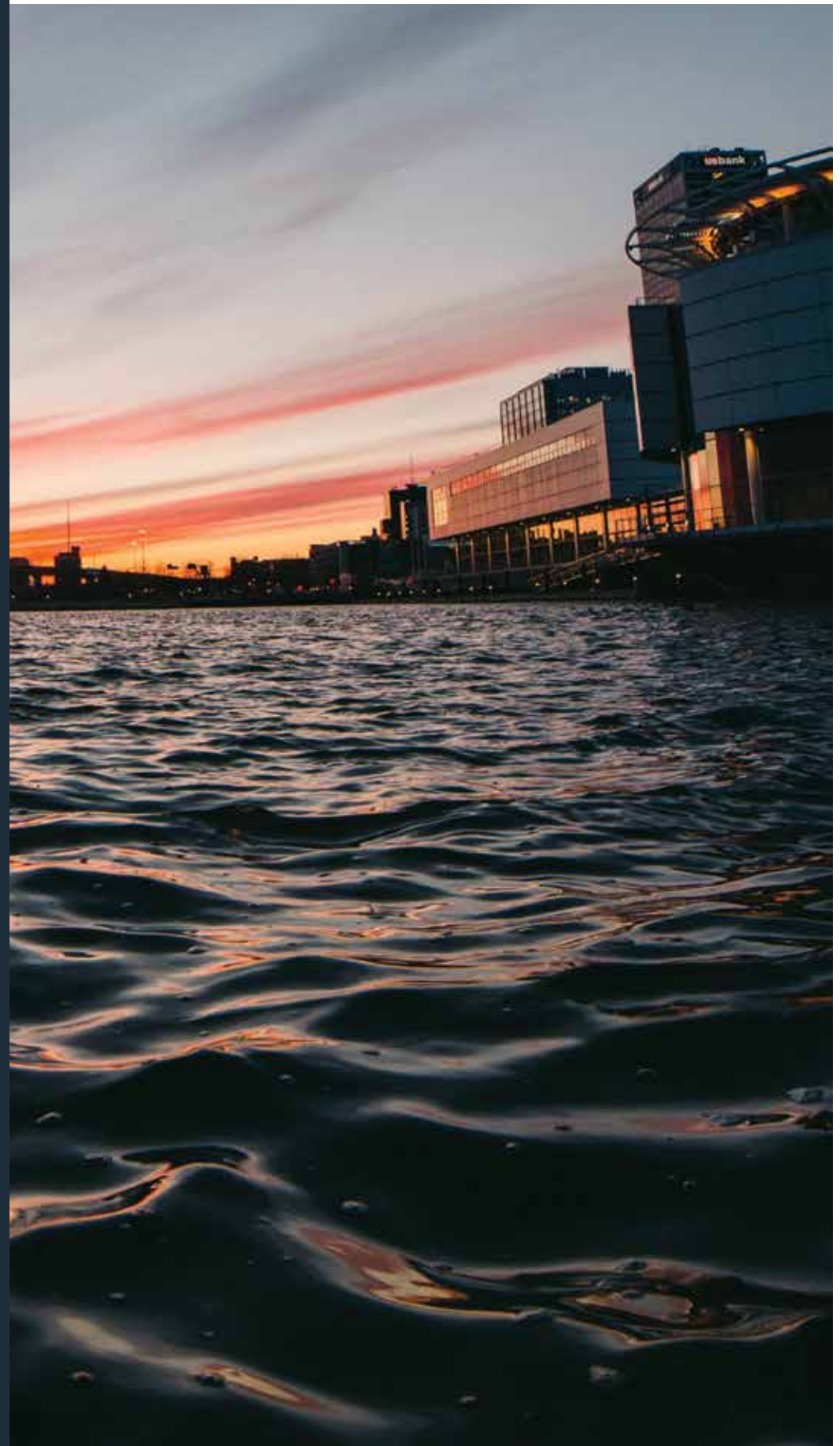
For example, in 2018 GLRI gave the Milwaukee, Wisconsin, public school district \$440,000 to rehab four school playgrounds. Dubbed “Greener, Healthier Schoolyards” by the grant seekers, here’s how GLRI described the spending:

“Milwaukee Public Schools will renovate four Milwaukee schoolyards by creating unique outdoor play spaces designed to provide up to 4.7 million gallons of stormwater storage annually. Project will install green stormwater infrastructure best practices to create green recreational facilities that provide improved environmental, social, and economic health benefits to students and communities.”

Michigan Capitol Confidential has published other examples of questionable GLRI grants.

Last month, President Donald Trump proposed spending \$320 million on GLRI in next year’s budget, a \$20 million increase, according to Michigan Radio. ■

The original version of this story was posted online on March 11, 2020 and is available at [MichCapCon.com/27292](https://michcapcon.com/27292).



Teachers Unions Gave \$180,000+ To Misleading Macomb Tax Hike Campaign

Tuesday ballot proposal would cost property owners \$55 million annually

BY TOM GANTERT

A coalition of public school interests promoting a Macomb County school property tax hike have made exaggerations and unsupported claims in a social media campaign to get a "yes" vote on March 10.

Calling itself "Macomb for Kids," the group is a ballot question committee registered with the Michigan Secretary of State elections bureau. It had raised more than \$250,000 as of Feb. 23, of which at least \$180,000 came from teachers unions, mostly local Macomb county unions.

The campaign finance committee's designated recordkeeper is Robert Callendar and its treasurer is Robert Ross. Callendar is president of the local teachers union at the Warren school district, Macomb county's third largest. (This union local contributed at least \$20,000 to the campaign). The chairman of the school board of Macomb County's largest school district (Utica schools) is Robert Ross.

The so-called enhancement millage was placed on the March 10 ballot by the countywide Macomb Intermediate School District. It would add 1.9 mills to property tax bills and collect an additional \$55 million a year from county property owners for 10 years.

Here are some of the group's claims, and what state and federal data indicate:



Macomb for Kids stated: "While we are all chipping in to help pay for our schools, due to extreme fluctuations in state funding, the school portion of our property tax is woefully inadequate for the needs of our schools."

Official data shows: "Extreme fluctuations in state funding" is an inaccurate portrayal of state funding since 2010-11. State dollars for K-12 funding have increased every year from 2011-12 to the current 2019-20 budget, according to the Senate Fiscal Agency.

For example, Utica Community Schools is the largest school in Macomb County. In the

current year, its total state funding is \$8,467 per pupil. That is up 11% percent over nine years from the inflation-adjusted 2010-11 amount, which was the equivalent of \$7,643 in current dollars. The district enrolled 29,238 students this year, which is 2,608 fewer than in 2010-11. But it will still receive \$30 million more in state funding this year than in 2010-11, not adjusted for inflation.

Macomb for Kids stated: "County schools, on the whole, are funded at an extremely low level compared to our

neighboring counties including Oakland and Wayne and we are struggling to compete. We feel our students in Macomb County deserve the very best and this millage will put them on a more competitive playing field."

Official data shows: Funding for Michigan's K-12 schools comes from a combination of local, state and federal dollars. Here's the breakdown for Macomb County in 2018-19:

Overall, Macomb's public school districts received an average of \$12,494 per pupil, composed of local, state and federal money. That is below the average for Oakland County schools (\$13,999 per pupil) and Wayne County schools (\$13,037 per pupil).

But Macomb's public schools received more state dollars, on average, than Oakland's public schools — \$8,356 per pupil versus \$8,281. And both amounts are less than the \$9,114 per pupil average for Wayne County's public schools.

Macomb for Kids has been running Facebook advertisements that make other claims without support or explanation. For example, the group has stated that the millage would curtail bullying within the district but doesn't say how that would occur. ■

The original version of this story was posted online on March 7, 2020 and is available at MichCapCon.com/27290.

Michigan's Former Top Cop Given \$639k In 'Deferred' Pension Benefits While Still On Payroll

BY DAWSON BELL

Former Michigan State Police Director Kriste Etue is sitting on a \$640,000 nest egg of pension benefits awarded to her between 2012-2018, even as she continued working and collecting a regular pay check as the state's top cop.

According to state retirement officials, Etue's account with the Deferred Retirement Option Plan, or DROP, totaled \$639,124 as of Feb. 13. That information came in response to a Freedom of Information Act request submitted by the Mackinac Center of Public Policy.

Etue, 61, was the most senior high-profile enrollee in the DROP program, which paid officers eligible for retirement to continue working - and drawing salaries - beyond the date when they could otherwise retire

with full pension benefits, which come after 25 years of service.

She has been eligible to draw on pension payments accumulated in a deferred account since her full retirement in 2018, but has not chosen to do so. Etue is currently employed as the director of legislative affairs for the Transportation Improvement Association, a traffic safety advocate.

Separate from the past pension payments that were deferred or held for her, Etue is now collecting regular current pension payments estimated at about \$92,000 annually.

The DROP program was enacted in 2004 in response to concerns that members of the Michigan State Police were using a law that let them stop working and collect a full pension at a relatively young age, thus depleting the ranks. The long-term solution to this problem — closing that pension

system to new hires — was eventually adopted for employees hired after June 2012. But officers hired before that time are still earning and/or collecting benefits under the old system.

DROP has been criticized as a costly form of double dipping that places a strain on the state police retirement fund, which in 2019 had an unfunded liability equal to around 35% of the benefits it has promised. A post-retirement benefits fund that subsidizes health insurance coverage for retirees is also well short of having the resources it should have.

As of the most recent the annual report of the MSP retirement fund, 203 state employees were enrolled in DROP. The number of additional MSP employees who will become eligible in coming years was not readily available, according to a

spokesman for the state Department of Technology Management and Budget.

A story in Michigan Capitol Confidential in 2017 reported that there were 177 enrollees and 594 others who were potentially eligible.

MSP spokeswoman Shanon Banner said in an email the DROP program provided financial benefits to the state because it allowed experienced officers to remain on duty at a time of high attrition. She pointed to a 2004 Senate Fiscal Agency analysis that forecast annual savings to the state's General Fund of \$3.3 million because the cost of health care benefits for enrollees in the DROP program would be shifted to the retirement fund. ■

The original version of this story was posted online on Feb. 29, 2020 and is available at MichCapCon.com/27257.

HAIRCUT

from Page One

Barbers were one of the first professions on which the state of Michigan imposed licensing restrictions. The requirements are stringent: Getting a barber's license here requires an individual to take 1,800 hours of classroom and practical training — and that's down from the 2,000 hours required a few years ago. These are among the nation's most restrictive occupational licensure mandates in terms of the number of training hours required. It is nearly eight times the number required to get a New York license, to cite one example.

And that's after the would-be practitioner has paid in the neighborhood of \$12,000 to \$20,000 in tuition to a barber school, according to Damon Dorsey, president of the American Barber Association.

Dorsey told Michigan Capitol Confidential the amount of time and debt associated with

becoming a licensed barber has led to more unlicensed people providing the service illegally in their homes. The facts back this up. In 2018, there were 83 complaints filed with the state against barbers, and most of them were complaints about someone operating without a license.

"The ABA has gotten countless complaints from students on the cost of barbering school and time it takes to get a barber's license," Dorsey said. "As it is, many people forgo getting a barber's license and just cut hair in their kitchen and basement, as they refuse to be strapped down by debt and spend two years of their lives qualifying for a barber's license."

Dorsey said that it takes the average person one-and-a-half to three years to become a barber; and he called the classroom requirements out-of-date.

"Most barbers will agree that it should not take [1,800] hours of practice to become a

barber," he said. "Forty to 80 hours should be sufficient, especially if continuing education is available. Also, technology makes it possible for students to take classes online, which should make it much easier to speed up the process."

To put those numbers in context, the training hours to be a barber are several times more than the number required to become a licensed homebuilder, auto mechanic or emergency medical technician.

In 2013, Alabama became the last state to require a license for barbers. A 2018 study by Edward Timmons found that this increased profits for licensees, caused fewer shops to open and drove prices higher for consumers. "This comparison produces evidence consistent with the economic theory that occupational licensing restricts competition and harms consumers by limiting choice and increasing prices," said the report.

Several bills have been recently introduced to cut back on the barbering mandates. Senate Bill 691, introduced by Sen. Wayne Schmidt, R- Traverse City, and Sen. Ken Horn, R-Frankenmuth, would allow apprenticeship hours to cover the training requirements. State Rep. Steven Johnson, R-Wayland, introduced House Bill 5438, which would eliminate the state requirement that individuals get a license before being able to become a barber.

"Quite simply, state government has a thousand better things to do than tell barbers how to cut hair," Johnson said in a press release. "This license is an unnecessary regulation and does nothing to protect public safety." ■

The original version of this story was posted online on March 3, 2020 and is available at MichCapCon.com/27275.

Lawmakers, Education Officials Looking To Inject Gender Politics Into Michigan Schools

BY TOM GANTERT

State Rep. Rachel Hood, D-Grand Rapids, has introduced a bill in the Michigan House that would require public school sex education classes to include lessons on the subjects of gender identity and gender expression.

Hood, along with 20 Democratic co-sponsors, introduced the bill on Feb. 19, after which it was assigned to the Committee on Education.

The bill would amend the state school code so that if a local school board chooses to offer sex education classes — something optional under Michigan law — it must comply with the new requirement.

The bill states, "Instruction and materials must teach pupils about gender, gender expression, and gender identity, and must explore the harm of negative gender stereotypes."

In 2017, the Williamston Public Schools Board of Education adopted a policy that

allowed its students to choose their own gender. That policy is being challenged in court by parents who sued the school board and the district.

The school district stated in a court filing, "The policy then continues that the district will accept the gender identity that each student asserts based on the student's legitimately held belief, and that the district will customize support to allow the student equal access to the district's educational programs and activities."

One school district official has declared his own gender identity in public emails. The executive director of communications for Grand Rapids Public Schools, for example, now includes in his email footer the words "He/Him/His" as his "preferred pronouns." ■

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Yes, A Michigan Law Rations Number Of Hospital Beds Here

Now public health experts concerned about hospitals surge capacity

BY DAWSON BELL

Michigan may be about to undergo a stress test of its capacity to manage the health care needs of patients stricken by the COVID-19 coronavirus. That's the view of some experts who believe the number of available hospital beds here is artificially constrained by Michigan's bureaucratic and archaic Certificate of Need program.

Michigan's CON law requires any proposal to build new medical facilities or add hospital beds to be approved by a state board dominated by already-established hospitals and health care providers.

"In the event of a widespread (coronavirus) outbreak, the nation's hospitals will become ground zero, absorbing the massive responsibility of treatment and containment," wrote Lindsay Killen and Naomi Lopez in the March 11 Washington Examiner. Killen is a vice president at the Mackinac Center for Public Policy and Lopez is a policy analyst at the Goldwater Institute.

The authors wrote that in 38 states, the number of hospital beds is limited by CON laws, which give incumbent health care providers veto power over proposals to add capacity or new competitors.

How much of a strain the new virus will place on Michigan's health care infrastructure depends on the pace and severity of infection. And the facts on the ground appear to be shifting almost hourly.

At a hearing of the state House Health Policy Committee on March 12, Dr. Joneigh Khaldum, chief medical executive at the Michigan Department of Health and Human Services, said there had been no sign so far of "broad community" spread of the coronavirus in Michigan, and only two confirmed cases in the state.

Within 24 hours, though, state emergency services officials announced that the number had grown to 16 cases. Gov. Gretchen Whitmer ordered the closing of all public and private schools until at least April 5 and a ban on all public gatherings of more than 250 people.

On March 15, the number of reported cases in Michigan had grown to 45, and Whitmer said she was considering additional restrictions. There were 65 confirmed cases as of March 17.

Asked at the March 12 hearing by Rep. Angela Witwer, D-Delta Township, whether Michigan hospitals were prepared for an onslaught of coronavirus patients, Khaldum said the question is "on our minds."

"We've asked our hospitals (about) their surge capacity ... their staffing capacity. That is something we are concerned about." According to the latest report from the state health department about hospital bed capacity, published on March 2, Michigan facilities have 25,375 licensed hospital beds.

A department spokeswoman said the number of currently occupied beds was not available. Of course, not all unoccupied beds are suitable for treating patients suffering from a highly infectious illness. Departmental spokeswoman Lynn Sutfin said a survey of state hospitals, with response rate of 81%, identified 803

total hospital beds in "airborne infection isolation rooms."

Sutfin added that hospital organizations could deploy mobile field hospitals if needed.

But one analysis of CON laws suggests that capacity here is lower than it would be if health care providers were free to make decisions about infrastructure investments without seeking government permission.

According to Matthew Mitchell, a George Mason University economist who spoke to a state Senate committee earlier this year, CON laws have significantly restricted the development of hospital capacity in Michigan. That, in turn, has reduced both the total number of hospitals and the availability of health care outside of urban areas.

"CON laws perform a valuable function for incumbent providers ... by limiting their exposure to new competition," Mitchell said. ■

The original version of this story was posted online on March 18, 2020 and is available at [MichCapCon.com/27310](https://www.michcapcon.com/27310).



Headlines From An Earlier Outbreak: 1968 Hong Kong Flu

Pandemic 52 years ago killed 100,000 in US

BY TOM GANTERT

In 1968, the United States was hit by what became known as the “Hong Kong Flu.” It was a pandemic that originated in China in July 1968 and lasted until 1970.

The Centers for Disease Control and Prevention put the number of deaths caused by the Hong Kong Flu at one million worldwide, including 100,000 in the United States.

By December 1968, the Hong Kong Flu had reached the U.S., including Michigan, according to newspaper reports.

Newspapers reported that Denver had 100,000 cases of the Hong Kong Flu in December 1968.

Here’s a glance at the coverage by newspapers locally and nationwide on the first 42 days of the Hong Kong Flu in the U.S., 52 years ago. ■

The original version of this story was posted online on March 13, 2020 and is available at MichCapCon.com/27301.

“Hong Kong Flu May Be Here”

Boston Globe, Nov. 19, 1968

“Hong Kong Flu Cases Mild But Worst Is Yet To Come”

The Daily Sentinel (Colorado), Nov. 20, 1968

“Hong Kong Flu Feels Like Any Other Kind”

Philadelphia Inquirer, Nov. 27, 1968

“Hong Kong Flu Hard To Fight”

Battle Creek Enquirer, Dec. 6, 1968

“Hong Kong Flu Has Spread To 13 States”

Messenger-Inquirer (Kentucky), Dec. 7, 1968

“100% Effective Vaccine Lacking As Hong Kong Flu Spreads”

Indianapolis Star, Dec. 7, 1968

“‘Don’t Panic’ With The Flu”

Battle Creek Enquirer, Dec. 11, 1968

“Hong Kong Flu Just A Sissy; Colds Pack A Bigger Wallop”

The Boston Globe, Dec. 13, 1968

“Schools, Business Conquered By Flu”

Lansing State Journal, Dec. 13, 1968

“Hong Kong Flu Is Different, But No Worse Than Other Varieties”

Minneapolis Star, Dec. 13, 1968

“Hospitals Act On Flu Threat ... Sixteen Facilities Limit Visiting Because Of Influenza Outbreak”

The Kansas City Times, Dec. 13, 1968

“Hong Kong Flu ... Deaths On Rise; Epidemic Spreads”

The Greenville (South Carolina) News, Dec. 13, 1968

“Beginning Of National Epidemic ... Respiratory Deaths Mount As Hong Kong Flu Spreads”

The Austin (Texas) American, Dec. 13, 1968

“Some Hong Kong Flu ‘Probably’ In Area”

The Port Huron Times Herald, Dec. 14, 1968

“Absenteeism Soars As Hong Kong Flu Spreads”

The Ludington News, Dec. 16, 1968

“Stop Killing Yourself ... Some Practical Facts Ease Worst Of Fear About Hong Kong Flu.”

The Sacramento Bee, Dec. 30, 1968



Fiat Chrysler And Ford To Get \$131M From Michigan Taxpayers; Earned \$26.4 Billion Last Three Years

BY TOM GANTERT

Ford Motor Co. and Fiat Chrysler Automobiles earned a combined \$26.4 billion in profits in the three years from 2017 to 2019.

Yet in 2019, the state agency in charge of selective corporate incentive programs authorized giving the two auto giants a combined \$131 million in taxpayer funds, under a program called Good Jobs For Michigan.

Those were among the largest subsidies granted under Good Jobs For Michigan, because the law creating it expired this past December. But a Republican lawmaker is working to resurrect the program.

State Sen. Ken Horn, R-Frankenmuth, has introduced Senate Bill 492 to bring it back and extend it until 2024.

Independent research suggests the programs and spending make little or no difference. To cite one representative example, a working paper by Upjohn Institute scholars published in 2018 found evidence that companies receiving subsidies from the state of Michigan created no more jobs than did companies that didn't receive taxpayer dollars.

Recently, at least one fast-growing mortgage company rejected a \$2 million state subsidy offer for moving its company to Pontiac in 2018, according to the Detroit Free Press. The company, United Shore, spent \$85 million to renovate a former GM facility.

In December, Horn called Good Jobs For Michigan a successful program after Ford announced plans to add 3,000 jobs. Earlier in the year, Fiat Chrysler said it would create 6,433 jobs.

The MEDC called the program a success. "The Good Jobs for Michigan attraction tool has been an instrumental tool in aiding six large-scale projects either relocating to, or expanding here in Michigan that represent a total of more than \$6,577,819,000 dollars of private investment and almost 11,300 jobs," said Michigan Economic Development Corporation spokesman Otie McKinley in an email.

The 11,300 figure represents the number of jobs projected when the projects were announced, McKinley said. ■

The original version of this story was posted online on Feb. 27, 2020 and is available at MichCapCon.com/27254.



Bill Would Tax Residences For Local Business Improvements

BY HOLLY MATKIN

Homeowners residing in municipal areas designated as "business improvement zones" or "principal shopping districts" could experience a jump in property taxes if a bill that recently passed the Michigan Senate becomes law.

Senate Bill 306, sponsored by Sen. Peter MacGregor, R-Rockford, would let local governments impose additional taxes on certain residential properties. The properties would be in zones the local governments designate as "business improvement" or "principal shopping" districts, and the money would be used to provide direct and indirect subsidies to businesses in the district. The 1961 law permitting these levies applies to business properties only, but MacGregor's bill would extend them to residential properties.

"These Business Improvement Districts (BID) are self-help tools that local property owners can use, voluntarily, to implement management services above and beyond

the local government's baseline of services," MacGregor said.

Examples of such services include graffiti removal, landscaping, cleaning, clearing snow and various public safety measures. They would be paid for by imposing extra taxes, or "special assessments" on each property owner. The taxes would be set, according to the legislation, "on the basis of the special benefits to that parcel," under a presumption that a "project specially benefits all assessable property located within the district."

No individuals or groups representing homeowners appear to have testified at Senate committee hearing on the bill last May. In contrast, governmental and certain business interests were well-represented. These included subsidy-promoting economic development organizations from Detroit and Grand Rapids. Also represented was the Michigan Economic Development Corporation, the agency in charge of the state's many business subsidy programs.

Various local government interests also expressed their support, including the Michigan Municipal League, the Michigan Townships Association and the city of Grand Rapids. The Michigan Retailers Association was on board on behalf of local retail shops, the type of local business most likely to benefit from extending this tax to residential owners.

The bill's backers argue that residential property owners in such districts should pay, too, because they also benefit from the spending the assessments support, which may generate higher property valuations.

MacGregor argues that residential property owners would also benefit from paying the assessments because doing so would entitle them to participate in the BID process, thereby providing "greater fairness and representation in assessment districts." ■

The original version of this story was posted online on Feb. 20, 2020 and is available at MichCapCon.com/27233.



Do Teachers Buy Classroom Supplies? Districts Say ‘We Do’ And Have Receipts

Grand Rapids Schools Issues Over 170 Cards Employees May Use for Purchases

BY TOM GANTERT

For years, the Grand Rapids Education Association has shared social media posts about teachers who say they have to purchase supplies and teaching materials out of pocket, for which they are not reimbursed.

One social media post shared by the local Grand Rapids teachers union was of a MEA survey that showed educators “spend hundreds of dollars out-of-pocket every year equipping their classrooms and students.”

But the state constitution requires taxpayers, not teachers, to pay for classroom supplies deemed essential to their jobs.

The state’s Supreme Court and Department of Education have both determined that the Michigan Constitution assigns to school districts the responsibility for providing materials deemed essential to teaching a classroom of children.

In 2017, the local union posted on Facebook, “How long?” and linked to story

on the MEA state teachers union website that said, “Despite declining pay and benefits over the past decade, educators have continued spending out-of-pocket to fund their own classrooms. But the wear on public school employees is showing, and policymakers are not paying attention.”

The local posted this despite having and presumably enforcing language in its labor contract stipulating that the district pay for supplies.

“The Board will provide all materials required to complete duties as assigned, including but not limited to textbooks curricular materials, appropriate technology, and required software by the first week of school or after the first week of the new semester, if applicable,” the union contract states.

Grand Rapids Public Schools spokesman John Helmholdt said the district allocates money for materials and supplies. He said each principal of each school has an account that covers reimbursements to staff for approved supply purchases.



The district issued more than 170 credit cards to school employees. The vast majority of employee credit cards had a user limit of \$500.

One card had a user limit of \$200,000.

That specific card had 266 charges on it for the month of May 2019, for a total of \$97,714.20. There were 17 purchases from the Grand Office Supply company for a total

of \$2,014, with another charge to an office supply company for \$539.15.

There were numerous other charges that could have been used to purchase supplies, such charges to Meijer, Best Buy, Staples, Sam’s Club and Amazon. ■

The original version of this story was posted online on Feb. 17, 2020 and is available at MichCapCon.com/27232.

Michigan College’s \$98k Equity And Inclusion Officer To Political Opponents: ‘F**k Trump’

BY DAWSON BELL

The highly paid chief equity and inclusion officer at taxpayer-funded Kellogg Community College — who posted a picture of himself on social media in December holding a protest sign that read “F**k Trump” — will apparently face no formal sanction.

Trustees at the Battle Creek college heard comments that both denounced and supported Jorge Zeballos when they held a meeting last week, but they took no action.

Responding to an email inquiry from Michigan Capitol Confidential, a KCC spokesman said Tuesday the college “doesn’t comment publicly on confidential personnel matters.”

Zeballos’ 2019-20 salary as the college’s leading promoter of inclusivity is \$98,033, KCC revealed in response to a Freedom of Information Request from the Mackinac Center for Public Policy.

By contrast, KCC’s president, Adrien Bennings, is paid \$167,500, and the faculty pay scale for 2019-20 tops out at \$91,480.

Adam Heikkila, a community activist and small-business owner in the Battle Creek area, said Zeballos’ profane expression against the president (and U.S. Senate



Majority Leader Mitch McConnell and Sen. Lindsey Graham) didn’t surprise him.

Heikkila said Zeballos, with whom he has interacted with in community-building projects, is a promoter of radical solutions to perceptions of inequitable divisions of political power and a social justice warrior.

Zeballos removed the Facebook post, which promoted his participation at a Battle Creek rally protesting an appearance by

President Donald Trump in December, after it drew criticism. He said in a statement that the protest sign is protected by the First Amendment, but he understood that, because of his position, it had repercussions for the college.

“I deeply regret posting the picture on my Facebook page and the controversy it has generated,” Zeballos said in a Jan. 3 post on his Facebook page.

“I strive to have respectful dialogue on some of the most challenging issues with anyone who holds an opinion different than mine,” Zeballos said.

On Jan. 7, the KCC Board of Trustees released a statement of its own, declaring that “KCC is a politically neutral, tax-funded institution of higher learning, and does not side with any political party or campaign message.”

“However, this matter is a teachable moment and healthy reminder for all KCC employees that our actions as individuals can have an impact on the institution. Whether that impact affects an individual’s employment status at KCC ... is a determination made via KCC’s ongoing performance management process.”

Heikkila called Zeballos “a nice guy,” and said he doesn’t believe he should be fired. But his protest is an indication of his radicalism and a signal to the college that its commitment to diversity and inclusion and equity is a sham, he said.

“They should eliminate his whole department,” Heikkila said. “He’s not being inclusive. His actions are intimidating to other voices.”

Heikkila said he believes there is a good possibility the college will not renew Zeballos’ contract after this year.

Zeballos was hired last year as the head of a newly created Office of Equity and Inclusion. The college had said the hire demonstrated its “commitment to creating an inclusive environment that fosters respect, supports cultural understanding, demonstrates ethical behavior and champions social justice.”

Prior to his appointment, Zeballos served as the executive director of the KCC Center for Diversity and Inclusion. That office was financed by a grant from the Kellogg Foundation. ■

The original version of this story was posted online on Jan. 24, 2020 and is available at MichCapCon.com/27166.

Newspapers, Experts Agree: Climate Causes Plummeting, Record High Water Levels

Looks like a Great Lakes consensus

BY TOM GANTERT

Michigan Radio reported recently that Gov. Gretchen Whitmer's administration is proposing \$70 million in grants for projects "to combat the effects of climate change connected to high water levels." The Detroit Free recently reported that "changing climate conditions" have "caused water levels in the Great Lakes to be at record highs."

But 32 years ago, a changing climate was projected to bring a different problem to the Great Lakes — water levels that were too low.

Back then it was called global warming.

A review of news articles and editorials from 1988 shows that many reporters and editors blamed global warming for Great Lakes water levels becoming so low they would wreak havoc on the economy, environment and society.

In a June 30, 1988, editorial, the Detroit Free Press wrote, "Moreover, scientists claim that the lakes already face major depletion in future years because of evaporation caused by global warming and the demands of

utility plants for huge amounts of water to generate hydroelectric power."

In a story on the same day, the newspaper explained for laypersons how global warming would change Great Lakes water levels.

The story reported on a Great Lakes conference on global warming that took place in Illinois.

"Studies presented at the conference projected that the gradual accumulation of carbon dioxide and some other gasses in the upper atmosphere may cause a four-to-nine degree Fahrenheit temperature increase in the region as early as 2030. That could cause a decline of about two to nine feet in Great Lakes water levels and trigger major economic, environmental and social change. ..."

On Sept. 9, 1988, the Detroit Free Press published a story titled, "How lake levels could drop."

"Within 50 years," it explained, "the 'greenhouse effect' could increase temperatures enough so that Great Lakes levels would drop dramatically — from

three to seven feet — and trigger economic and environmental upheaval throughout the region, government researchers have concluded."

Another article concluded, "A recent study by the NOAA laboratory in Ann Arbor found an increased greenhouse effect could cause the Great Lakes' water level to drop from three to seven feet within the next 50 years. ... The researchers acknowledge the possibility of error in their computer models."

On July 12, 1988, the Petoskey News-Review wrote, "Thirty years ago, scientists who predicted the continued burning of coal, oil and gas would create a global 'greenhouse effect' that would warm the atmosphere and change Earth's climate were labelled prophets of doom. Today, they're just called prophets. Their prediction apparently has come true."

The newspaper then reported, "Here's what lies ahead":

"Lower water levels in lakes and streams, warmer and drier summers and winters and change in the composition of our forests are

just a few effects that will hit our area as a result of the 'greenhouse effect.'"

That article also stated, "David M. Gates, a botanist at the University of Michigan's biological station, said the warmer and drier weather produced by the greenhouse effect will lower the levels of Northern Michigan lakes and streams, including the Great Lakes, and thus create navigational problems."

On Sept. 9, 1988, The Associated Press reported that under a worst-case scenario, researchers feared "much of the 460-square-mile Lake St. Clair, which joins the St. Clair and Detroit rivers between Lakes Huron and Erie, could disappear."

A Jan. 8, 2020, story by WJBK reported that the U.S. Army Corps of Engineers is predicting Lake St. Clair water levels will "be well above the average levels" and water levels in the Great Lakes will continue to rise even more in during the year. ■

The original version of this story was posted online on Feb. 22, 2020 and is available at MichCapCon.com/27245.





MichiganVotes.org

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

2019 Senate Bill 647

Ban spoof caller ID names and numbers

Introduced by Sen. Jim Runestad (R)

To make it a crime subject to six year in prison and a \$10,000 fine to display a fictitious name or number on a telephone caller identification service ("caller ID") with intent to commit fraud.

2019 Senate Bill 666

Ban pet leasing

Introduced by Sen. Rosemary Bayer (D)

To prohibit "leasing" contracts for a "companion animal" (pet) or other arrangements that amounts to a temporary lease.

2020 Senate Bill 715

Make Veterans Day a school holiday

Introduced by Sen. Michael MacDonald (R)

To not hold classes in public schools on Veterans Day, November 11.

2020 Senate Bill 763

Ban utility use of fossil fuels or nukes to generate electricity

Introduced by Sen. Stephanie Chang (D)

To prohibit Michigan utilities from using fossil fuels or nuclear power to generate electricity beginning in 2050, and empower state regulators to make case by case exceptions for particular companies.

2020 Senate Bill 781

Tax vapes

Introduced by Sen. Jim Ananich (D)

To impose a 24 percent tax on the sale of "electronic smoking devices."

2019 House Bill 5162

Authorize statewide tax on lodging (hotel and motel rentals)

Introduced by Rep. Aaron Miller (R)

To authorize all counties, not just Wayne County, to impose a 5 percent excise tax on hotels and motel rentals.

2019 House Bill 5239

Impose tax on horse feed and more

Introduced by Rep. Hank Vaupel (R)

To impose a \$5 per ton "assessment" on feed for horses and \$3 on a common equine diagnostic blood test (Coggins test), to pay for a Michigan equine commission (comprised of political appointees representing specified interests) to promote the industry.

2019 House Bill 5191

Make election days a holiday

Introduced by Rep. Darrin Camilleri (D)

To make the regular May, August and November election dates official state holidays. This would likely result in most state and local government employees getting the day off.

2019 House Bill 5202

Subsidize employee-owned business

Introduced by Rep. Joe Tate (D)

To authorize an income tax exemption for half the gain realized by selling certain businesses to an employee or group of employees.

2019 House Bill 5206

Let children of predeceased spouse file wrongful death suit

Introduced by Rep. Jim Lilly (R)

To revise the law that authorizes wrongful death lawsuits so as to make children of a predeceased spouse eligible to sue.

2019 House Bill 5232

Let veterans ride the bus for free

Introduced by Rep. Laurie Pohutsky (D)

To let veterans ride buses and other public transportation for free.

2019 House Bill 5281

Allow "ranked-choice voting" in city elections

Introduced by Rep. Jon Hoadley (D)

To authorize the use of "ranked-choice voting" to determine outcomes in city elections (rather than the customary "first past the post" system).