

In Michigan's opioid crisis, deaths are the problem – not stigma

Why deal with the problem when you can change the conversation?

BY JAMES DAVID DICKSON

Michigan has an opioid problem. And it's getting worse. But to hear Michigan's public health officials tell it, stigma is a fate worse than death.

In November 2019, the Michigan Department of Health and Human Services announced a \$1 million ad campaign designed to "change the conversation" about opioid addiction. I'm sorry — "substance use disorder."

"With increased medical understanding and the 17-times increase in opioid overdose deaths since 1999, the Michigan Department of Health and Human Services (MDHHS) is working to address the stigmas associated with opioid use so that residents will be better supported and directed to treatment," read the announcement for the ad campaign.

An eye-popping increase in death tolls — even going from 1 to 17 would be noteworthy, but the actual numbers were 99 deaths in 1999 and 1,788 in 2017 — merits further examination, but the health department's announcement never shared those numbers.

One could come away thinking the real problem in Michigan is how we talk about drugs, not how many drugs we take, or their human cost.

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Inflation On The Menu At Some Fast Food Restaurants Here

A Subway store in Saline has begun adding a 10% inflation surcharge to its orders.

The U.S. Bureau of Labor Statistics reported that consumer inflation rose 1.2% in March, following an 0.8% increase in February. Food prices rose 1.0% in March, and 8.8% for the 12-month period ending March 31.

Over the preceding 12 months, overall consumer inflation rose 8.5%, which is the highest rate since 1981.

Michigan Capitol Confidential research this week found that two other widely separated Subways in the state have not added inflation surcharges. Higher prices are a thing at McDonalds, however. On April 28 the company announced positive earnings in the first three months of 2022, driven in part by what it called strategic menu price increases in its U.S. operations.

Farmington Schools' Equity, Diversity And Inclusion Consultant Wants Dissenters Targeted And Pressured

The firm hired by Farmington Public Schools to produce a report on equity in the school district states that teachers who believe public education's role is to be "supporting all students, not dividing them into categories or groups" should be targeted and pressured to change their views.

The equity audit states, "Other teachers additionally felt that diversity, equity, and inclusion was not an issue and wanted to keep the focus on supporting all students, not dividing them into categories or groups. This mindset, of ignoring, can be very detrimental and elude to a lack of understanding around how different identities are treated within our society. It is encouraged for the district to provide explicit self-reflection activities and facilitated discussions for all staff to recognize their own personal biases as well as the impact of identities within our society." (Ed.: The incorrect usage of "elude" is in the original document.)

US2 is the Michigan-based diversity consulting firm, headed by Megan Fuciarelli, that was hired by the district.

Schools Collect \$6.1 Billion Federal COVID Bucks, Teachers Union Calls State Tax Cut Irresponsible

Michigan's largest teachers union has called a state income tax cut worth \$2.5 billion annually and passed by the Legislature last week an election-year stunt. The bill would cut the tax rate from 4.25% to 3.9%, and is said to honor a promise made by lawmakers when they imposed the increase in 2007.

The Michigan Education Association stated in a March 7 story published on its website, "This irresponsible, unsustainable tax giveaway will cause shortfalls for education funding at a time when students and schools can least afford it."

Public schools in Michigan are collecting an additional \$6.1 billion in funding from federal COVID-19 relief.

As Michigan Capitol Confidential has reported: "The income tax was increased in 2007 from 3.9% to 4.35%, an 11.5% increase, to avoid a government shutdown and spending cuts. It was supposed to roll back to 3.9% starting in 2011, but Gov. Rick Snyder and the Legislature agreed to limit the roll-back to a mere one-tenth of one percentage point."

Michigan's School Pension Fund Has A Great Year In The Market

Michigan's underfunded public school pension system had a great year in the market in 2021, but it still has a lot of catching up to do before it can meet its promises to retired school employees.

Auditors report the pension fund earned a net \$15.895 billion on its investments in 2021. That compares to investment gains in 2020 of \$2.920 billion.

In 2020 the pension fund was \$35.0 billion short of the amount actuaries estimate it will need to cover its obligations to employees. The 2021 report shows the amount of underfunding declined to \$24.2 billion, a 31% reduction in just one year.

The investment returns reported gains of around \$6 billion in 2014.

Ron Leix, spokesman for the Michigan Department of Treasury, said the investment return was the highest earned by the Michigan Public School Employees Retirement System since the early 1980s.

On the Menu In Detroit: A Heapin' Helpin' of Red Tape

City is among the nation's worst in barriers for restaurant startups

BY GENEVIEVE O'GARA

Detroit ranks among the hardest places to start a restaurant, in a recent survey of 20 cities conducted by the Institute for Justice. The Motor City is near the top in almost every category of regulatory obstacles for new dining establishments.

"Entrepreneurs in Detroit face serious regulatory hurdles," says the February report "Barriers to Business," which was written by Andrew Meleta and Alex Montgomery. The challenges are acute for aspiring restaurant owners, who must pay 15 separate fees, get clearance from nine city agencies, submit to twelve in-person visits, fill out 20 different forms, and perform a total of 77 steps to comply with various regulations.

Meleta and Montgomery chose 20 large to mid-size cities in geographically diverse regions to study the barriers entrepreneurs face in opening businesses. They looked at five business types that require distinct sets of regulations, including restaurants, retail bookstores, food trucks, barbershops and home-based tutoring businesses.

According to the report, entrepreneurs cited building and zoning permits as the most difficult part of getting to opening day.

For restaurateurs, Detroit was among the most obstructive cities in five out of the six regulatory burdens investigated: total cost, number of fees, agencies involved, in-person activities required, number of forms and steps needed to start a business.

The one category where Detroit is not above average was in the total dollar cost of regulatory burdens. But even here, Detroit is the fifth-most expensive city for restaurant owners. San Francisco, where it costs \$22,648 to start a restaurant, leads the pack, while in Detroit, "an aspiring restaurateur must pay 15 different fees totaling \$6,545 to get started." Nearly \$1,500 of the fees a Detroit restaurant must pay are for permits and an official review of its menu, equipment and procedures for conducting business.

The regulatory cost to open a restaurant in many other cities is less than \$6,000, with the least expensive city being Raleigh, North Carolina, where it is \$1,143.

Detroit is at the extreme end of the remaining categories of regulations on restaurants. It has the fourth-highest number of fees, with 15; the highest for the category is 20. Detroit also requires new restaurant owners to complete 20 forms, while the city with most requiring 22. Detroit's worst category is the total number of steps involved, with a restaurant owner required to complete 77 steps to get official approval to open. This is second only to Boston, where 92 steps are required.

Not all types of business face the same level of difficulty. Home-based tutors in Detroit must complete only six steps to get official approval. Bookstore owners must complete 32, food truck operators 43, and barbers 60.

The best ranking Detroit received in the report is for its "One-Stop Shop Score," which was a four out of a possible five. This score measures how effectively a city organizes and presents information on its website about the regulatory process a new business owner must go through. Detroit missed points in this area for lacking a portal through which entrepreneurs can easily complete forms and registrations. This means the person must go through each agency's own website.

The report suggests that people reentering society from prison, as well as lower-income entrepreneurs, face special barriers in starting a business in Detroit. According to the report, "applicants who owe any type or amount of debt to the city are prevented from obtaining a business

license." Applicants must also say whether they have been convicted of a crime before getting a business license. The Institute for Justice report argues that these restrictions harm those most in need of economic opportunity.

The report offers several policy recommendations for Detroit. It calls for reducing the number of businesses that need city licenses, simplifying the process to obtain building permits, and working alongside state officials to remove barriers that single out low-income residents, people who owe money to the city, and those who have recently left prison. ■

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While Whitmer Touts Job Gains, Michigan Has Yet To Recover From COVID Shutdown

Bureau of Labor Statistics undercuts governor's sunny auto employment claims

BY TOM GANTERT

Gov. Gretchen Whitmer is exaggerating claims of how many auto jobs have been added since she took office.

"The state is...in the midst of a manufacturing boom," the governor's office announced Wednesday, "having added 21,600 auto jobs and counting since Governor Whitmer took office and many other high-skill, in-demand jobs in fields ranging from semiconductor chips to software to agriculture."

That figure also appeared in a May 9 in a press release announcing that Whitmer had declared May 9-13 "Economic Development Week."

"In partnership with the Michigan Economic Development Corporation, we have added 174,000 jobs year over year, including 21,600 auto jobs since I took office, which has helped bring our unemployment rate down to a low of 4.4%, and we continue to deliver on the kitchen-table issues that matter most to working families," Whitmer said.

Data from the Bureau of Labor Statistics indicate the actual figure is less than one-tenth what the governor is claiming. The number of jobs in the sector known as "transportation equipment manufacturing" has increased only slightly during her term, going from 187,300 in January 2019 to

189,300 in March 2022. That's down from the peak level of 344,000 jobs in June 2000.

While Whitmer boasted she has the state's economy moving, the state has still not recovered all the jobs it lost from the COVID-related shutdown of March 2020.

Michigan is down 122,400 jobs since the pandemic began in March 2020. The 2.7% decrease is the 15th-worst for states. By contrast, 13 states have more jobs now than in March 2020. ■

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Detroit Sees Budget Shortfall In Five Years

City's CFO says budget deficits are coming

BY TOM GANTERT

Thirteen years after the city of Detroit filed for bankruptcy, officials there are projecting an operating budget shortfall by 2027.

That's according to an analysis of the city's 2023 budget, published May 3 by the Citizens Research Council of Michigan.

The Citizens Research Council analysis states, "The city's long-term budget forecast shows that projections of on-going revenues will not be sufficient to meet spending pressures in the near future. This forecast, based on a number of assumptions, presents a small, but growing, operating budget shortfall beginning in FY2027."

The city of Detroit reported having 10,525 full-time employees in 2012, which was two years before it filed for bankruptcy. The city emerged from bankruptcy in 2015 with 6,187 FTEs, a 41% reduction in the full-time workforce.

Since then Detroit has been steadily growing its payroll, with 8,935 FTEs on the books in 2021, according to the city's 2021 audited budget.

The payroll expansion has occurred even as Detroit's population continues to fall. There were 713,777 Detroit residents in 2010, a figure that dropped to 639,111 in 2020, according to the U.S. Census.

"While this spending has been important and necessary for the city's growth it may prove to be unsustainable in the long run because the city will not have the revenue baseline to support the additional

infrastructure, services, and personnel," the Citizens Research Council report states.

As part of the bankruptcy agreement, the city of Detroit did not have to make contributions to its two pension funds, but it will have to resume making those payments in 2024, according to the Citizens Research Council. Those pension payments were made by the state of Michigan and private organizations. That nine-year pause ends in 2024.

"The City approved its balanced four-year financial plan for FY23 through FY26 last month," said Deputy CFO and Budget

Director Steve Watson. "As part of that process, the City also completes a ten-year forecast to plan for the future, given baseline trends and projected legacy pension liabilities. With our conservative forecast assumptions, the City's expenditures begin to outpace revenues in FY27. To mitigate that potential outcome, the City will continue to exercise spending restraint, achieve new efficiencies, and grow its economy and revenue base. The reason we do these forecasts is so we can adjust as necessary to ensure the city produces a balanced budget every year, as we have done since exiting active state financial oversight. We expect the FY27 budget to be no different. Also, through the most recent budget, the City is also increasing its Rainy Day Fund and Retiree Protection Fund reserves to provide further fiscal stability." ■

The original version of this story was posted online on June 3, 2022 and is available at [MichCapCon.com/29874](https://michcapcon.com/29874).



Michigan Residents: Whitmer Did Not Fix The D@mn Roads

New poll shows governor's credibility on this issue full of potholes

BY TOM GANTERT

Michigan residents say Gov. Gretchen Whitmer has failed to keep her campaign promise to fix the state's roads, according to a recent poll done by EPIC-MRA.

"It is a near unanimous opinion that Michigan roads and bridges are in terrible condition, with 93% offering a negative rating of just fair (28%) or poor (65%), and only 6% offering a positive rating," EPIC-MRA stated in a press release. The poll was conducted May 11-17 and has a margin of error of four percentage points.

The condition of state's trunkline roads, which consists of state highways, federal highways and interstates, has seen a slight improvement from 2010-11 to 2020-21, according to the report of the state

Transportation Asset Management Council that evaluates roads.

The portion of highways in "good" condition has increased from 19% to 25% over that 10-year span and the share of roads in "bad" condition have decreased from 34% to 33%.

Michigan spent \$2.0 billion on roads in 2011. In 2019, when Whitmer took office, the state boosted spending on roads to \$3.6 billion. About 38% of that increase in funding came from a tax hike on fuel and increased vehicle registration fees, enacted in 2015.

In 2019 Whitmer proposed a road improvement plan that consisted of a 45-cent per gallon increase in the fuel tax, which would have collected an additional \$2.5 billion a year in revenue. But when she

submitted an executive budget proposal that year, it allocated just \$1.9 billion of the increased tax revenue to roads, with the remaining \$600 million to be spent elsewhere.

AAA Michigan reports the cost of gas in Michigan on June 6 at \$5.05 per gallon. Had the governor's 45-cent increase become law, the figure would have been \$5.62 a gallon. But no legislator, including her fellow Democrats, introduced a bill to enact the increase.

When the 45-cent proposal received no traction in the Legislature, Whitmer's next plan was to borrow \$3.5 billion for roads. A top-rated municipal bond of 20 years is currently paying interest of about 3%. The cost of debt depends on its timing and structure. If the state were to borrow



\$3.5 billion all at once at current rates, the interest payments over 20 years would be \$1.15 billion.

The poll was commissioned by the Michigan Infrastructure and Transportation Association, an industry trade group of companies engaged in public works projects, including road construction. ■

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Rich Community Falls Short on School Budget

Birmingham district loses students, messes up revenue projections

BY JAMIE A. HOPE

Birmingham Public Schools is located in a community where the average household income is \$126,601 and the average price of a home is \$652,151, according to Zillow. Even with higher than average state property taxes and a growing population in the city, Birmingham's school budget is under water.

The school district has not allowed students from other districts to enroll through school choice in the past, even though the district has continuously lost students over the past decade. Its enrollment has gone from 8,375 students in 2012 to 7,381 in 2021, an 11.9% decrease. Students who live outside district boundaries may attend if their test scores and grades are good enough, but they must pay a hefty tuition. In 2022-23 school year, tuition will range from \$12,375 for elementary grade children up to \$13,635 for high school students.

Couple the loss of funding due to fewer students with inaccurate revenue projections, and the district's budget is in the red. The original budget for the 2021-22 school year was projected to

bring in \$111.1 million, and the district planned on spending \$122.6 million. The district brought in only \$107.8 million in revenue, however, or \$3.3 million less than projected. It spent \$134 million, not the anticipated \$122.6 million. In other words, revenue fell short by 3% and spending was 9.3% more than projected.

It appears the district's projections for what it would receive in revenue from local property taxes was too high, while its projections for spending on items such as salaries and benefits was too low.

"This case shows that being an exclusive school district doesn't guarantee the highest standards in financial management," said Ben DeGrow, director of education policy at the Mackinac Center for Public Policy. "It certainly hasn't helped the bottom line to make the district off-limits to so many potential students."

Embekka Roberson, superintendent of Birmingham Public Schools, did not respond to an email inquiry about the district's plans to solve the problem. ■

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OPIOID CRISIS

from Page One

BY JAMES DAVID DICKSON

"Opioid use disorder is not a moral failing. It is a chronic condition just like diabetes and high blood pressure," said Dr. Joneigh Khaldun, then-chief medical executive and chief deputy for health for the department, in the announcement.

Khaldun added: "It is absolutely imperative that we change the words we use and the way we think when it comes to opioid use disorder in order to truly support our loved ones in accessing treatment and a full recovery."

Noble sentiment, but a distraction we can hardly afford. Regardless of whether opioids are a moral failing or a chronic condition or both, the plain fact is they're killing Michiganders in large numbers.

Michigan's opioid death tolls have only grown in the years. In 2021, more than 2,800 people in this state died of opioid overdoses, according to the Michigan Overdose Data to Action dashboard. That's 1,000-plus more than the 2017 tally.

In 2019, Michigan had 2,354 opioid deaths – the same year Khaldun was talking about stigma and the health department put out commercials to fix up "the words we use." Khaldun's energy would have been better spent striking at the heart of the problem, the deaths. Instead, the press release glides over it, and the commercials never mentioned them.

That mentality carried on this week when Guy Miller, health officer for Berrien County, told his county's Board of Health that 2022's opioid deaths were approaching last year's toll, already. The story was told by The Herald-Palladium out of St. Joseph.

Berrien County, in Southwest Michigan, had 29 opioid deaths in 2021. Through April, it was about 80% of the way there, with eight months left, Miller told the board.

With a literal life-and-death matter playing out in his county, Miller told the board: "It's something that we need to draw awareness to. We don't need to draw stigma to it. ... We need people to be informed."

No, Mr. Miller. We need answers. We don't need you to teach the public how to talk. We need health officers to work to improve public health. Berrien County did not return a request for comment.

Answers will not be easy to find. Michigan has already pulled many policy levers to address the opioid crisis.

Health department data says 53% of Michigan pharmacies carry naloxone — commonly used to counteract the effects of opioids — and will give it to people free of charge.

Opioid prescriptions are down. In the first quarter of 2020, there were 9,440 opioid units prescribed per 1,000 residents. In the first quarter of 2022, the number fell to 6,548, down 30%.

This will help. Naloxone will save lives in real time. Fewer prescriptions, for lesser amounts of drugs, will also help.

Problem is, Michigan's opioid crisis had already shifted to street drugs and away from prescriptions. Michigan's opioid crisis may have started in the doctor's office, but it has moved on from there, to streets that aren't as easy to regulate. That's the last war. Street drugs like heroin and fentanyl are the current war.

The focus on stigma is inappropriate, with an actual emergency at hand. And it's worse than a distraction, it's not even accurate. If opioid use or addiction has been stigmatized, it sure hasn't stopped anyone from getting or using drugs, even in fatal amounts.

What are the practical implications of stigma? Nobody ever says. Why focus it? Because that's easier than fixing the real problem.

In 2020, opioid deaths (2,738) not only outpaced car crash deaths (1,083) and homicides (750), but also their combined total (1,883) by 855 deaths – and driving is an activity 7 million Michiganders are licensed to do.

The next public official to talk about opioids in Michigan needs to offer plans to bring down death tolls. Not ask us to use kinder, gentler words as our friends and family members die. ■

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Michigan Teacher Shortage Turns 102 Years Old

Shouldn't we have run out of teachers by now?

BY TOM GANTERT

A Michigan newspaper reported that teachers' salaries have not kept pace with the high cost of living or the available in other fields of labor. This has created a teacher shortage, the newspaper stated:

"Consequently many teachers have left the profession and gone into other work of various kinds because they could make more money," the publication reported. "Frequently the best teachers are the ones who have left the profession because they have been able to command exceptional salaries elsewhere."

That article was published April 16, 1920, in the Charlevoix County Herald.

The debate over pay for public school teachers in Michigan is more than 100 years old. And the talking points have remained the same.

Last year, WXMI-TV produced a story about a teacher shortage and low pay for educators.

The article quoted Blake Mazurek, a teacher at the Grandville Public School District who is also a board member of the Michigan Education Association and president of the Grandville teachers union local.

"I knew I wasn't going to be rich like Bill Gates, right. But I also knew that there were going to be other benefits to the job beyond the actual teaching itself. But for to care for my family with insurance or a pension and things like this, which are, in some cases much diminished compared to 20 years ago, for new incoming teachers and all, you know, take those things in combination. It makes the profession potentially less attractive for individuals looking to follow the path," Mazurek said in the story.

Mazurek received \$85,073 from his school district in 2020-21. News stories about claims of teacher shortages and low pay rarely if ever explore what would constitute

reasonable expectations for compensation in a public school system. A survey of current and past pay levels suggests that Michigan's teachers are more highly paid today than their predecessors.

The Livingston County Daily Press and Argus reported in June 1934 that the average teacher salary in Michigan in 1932-33 was \$1,027.66. Adjusted for inflation, it translates to \$21,705 in 2021 dollars. That was in the middle of the Great Depression.

The Lansing State Journal reported in December 1959 that the average teacher salary in Michigan was \$5,500, the fifth-highest state in the country. That pay becomes \$52,156 in 2021 dollars when adjusted for inflation.

The average teacher salary in 2020-21 for Michigan teachers was \$64,237, according to the Michigan Department of Education.

Michigan school districts also provide generous health insurance and other fringe

benefits. School employees hired before February 2018 are eligible for a traditional defined benefit pension. For example, a teacher who worked 30 years at Troy Public Schools and received the \$98,300 pay specified as the top of the local union scale would receive an annual pension of \$44,200.

The state overhauled its pension system in 2017, after years of underfunding by past officials. By then the Michigan Public Schools Employees Retirement System's pension fund was \$24.2 billion short of the amount actuaries project will be necessary to meet its pension promises to employees. A new system that began in 2018 provides generous employer contributions (up to 7% of salary) to individual 401(k) retirement savings accounts. ■

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Will Shovel-Ready Land Help Michigan Compete for Electric Vehicle Jobs?

Michigan is losing its 'home court advantage' with the Detroit auto industry

BY JAMES DAVID DICKSON

Gov. Gretchen Whitmer wants Michigan to be “shovel-ready,” with viable sites to offer builders of electric vehicles. But one of the state’s biggest energy providers is skeptical of the governor’s plan.

What’s wrong with this picture?

The Detroit News, on site last week at the Mackinac Policy Conference (no relation to the publisher of Michigan Capitol Confidential), reports a “constant refrain” in Michigan’s economic development community:

“The state needs large sites ready for immediate construction to win the projects. That requires roads, access to highways and railways, water, sewer, and the electric infrastructure capable of powering high-voltage manufacturing plants, particularly for the assembly of electric vehicle batteries.”

It was about this time a year ago, soon after the 2021 Mackinac Policy Conference, that Ford Motor Co. announced its electric vehicles would be built in Tennessee and Kentucky.

Those states would see \$11 billion in investment and get 11,000 new jobs between them. What Michigan got from Ford instead was a rehab of a train station in Detroit — a rehab that would not have happened, but for the state funds. Ford said as much.

News stories highlighted not only the generous incentives Kentucky and Tennessee offered Ford to build those factories, but also the massive amounts of land set aside, shovel-ready, for the cause. The thrust of the stories: Michigan has neither the land nor the incentives to compete for the auto jobs of the future.

A year later, Gov. Whitmer says shovel-ready land is her focus, more so than cash incentives.

“We do need to have sites that are big and are ready,” Whitmer told The Detroit News. “When other states can throw cash at companies, we can’t do that in Michigan — and I’m not suggesting we should be able to. But what we can do is come to the table with sites ready to go.”

James Hohman, director of fiscal policy at the Mackinac Center, questioned the need for shovel-ready land.

“Whenever I see someone calling for a new program for something like this,



whether it’s infrastructure development or whatever thing du jour is allegedly holding back Michigan, I try to look for evidence,” Hohman said. “There’s a real problem here: There’s been none presented.”

Hohman added: “It’s not like, ‘here’s this project, we can’t do it because,’ or ‘here’s evidence that there’s a substantial number of businesses that are facing this problem and it’s a real thing in Michigan.’”

Hohman noted that Michigan already has similar programs.

“We have transportation infrastructure assistance,” Hohman said. “We have tons of greenfield sites next to highways connected with electricity and city water and basically anything else you need. So what’s really the issue here? On top of that, we already have a blank check program that can spend however much you want on site readiness, for whatever reason, as part of last December’s incentives.”

Hohman was referring to the Michigan Economic Development Corporation’s strategic site readiness plan.

“Michigan must create a new ‘home court’ advantage,” reads a line of the MEDC announcement.

The package of bills also included the critical industry investment program.

The auto industry is considered critical to Michigan’s future. But things have mostly

gotten worse for the Michigan auto industry since Ford’s announcement about the electric vehicle plants.

Ford announced in March that it would split its electric vehicle projects — its future — and internal combustion projects — its past — into different units.

In late May, Stellantis (Chrysler) announced it would take its \$2.5 billion electric vehicle factory to Indiana, in collaboration with Samsung.

For a state whose automotive heritage runs more than a century deep, the three announcements brought on a fear that the industry that undergirded it so long is leaving — that Detroit is the auto industry’s past, not its future.

At the 2022 Mackinac Policy Conference, Ford addressed those fears. It announced a \$3.2 billion investment that will bring 6,200 new jobs to Michigan, Ohio, and Missouri.

“Michigan is our own home state, always has been. From Michigan, we will chart the course of transforming transportation,” said Steve Croley, chief policy officer for Ford.

Michigan was never a true contender for the Kentucky and Tennessee jobs, the MEDC has admitted. The Whitmer administration argued that the incentives and the land, combined, offered Ford a package that Michigan could not match.

Hence the focus on shovel-readiness.

The Detroit News reports the state is eyeing a “1,700-acre plot of farmland at I-94 and I-69” near Marshall as a possible site.

But the Marshall plan has a skeptic in DTE Electric President Trevor Lauer, who questioned if that investment would be made, and who would pay for it.

“Every time somebody tells me they’re looking at the Marshall site, they’re just telling me that they want to kill the project off,” Lauer told the publication.

“If you tell me to come in and wire a site from start, it’s going to take me 18 to 24 months to pull the infrastructure in — and that’s in the best case — to have it fully ready,” Lauer said. “Having a site that’s ready is a big deal from an economic development perspective.”

“But somebody has to pay for it,” Lauer added.

Last month, Michigan Capitol Confidential reported that Michigan taxpayers are paying more than a billion dollars to support the government’s vision of a future with electric vehicles.

How much more will it cost taxpayers to attract EV jobs, and to ready the land for the bids? ■

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Mayor Has Police Remove Woman From Public Meeting For Criticizing Him

Short-term rentals generate heat in New Buffalo

JAMIE A. HOPE

A debate over a recently enacted ban on some short-term housing rentals is roiling New Buffalo, a town on Lake Michigan. The issue came to a head last year at an Oct. 4 city council meeting.

Laura Murray is a homeowner who spoke against the ban at that meeting. She says she was kicked out at the order of Mayor John Humphrey after mentioning him in her comments.

A report on the meeting by local law enforcement officials does not match what is seen on a video of the event.

The video shows Murray reading from a written statement. When she mentions Humphrey, he gavel her down and says she is not allowed to mention him by name. Murray continues with her public comment, mentioning “the mayor.” Humphrey tells a police officer in attendance to remove Murray from the meeting, saying she is out of order for challenging him.

Murray appears even-toned in her comments, with a minor inflection at times. She leaves without incident when

approached by the officer. Murray does raise her voice slightly as she continues to read her statement while walking out.

The police report characterized Murray as engaging in disorderly conduct and yelling.

Michigan Capitol Confidential obtained a copy of the report, written by officer Nathaniel Voytovick, under a Freedom of Information Act request. The report has one section labeled “disorderly conduct.” That part of the report says Murray began “raising her voice” and singled out members of the city council. It says she “continued yelling and speaking in a loud tone” until the mayor ordered her removal lest she “continue to create disturbances.”

The report says Voytovick was assisted by Sergeant Russell Tillery and Police Chief Richard Killips. It adds that Murray left the building on her own but she “continued yelling” as she did so.

Humphrey and the New Buffalo City Police Department did not respond to emailed requests for comment. ■

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Michigan's 'Best Economic Recovery?' State 11th From Bottom, Not 11th From Top

Employment here still down 3.2%, and 140,500 jobs have gone and not returned

BY TOM GANTERT

Gov. Gretchen Whitmer has claimed that Michigan is having the “best economic recovery in our state’s history.” The theme was started in a highly questionable Bloomberg News opinion piece that drew criticism even from the mainstream media.

“We’re having the best economic recovery in our state’s history since the pandemic began,” Whitmer said March 30, according to Gongwer News. “There are a lot of signs we’re on the right track.”

Employment in recent years declined substantially because of the COVID pandemic and government’s responses to it, including extended lockdowns and payments to people for staying home from work. It would not be surprising, then, if employment levels rose rapidly once workers were allowed to go back to work.

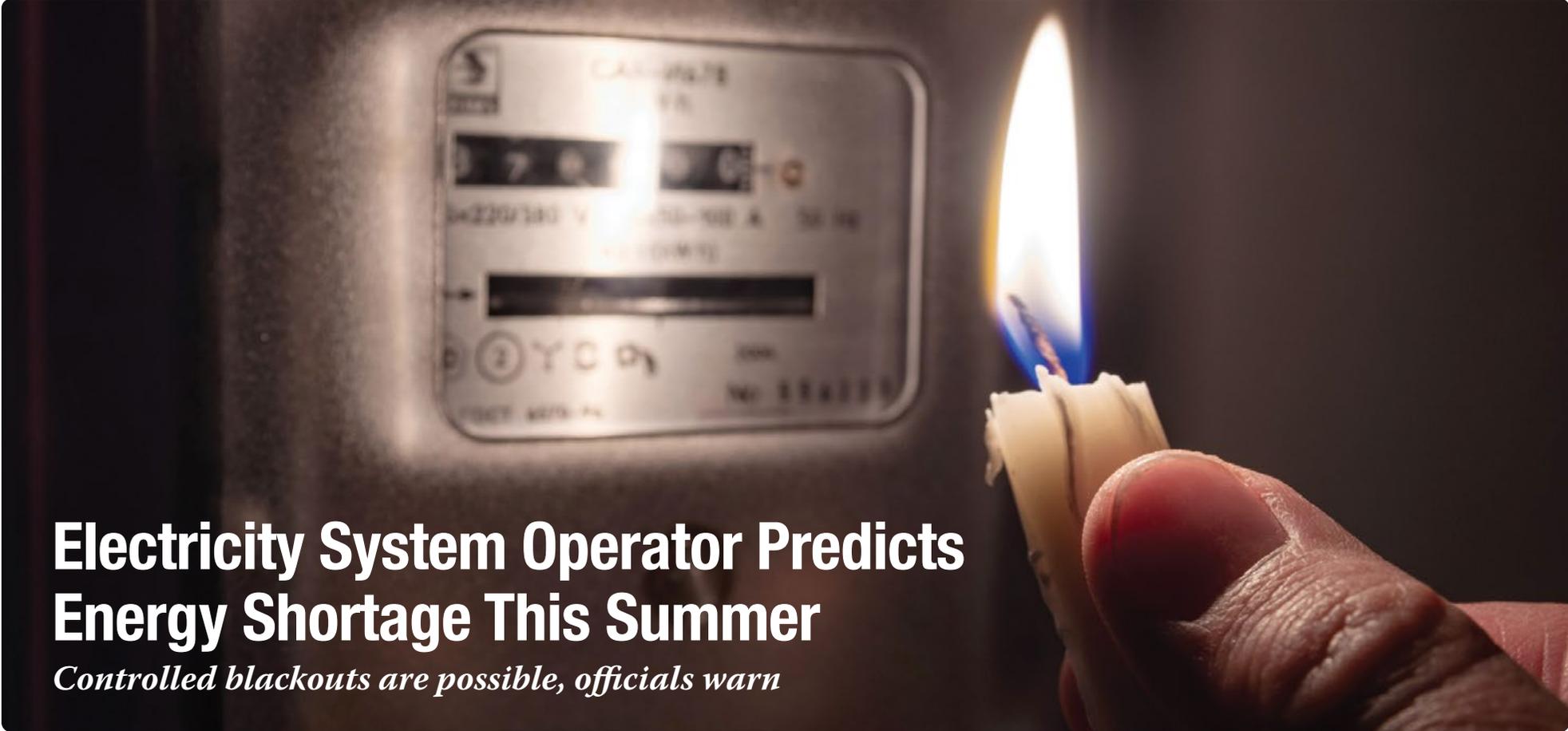
Calling that the best recovery ever may paint a false picture of a Michigan job market in which fewer people — tens of thousands — are working today than on the eve of the pandemic in February 2020.

As of February 2022, there were 11 states in which more people are working than before the pandemic, but Michigan was not one of them. (The states are: Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Montana, North Carolina, Tennessee, Texas and Utah.)

Michigan is still down 140,500 jobs, a 3.2% decrease from before COVID struck, and its recovery is the nation’s 11th weakest, not including Washington, D.C., according to the U.S. Bureau of Labor Statistics.

Bloomberg News started the idea that Michigan has had a historic recovery in a February 2022 opinion piece. Bloomberg justified that claim by using April 2020 as the start of its analysis. Michigan had lost 1.05 million jobs from February 2020 to April 2020, in large part due to a lockdown imposed by Whitmer. Bloomberg only counted jobs recovered after the damage of the lost 1.05 million jobs. ■

The original version of this story was posted online on April 1, 2022 and is available at [MichCapCon.com/29700](https://michcapcon.com/29700).

A hand holding a lit candle in front of a dimly lit electrical meter. The candle is lit, and the flame is bright. The meter is in the background, and the scene is dark, suggesting a power outage or a lack of electricity.

Electricity System Operator Predicts Energy Shortage This Summer

Controlled blackouts are possible, officials warn

BY JAMIE A. HOPE

A push by electric utilities to shift away from coal and nuclear power toward solar and wind could result in electricity supply shortages and blackouts this summer, according to industry insiders.

The publication Utility Dive reports that the Midcontinent Independent System Operator, which oversees the power grid for 15 states and the Canadian province of Manitoba, anticipates trouble. MISO expects peak demand this summer to reach 124 gigawatt-hours but notes that only 119 gigawatt-hours is expected to be available. The organization is working with member companies to prepare for worst-case scenarios, Utility Dive says. In a statement, the system operator said Midwestern utilities may need to buy electricity from outside the region and impose controlled blackouts on customers.

Plans by Consumers Energy to shut down coal plants, and recent actions by another company, Entergy, to shut down the Palisades Nuclear Plant could exacerbate these predicted shortfalls. Entergy, the company that operates the

Palisades plant, announced in 2017 that it intended to close the plant. The last day for the plant to generate electricity was initially targeted to be May 31. That day came 11 days early due to a mechanical issue, however. This represents a loss to the state of 811 megawatts of generation capacity. Palisades generated over 7 million megawatt-hours of electricity in 2021.

Consumers Energy, a state-regulated monopoly utility that offers services to approximately 6.6 million customers throughout the state, has asked the Michigan Public Service Commission for permission to close its last remaining coal-fired plant, Campbell Units 1-3, by 2025. Consumers' current plan — previously approved by the state — calls for using the 1,560 MW facility until 2039, when its expected life cycle is completed. The company expects to replace the Campbell facility with natural gas, renewable energy sources such as wind and solar, and battery backup.

California and Texas produce more electricity from renewable sources than any other state, according to the Energy Information Administration. But they are

also known for their rolling blackouts, having the most in the nation between 2008 and 2017, according to Statista.com.

Consumers said it is not concerned about similar outages in Michigan:

“Consumers Energy has prepared for this summer, and we are confident we have a reliable supply of energy to serve our customers,” Katie Carey, Consumers' director of external relations, said in an email to Michigan Capitol Confidential. “MISO is looking at its entire 15-state footprint, and we will answer the call if they ask us and other energy providers to take any actions on the hottest summer days. That includes ensuring our power plants are running at full capacity and being ready to ask large industrial customers to use less energy. If necessary, that also includes asking all customers to voluntarily reduce energy use — which has not happened in a decade. We trust MISO to assess how energy resources across the entire region compare to past years.”

DTE Energy, one of Michigan's other large monopoly utilities, serves 2.2 million customers in Southeast Michigan. It had a “critical peak event” on May 20, according

to the company's Facebook page. Utilities are required by state regulators to notify customers in advance if they anticipate reaching the limits of their electricity generation capacity and need customers to use less electricity.

One DTE customer reported receiving an email notification from the company. It read, “DTE Smart Currents Alert: Today, May 20 from 3pm to 7pm will be a Critical Peak Event. Critical Peak Pricing will be in effect. Your thermostat will be adjusted by 4 degrees to help you maximize your savings. Questions? Call 888.871.0348 Start: May 20, 2022 3:00 pm Stop: May 20, 2022 7:00 pm.”

Customer rates increase during a critical peak event from 13.99 cents per kilowatt hour to 95 cents per kilowatt hour, according to DTE's website. Like Consumers, DTE is moving toward an emphasis on renewable energy sources. The company did not respond to an email seeking comment on the May 20 critical peak event. ■

The original version of this story was posted online on June 1, 2022 and is available at [MichCapCon.com/29883](https://michcapcon.com/29883).

Electric Cars Subsidized From Cradle to Grave

BY TOM GANTERT

Michigan taxpayers are paying more than a billion dollars to support the government's vision of a future with electric vehicles.

Taxpayers are subsidizing every step involved in realizing that future, from manufacturing vehicles and their batteries to paying for infrastructure, including charging stations needed to keep the alternative-energy cars on the road.

The state of Michigan announced May 13 it will install as many as 30 electric vehicle charging stations in state parks this summer. State officials announced in February that they expect to receive \$110 million over five years in federal money to pay for electric vehicle charging infrastructure.

The Michigan Economic Development Corporation, which oversees taxpayer subsidies to corporations, said it would give General Motors \$824.1 million in incentives to build and convert electric vehicles and batteries at two manufacturing plants.

Gov. Gretchen Whitmer stated in January that she wants to give \$2,000 rebates to residents who buy electric vehicles. Whitmer's plan would also include a \$500 rebate for those who install an at-home charging station. There is already a \$7,500 federal tax credit for buying an electric vehicle.

The state of Michigan already subsidizes public and private entities that purchase heavy-duty electric vehicles. Through the Fuel Transformation Program, the Michigan Department of Environment, Great Lakes and Energy provides up to \$30 million in grants to organizations that replace diesel-fueled vehicles with alternate-fuel, hybrid or all-electric vehicles.

Utilities are also joining in with subsidies for customers who own plug-in electric vehicles. DTE Energy, the Lansing Board of Water & Light and the Holland Board of Public Works offer customers a special time-of-use rate for customers who own an

electric vehicle. Those rates offer customers cheaper electricity at low-demand times.

It would be a challenge for the average Michigan family to afford an electric vehicle. According to the U.S. Census Bureau, the median household income in Michigan was \$59,234 in the years 2016 to 2020. The 2022 Nissan Leaf is among the least expensive electric vehicles, with a sticker price starting at \$27,400. The best-selling electric vehicle in 2021 was the Tesla Model Y, according to

Car And Driver magazine. Its sticker price starts at \$64,990.

BlastPoint, a data analytics company, said its 2022 research found the median household income of people ready to buy electric vehicles was \$95,000. About 25% of those households earned \$150,000 or more a year. ■

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Michigan Hair Shampooers Must Get A Cosmetology License That Requires 1,500 Hours of Training

But an EMT who helps critical-care patients needs only 194 hours to get a state license

BY JAMIE A. HOPE

For lack of a state license required to shampoo hair, a Holland woman can't help a customer who came to her for hair braiding, according to WZZM-TV. Under the terms of the cosmetology license Shaketra Payne would need to shampoo the customer's hair, a shop owner must put in 1,500 hours of training or complete a two-year apprenticeship, pay \$200 in fees and pass an exam.

Payne does not offer cosmetology services and is not a cosmetologist. Instead, she is a natural hair culturist, working in an occupation that does not require a license, unless one plans to teach others. In that case, the person needs 500 hours of training and a license. It is unclear why a hair culturist who wishes to shampoo a client's hair must obtain a cosmetology license or work under someone who has one, which requires as many training

hours as a licensed airline pilot. Those requirements are set by the Legislature.

Hair care professionals have, over the years, been targeted and fined by state regulators for shampooing hair without a license. In several cases, hair braiders have received a cease-and-desist-order after an inspector found a shampoo bowl at the shop.

During professional hair braiding, clean hair is essential. But hair braiding does not deal with life-or-death situations, such as those faced by emergency medical technicians. EMTs need only 194 hours of initial training to get a state license. An EMT also must receive 30 hours of continuing education per year.

Becoming a cosmetology instructor requires 500 hours of training and three years of experience. An esthetician who recommends skin care treatments needs only 400 hours of training to obtain a state license.

An electrologist treats unwanted hair by destroying the growth centers of individual hairs, using a fine needle. This person must complete 400 hours of training to acquire a state license.

The Michigan Department of Licensing and Regulatory Affairs noted that licensing requirements are set by state lawmakers. In a response to an email sent by Michigan Capitol Confidential, the department said:

MCL 339.1207 lists the following qualifications for licensure as a cosmetologist in Michigan:

The department shall issue a cosmetologist license to an individual who fulfills all of the following requirements:

- (a) Is not less than 17 years of age.
- (b) Is of good moral character.
- (c) Has had an education equivalent to the completion of the ninth grade.
- (d) Has completed either not less than a 1,500-hour course of study in a licensed

school of cosmetology or has served as an apprentice for not less than 2 years in a licensed cosmetology establishment in which hair care services, skin care services, and manicuring services are offered. The training shall include a minimum number of practical applications as prescribed in rules promulgated by the director.

(e) Has passed an examination prescribed by the department and the board.

LARA also noted that cosmetology students can shampoo hair after 350 hours of instruction, provided they are doing so in a licensed cosmetology shop and continue to be enrolled in a school of cosmetology.

Editor's Note: This story has been updated with a response from LARA. It initially said the department had not responded, which was incorrect. ■

The original version of this story was posted online on May 5, 2022 and is available at [MichCapCon.com/29785](https://michcapcon.com/29785).



County Steers Federal COVID Money to Gigantic Sports Complex

Project Phoenix complex would siphon cash townships could spend on roads and services

BY JARRETT SKORUP

A Michigan county wants to use federal COVID relief money on a massive sports complex rather than dedicate it to core government services. An economic expert says the county's projections of its benefits are much too rosy, and local township officials are pushing back, arguing the money would be better spent on roads.

Lenawee County officials propose to build a nearly \$90 million sports tourism facility in the city of Tecumseh, called Project Phoenix. A subcommittee of the Lenawee County Commission recommended using \$10 million in federal American Rescue Plan Act funds. The county has applied for nearly \$30 million in state and federal government funds and says there may be as much as \$54 million available.

The chairman of the county commission, David Stimpson, is an attorney and business

owner in the city of Tecumseh. He voted to approve the \$2.3 million purchase of a 50-acre parcel to host the project. Through his company, he also purchased nearby land, which may stand to rise in value if the project were developed. Stimpson said he has no plans to sell those properties, so he won't financially benefit, and other county commissioners have denied there is a conflict of interest.

Some governments in the county, however, are unhappy about the idea. The city of Morenci and the townships of Deerfield and Ogden are opposed for a variety of reasons. Deerfield Township would rather see the federal relief money spread around the county for transportation spending. Lenawee County officials say they do not have the authority to spend the funds on road construction. But the rules governing the federal money say it can be used for roads, and other

counties have done that, according to data gathered by Deerfield Township.

The county projects \$480 million in economic output from the project, with more than 45,000 hotel rooms booked annually. It also says the sports complex will not take away revenue from any existing facilities in Lenawee County.

Chris Douglas, an economist at the University of Michigan-Flint who studies sports subsidies, says the \$480 million projection would mean an 18% increase in the county's annual GDP, which "seems implausible, to say the least."

That number is not found in the economic impact study for Project Phoenix. That report projects a profit of \$55,289 in year one, rising to \$1.27 million in year 20. This means it would take 75 years to recoup the construction costs of the facility.

"Which is a horrible payback," Douglas said. "No one in the private sector would

undergo capital investment when it takes 75 years to recoup the investment. It is worse than that because debt service is budgeted at \$0."

Other municipal sports complexes have failed to live up to their promises. The Kalkaska County Board of Commissioners had to repeatedly go back to voters for an operating millage to support operations at the Kalkaska Kaliseum. Bad projections for Eastwood Heights, a commercial and residential complex, has threatened to push Lansing Township into bankruptcy.

The Lenawee County Board of Commissioners did not respond to a request for comment asking how it arrived at the economic impact figures or whether it thought the federal money could be given to townships to be used for road funding. ■

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MichiganVotes.org

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

2021 Senate Bill 656

Authorize “robo-bartenders”

Introduced by Sen. Jim Runestad (R)

To place in statute authorization for the use of “robo-bartender” alcoholic dispensing machines that are located at a customer’s table or booth in restaurants, and smaller amounts in certain other locations in an establishment with a liquor license. The machines could dispense up to 96 ounces of beer, wine, or mixed spirit drink in a single order, but could not dispense spirituous liquor “straight,” and staff would be required to monitored their use. Rules adopted under an existing law permit a much more limited version of this industry.

2022 House Bill 5882

Expand “historic vehicles” season

Introduced by Rep. John Roth (R)

To revise a law that limits the use of “historic vehicles” on roads to August only, so as to expand this to the period between Memorial Day and Labor Day. These are defined as a vehicle more than 25 years old that is owned solely as a collector’s item and for participation in club activities, exhibitions, tours, parades, and similar uses, including mechanical testing.

2021 House Bill 4232

Lower age to sell or serve alcohol

Introduced by Rep. Michele Hoytenga (R)

To change a law that prohibits a person less than age 18 from selling or serving alcoholic drinks. The bill would lower the minimum age to 17.

2022 House Bill 5925

Expand scope of and close loopholes in the state Freedom Of Information Act

Introduced by Rep. Bryan Posthumus (R)

To establish that if a public body determines that searching for or furnishing copies of a public record in response to a Freedom Of Information Act records request “cannot be considered as primarily benefiting the general public,” that determination may be challenged in court on the grounds that the resulting fee exceeds the amount permitted by this section. In other words, the bill would in effect establish a presumption that releasing records is in the public interest.

2021 House Bill 5594

Authorize appeals of child abuse registry status

Introduced by Rep. Pamela Hornberger (R)

To authorize a process for a person listed on a central registry of child abuse or neglect complaints and cases to request an administrative review of whether he or she should be on the list.

2022 House Bill 6019

Investigate expanding the use of nuclear power in Michigan’s electric grid

Introduced by Rep. Graham Filler (R)

To require the Michigan Public Services Commission to do a feasibility study on expanding nuclear power generation in the state.

2022 House Bill 5750

Authorize automated “photo cop” traffic citations in work zones

Introduced by Rep. Sara Cambensy (D)

To allow state or local police within their jurisdictions to issue work zone traffic citations to individuals based on images collected by automated, unmanned traffic monitoring devices (“photo-cop” or “ticket machines”). The bill authorizes contracting with firms in an industry that has grown up for this to install and operate the ticket machines.

2021 House Bill 5041

Revise licensed care facility rules

Introduced by Rep. Jack O’Malley (R)

To revise limits on the number of children licensed in-home child care providers may accommodate. The bill would permit one additional child in select “family child care homes” and two additional children in select “group child care” homes. Under current law a “group child care home” may take care of up to 12 minor children before or after school, and licensed “family child care home” is permitted to take care of up to six minor children before or after school.

2022 House Bill 5701

Let schools install temporary door blocks

Introduced by Rep. Scott VanSingel (R)

To permit schools to install a temporary door-locking device or system without navigating a raft of regulations and restrictions in the state occupational code and other laws.