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Flint lawmaker requests \$25 million for phantom group

No website, no address, no IRS record — but a \$25M budget ask

BY JAMIE A. HOPE

Rep. Cynthia Neeley, D-Flint, has submitted a \$25 million earmark request from Michigan's next budget for an organization that has no physical presence, IRS recognition or online footprint.

"This \$25 million capital and program investment will support the redevelopment of a major community facility to serve inner city K-12 grade students of color and adult learners who need GED services including coaching and mentoring," Neeley wrote in her request.

A search of the IRS database for tax-exempt organizations shows no record for

MYhub Life Empowerment Center. A search of Michigan's business registry also returned no results, suggesting that the entity is not registered in the state.

"The project does not violate Article IV, Section 30 of the Michigan Constitution, as it serves a demonstrable public purpose," the request form states.

But whether the organization is equipped to serve such a purpose is unclear.

The form asks, "For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?"

Neely responded "No."

On the required House legislative request form, the legislator lists the

organization's address as "to be determined in the City of Flint, MI."

House Resolution 14, adopted unanimously Jan. 29, stipulates that organizations considered for earmarks must have been operating in Michigan for at least 36 consecutive months and have maintained a physical address for at least the past 12 months.

Michigan Capitol Confidential did not find any official Facebook, X, or LinkedIn page or account for the organization. We could not find a website for it either. CapCon has been unable to contact MYhub for comment.

Neeley did not respond to an email seeking comment.

The earmark request may also conflict

with Article IV, Section 30 of the Michigan Constitution, which states that public money allocated for private or local purposes must receive a two-thirds supermajority vote in both chambers of the Legislature.

Most earmark requests, including those given in previous state budgets, have not met that threshold.

The Mackinac Center for Public Policy has filed a lawsuit against the Michigan Department of Labor and Economic Opportunity to block what it claims is the unconstitutional distribution of taxpayer dollars to politically connected local projects.

The city of Flint denied a records request seeking "all documents detailing the purpose, history, and leadership of the MYhub Life Empowerment Center" as well as all emails to Flint Mayor Sheldon Neeley including the term "MYhub Life Empowerment Center" between Jan 1, 2024 and May 17, 2025.

CapCon has filed more than 200 records requests since January." ■

The original version of this story was posted online on August 12, 2025 and is available at [MichCapCon.com/33438](https://michcapcon.com/33438).



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NON-PROFIT ORGANIZATION
PERMIT # 338
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US POSTAGE
PRESORTED STANDARD

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18,300 Michigan households could pay more under proposed education tax hike

New tax could push state to fourth-highest income tax rate behind California, New York and Oregon

BY SCOTT MCCLALLEN

Michigan could assess some of the highest income tax rates in the country under a proposal that would cause about 18,300 households to send more money to public schools, according to IRS data.

The tax increase would mean that only California, New York and Oregon have a higher tax rate for the highest earners, James Hohman, fiscal policy director at the Mackinac Center for Public Policy, told Michigan Capitol Confidential.

“Michigan currently charges a 4.25% income tax on all income,” he told CapCon in an email. “The proposal would create a new tax bracket and charge its taxpayers another 5%. In addition, Michigan allows local governments to assess income taxes. This means that high-earning taxpayers in Detroit would be subject to 48.65% tax rates when including federal, state and local income taxes. Taxpayers in Grand Rapids would be subject to 47.75% in income taxes.”

The group behind the proposal to add another tax bracket to the Michigan tax system, Invest in Mi Kids, must collect 446,000 valid signatures within 180 days to place its plan on the November 2026 general election ballot.

The proposal aims to amend the Michigan Constitution, which requires any state income tax to be set at a single rate. Under the proposal, the rate would go up for single filers who report more than

\$500,000 in income and joint filers who report more than \$1 million in income.

The number of high earners in the state more than doubled over the decade.

Gov. Gretchen Whitmer signaled her dissatisfaction with public education in her 2025 State of the State address. “We spend more, and we get less,” she said, as CapCon reported in March.

In her speech, Whitmer said that just 24% of fourth graders can read proficiently and that 24% of eighth graders are proficient in math.

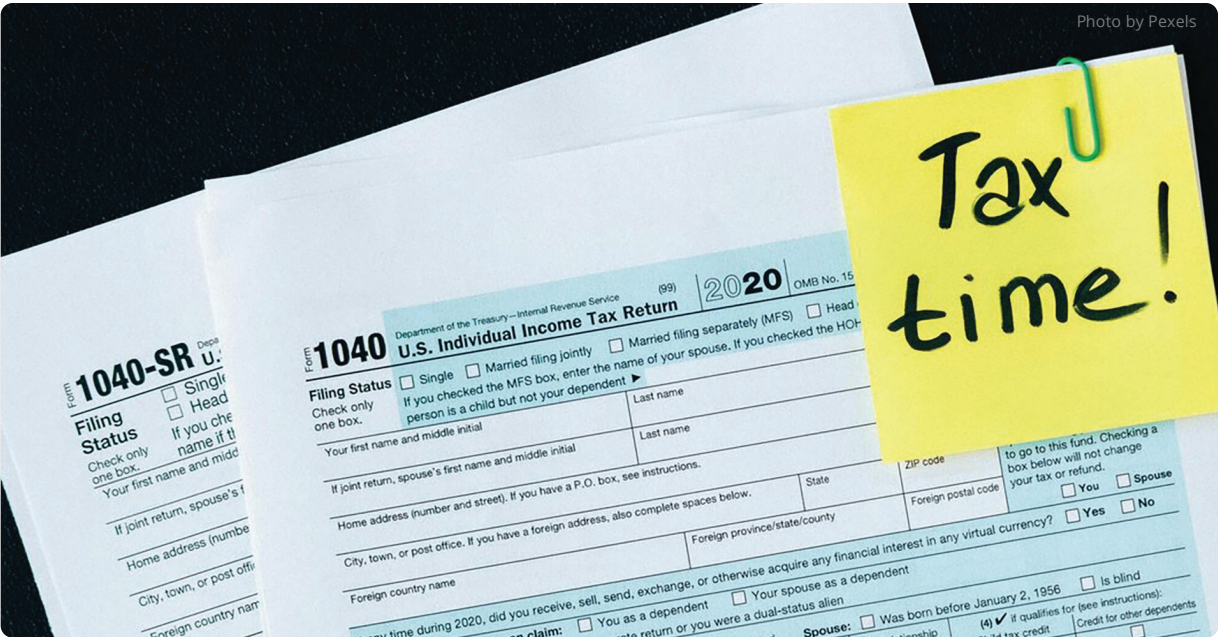
“It’s not acceptable,” Whitmer said. “For our kids, let’s do better. Let’s face our literacy crisis with fierce urgency.”

Molly Macek, education policy director at the Mackinac Center, says schools are not underfunded.

“Districts have already received record funding over the past several years, yet student performance has placed Michigan in the bottom 10 among the states.”

A shortage of resources is not the problem, Macek said. The state needs more policies that hold schools accountable and give them incentives to improve, she added. ■

The original version of this story was posted online on July 14, 2025 and is available at MichCapCon.com/33262.



Michigan welfare fraud doubled from 2023-2024

Criminals loot \$254-million food fund while state fails to upgrade card security



Photo by Adobe Stock

BY SCOTT MCCLALLEN

Reported food stamp fraud and other welfare fraud in Michigan more than doubled from 2023 to 2024, according to the Michigan State Police Crime Dashboard and information obtained through open records requests.

Criminals steal from a \$254 million monthly fund that is given to 1.4 million residents using outdated magnetic strip cards that can be subverted in a variety of ways.

Criminals can install fake versions of card readers that process payment cards, such as debit and credit cards, at gas stations, grocery stores and liquor stores.

In 2023, there were 351 crimes, 332 victims, 351 offenses and 345 incidents of welfare fraud throughout Michigan, according to the state police. The number of reported crimes more than doubled in 2024, with roughly 733 crimes, 703 victims, 733 offenses and 720 incidents. These statistics encompass all law enforcement agencies throughout Michigan, not just the state police.

In June 2024, criminals stole \$250,000 from Michigan families through the SNAP program, CapCon reported in April. In one weekend of 2025, criminals stole \$75,000 in SNAP benefits.

The Michigan State Police searched crimes by crime type, year, and county,

Danielle Bunney, records resource analyst, told CapCon in an email.

Michigan health department employees were accused of stealing food benefits, according to a new lawsuit brought by a former state employee who says she was fired for reporting theft. Another records request that CapCon filed with the state health department is due later this week.

The Michigan Department of Corrections denied a records request seeking an internal report about state employees stealing benefits from the Supplemental Nutrition Assistance Program.

Michigan suffered at least \$14 million in SNAP fraud in 2024 and \$31 million in 2015. Switching to chipped cards would cost \$8 million, CapCon reported.

From 2023-24, SNAP fraud in Michigan jumped nearly 400%, CapCon reported.

The U.S. Secret Service investigates ATM and terminal skimming. The agency recommends using tap-to-pay or a chipped card to avoid being scammed by card skimmers.

About 70% of crime isn't reported, Haywood Talcove, the CEO of LexisNexis Special Services Inc., told CapCon in an email.

"The Michigan State Police data show welfare fraud in Michigan more than doubled from 2023 to 2024 — but that's

only the crimes we know about," Talcove told CapCon in an email. "The reality is far worse, because 70% of fraud is never detected or reported. Right now, law enforcement, human services, and federal agencies each hold pieces of the puzzle, but there's no single, real-time system connecting them. We can fix this by modernizing eligibility systems, requiring statewide standardized reporting, and integrating agency data so suspicious patterns are flagged immediately. Better reporting won't just give us a clearer picture of the problem — it will stop much of the fraud before it ever happens."

The Michigan Department of Health and Human Services appears to agree but won't respond to a request for comment.

In April, Dwayne Haywood, senior deputy director of the economic stability administration, told Michigan lawmakers that Bridge Cards use outdated technology.

"I will be honest with you. That's one of the reasons why we are looking at updating the chip and the technology," Haywood told the House Subcommittee on State and Local Public Assistance Programs. ■

The original version of this story was posted online on August 18, 2025 and is available at [MichCapCon.com/33443](https://michcapcon.com/33443).



Photo by Shutterstock

Whitmer asks for \$10M handout to grow population

State agencies couldn't show the math behind request

BY SCOTT MCCLALLEN

Michigan's 2026 budget, a record \$83.5 billion, contains a recommendation from Gov. Gretchen Whitmer for \$10 million "to retain and attract talent with strategic pilots and public engagement efforts that aim to support population growth trends statewide."

Michigan Capitol Confidential filed a records request with the Michigan Economic Development Corporation as well as the Department of Labor and Economic Opportunity, asking for documents that might justify the \$10 million allocation.

The request yielded no results.

In 2018, the year Whitmer was elected, Michigan's budget was \$56.8 billion. Her proposed 2026 state budget is \$83.5 billion, or 47% higher.

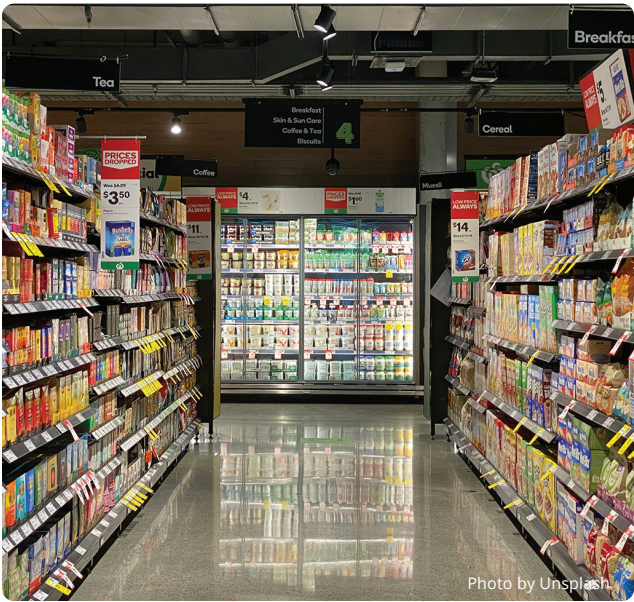
Michigan could have spent less money on ways to increase its population, James Hohman, director of fiscal policy at the Mackinac Center for Public Policy, told CapCon in an email.

"The state could have hired an economist or a demographer for a lot less than \$10 million to show them what policies are effective at growing state population," he wrote. ■

The original version of this story was posted online on August 6, 2025 and is available at [MichCapCon.com/33026](https://michcapcon.com/33026).

State worker fired after reporting SNAP theft scheme

\$250M-a-month SNAP program faces internal theft allegations



BY SCOTT MCCLALLEN

A longtime Michigan state employee says she was fired after exposing a scheme where her colleagues allegedly stole taxpayer-funded food benefits from a program that feeds 1.3 million low-income residents.

Ashanta Butler worked for the state for 23 years with no complaints before she was fired on April 24, 2024, according to the complaint she filed on July 25 in the Eastern District of Michigan.

“In or around early 2024, Plaintiff reported concerns to the Office of the Attorney General of the State of Michigan regarding fraudulent activity by State employees who were allegedly conspiring to unlawfully receive public benefits, including food assistance.”

The complaint implicated state employee Angela Barbee. “Shortly after Plaintiff made the protected report, her supervisor, Rachel Hill, informed her that she had been instructed by Manager Angela Barbee to target and ‘get rid of’ Plaintiff due to her cooperation with the Michigan Department of Corrections and her role as a whistleblower. Angela Barbee, who was later transferred to another office for engaging in similar misconduct, was among the managers implicated in the benefits fraud reported by Plaintiff.”

The Michigan Department of Health and Human Services hasn’t responded to a request for comment. Butler seeks a trial by jury and compensation.

If state employees conspired to steal food benefits from the Supplemental Nutrition Assistance Program that feeds over 1.3 million Michiganders, then it could explain a nearly 400% spike in benefits fraud discovered by Michigan

Capitol Confidential. The department mailed more than 269,000 replacement Bridge Cards in 2024.

In June 2024, criminals stole \$250,000 from Michigan families through the SNAP program, CapCon reported in April. In one weekend of 2025, criminals stole \$75,000 in SNAP benefits.

In May 2025, the U.S. Department of Justice charged an employee of the U.S. Department of Agriculture and five other individuals with stealing \$66 million of food stamps.

Every month, Michigan disburses \$250 million in food benefits on Bridge Cards that use obsolete magnetic strip technology. The magnetic stripe cards can be cloned and spent at most grocery stores nationwide. Criminals steal millions of dollars from hungry people.

The state health department has nearly 16,000 employees, according to Mackinac Center research, making it the biggest department in Michigan’s government.

CapCon is compiling reported food stamp fraud across Michigan. If you know a Michigander whose food stamps have been stolen, reach out to CapCon. ■

The original version of this story was posted online on August 4, 2025 and is available at [MichCapCon.com/33294](https://michcapcon.com/33294).

Michigan offered \$6B; company said ‘no’

State down 9,000 auto, auto parts manufacturing jobs since 2019

BY SCOTT MCCLALLEN

A cash offer of \$1.1 billion wasn’t enough to lure a company to a Genesee County location near Flint.

When auto companies chose to spend about \$11 billion building plants in the American South in 2021, Michigan, stung by headlines blaming the state for losing this business, gathered a taxpayer-funded honeypot. But years later, that also has failed to attract a buyer.

Michigan gave \$259 million in site prep for the Genesee County spot. It offered \$6 billion to Western Digital Technologies, according to an August 2024 letter of intent signed by Michigan Economic Development Corporation CEO Quentin Messer and Dan Steere, Western Digital’s senior vice president of corporate development and strategy.

In return, the company would invest \$63 billion between 2024 and 2045 and create 9,400 jobs.

Michigan offered:

- \$1.175 billion in a cash grant

- \$750 million in cash grants
- \$416 million in a sales and use tax exemption
- A 50-year tax exemption from state education taxes, personal and real property taxes, state essential service assessments, and local income taxes
- \$261 million in site prep
- \$250 million for workforce development
- \$15 million cash grant from the Michigan Department of Transportation.

It didn’t work.

The would-be economic breakthrough was not the only failed experiment in which state officials sought to bring about a large number of new jobs. Only one of every 11 jobs promised by Michigan politicians and public officials in business subsidy announcements actually gets created, according to a study by the Mackinac Center for Public Policy.

Auto jobs have moved South. Despite Gov. Gretchen Whitmer’s claim that Michigan created 38,000 auto jobs since 2019, the state is down 9,000 auto and auto parts

manufacturing jobs over her tenure, a 5.6% decrease, James Hohman, the director of fiscal policy at the Mackinac Center for Public Policy, told CapCon.

“This deal would have been among the largest corporate welfare deals ever made,” Hohman told CapCon in an email. “Deals like this routinely fail to deliver on their expectations and only deliver 9% of the jobs announced, on average.”

The Flint & Genesee Economic Alliance is still trying to lure a buyer for the Mundy megasite, which spans over 1,000 acres.

It’s still demolishing homes and is trying to pay \$40 million to demolish and rebuild an elementary school elsewhere, all for a site without a buyer, CapCon reported in July. ■

The original version of this story was posted online on July 29, 2025 and is available at [MichCapCon.com/33273](https://michcapcon.com/33273).

Michigan drivers pay top gas taxes but still hit potholes

Only 67% of gas taxes fund Michigan road repairs



BY TAYLOR REGESTER

Michigan drivers face some of the highest gas taxes in the nation, yet the state continues to rank near the bottom for road quality and funding.

In the 2023-24 fiscal year, Michigan collected an estimated \$1.5 billion in motor fuel tax revenue. But much of it never touches the roads.

According to the Michigan Petroleum Association, only about 67% of fuel taxes fund road work, while 12.8% covers administration and transit services, and 20%—the sales tax share—goes to schools instead of roads.

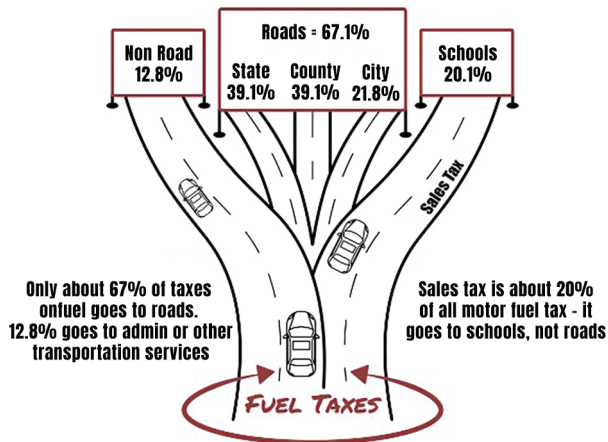


Illustration provided by Michigan Petroleum Association

Michigan drivers pay about \$400 annually to fund road repairs through taxes and fees, according to the Michigan Department of Transportation. In addition, many residents continue to pay more than \$750 a year for car repairs due to deteriorating road conditions, according to Gov. Gretchen Whitmer.

Michigan ranks among the top states for the highest gas taxes in the country, according to a study from the Tax Foundation.

The state currently imposes a motor fuel tax of 31 cents per gallon, ranking sixth nationwide. This is added to the 6% Michigan Sales Tax on gasoline purchases, totaling roughly 48 cents of tax per gallon.

In the last four years, the excise tax has risen from 26.3 cents per gallon to 31 cents per gallon.

House Bill 4571 raised the motor fuel tax by five cents per gallon, the first major increase since the new inflation-adjusted rate was created in 2015.

While Michigan is one of ten states to apply a general sales tax to gasoline, it is also among 24 states that use a variable-rate gas tax formula tied to inflation. The remaining 26 states rely on fixed per-gallon taxes that change only through legislative action.

According to the Citizens Research Council of Michigan, Michigan ranks 30th among all 50 states in road funding levels by an assessment of data from 2012 to 2021 and 40th in road system conditions using the latest available data.

A new proposal from House Speaker Matt Hall could

shift how fuel tax revenue is collected and spent. The plan would raise \$3.1 billion annually by reallocating \$600 million from earmark spending, \$1.1 billion through cuts to corporate welfare, \$945 million from sales tax paid on fuel, and \$500 million from projected revenue surplus.

“The plan removes the sales tax on gas and replaces it with a revenue-neutral motor fuel tax, which goes entirely to roads. Drivers will see no difference, but roads will receive more repair funds,” Hall’s press release stated.

The proposal focuses on funding local roads without creating new taxes or issuing bonds.

Whitmer has adopted provisions of Hall’s plan in her new MI Road Ahead Plan to direct all revenue from the 6% sales tax on fuel away from education and towards roads, bridges, and transit. This would generate \$1.2 billion in infrastructure funding.

Facing a term limit, Whitmer proposed spending \$7.8 million next year to study this road funding solution.

House Bill 4183 proposes to raise the tax on motor fuels from \$0.31 to \$0.51 per gallon, effective October 1, 2025. The bill has passed the house and is currently pending in the Senate Appropriations Committee.

Whitmer’s office did not respond to requests for comment. ■

The original version of this story was posted online on July 25, 2025 and is available at [MichCapCon.com/33271](https://michcapcon.com/33271).



Whitmer spent \$219,622 on June 2025 Australia junket

Records reveal who traveled with Whitmer to Australia — and what it cost

BY SCOTT MCCLALLEN

Gov. Gretchen Whitmer spent \$219,622 on her 11-day June 2025 trip to Australia, according to documents obtained through a records request.

The 11-day mission, billed as an effort to promote mobility and infrastructure innovation, included 14 people who traveled on the 9,473-mile trip, records obtained from the Michigan Economic Development Corporation said.

- 1. Chief of Staff JoAnne Huls
- 2. Deputy Director of Scheduling Raena Davis
- 3. Deputy Director of Advance Madison Ruffin
- 4. MEDC CEO Quentin Messer Jr.
- 5. Office of Future Mobility and Electrification Chief Mobility Officer Justine Johnson

- 6. MEDC Strategic Attraction Director and Cyber Advisor Sarah Tennant
- 7. MEDC Assistant Chief of Protocol Maci Gimore
- 8. Delta Air Lines Director of State and Local government affairs Sarah Gonzales
- 9. Michigan Department of Transportation Director Brad Wieferich
- 10. MDOT Manager of connected and automated vehicles and electrification Michele Mueller
- 11. Michigan Adjutant General Paul D. Rogers
- 12. University of Michigan College of Engineering Dean Karen Thole
- 13. Michigan State University College of Engineering Dean Ionnis Papapolymerou

The group stayed at the Glenmore Hotel,

ate at the Grana Restaurant, the Langham Hotel, and rode the SkyRail. They ate at the Queen’s Terrace Café and visited the Stryker South Pacific Headquarters.

During that trip, Whitmer claimed to have created nearly 38,000 auto jobs since 2019, Michigan Capitol Confidential has reported.

“In Michigan, mobility and innovation are in our DNA,” Whitmer said. “We put the world on wheels, and now we’re leading the future too. Under this administration, Michigan has secured nearly 38,000 good-paying auto jobs and we are still home to more mobility R&D than any other state in the USA.”

Michigan is down 9,000 auto and part manufacturing jobs over her term, a 5.6% decrease, James Hohman, the director of Fiscal Policy at the Mackinac Center for Public Policy, told CapCon.

“She is counting jobs from

announcements, and the state has a terrible record of converting announcements into actual jobs,” Hohman wrote.

International missions are critical for the Make it in Michigan economic development strategy, Otie McKinley, the media and communications manager at the Michigan Economic Development Corporation told CapCon in an email.

“Building relationships with international companies keeps Michigan top of mind as an ideal place for companies to do business as they look to the United States for potential investment opportunities.”

Whitmer spent \$175,000 on her trip to the United Arab Emirates in February, and \$204,000 on a March trip to the UK. ■

The original version of this story was posted online on July 24, 2025 and is available at [MichCapCon.com/33280](https://michcapcon.com/33280).



Photo by Shutterstock

Big Costs, Little Benefit: MI Healthy Climate plan will cost Michiganders \$386B by 2050

Customers will cough up an extra \$228.83 per monthly utility bill

BY JAMIE A. HOPE

Gov. Gretchen Whitmer's MI Healthy Climate Plan will cost an estimated \$386 billion by 2050, according to a new report published by the Mackinac Center for Public Policy.

Whitmer's plan could cost an extra \$2,746 per energy customer annually, or an additional \$228.83 per monthly utility bills, the report warns. It also raises the specter of days-long blackouts.

"Michigan's Expensive Net-Zero Gamble" comes on the heels of Whitmer saying she would lower the cost of living for state residents.

"Tariffs are jacking up costs—on car repairs, groceries and even school supplies," Whitmer said in a social media post of Aug. 13. "That's why I'll keep doing everything I can to lower costs for Michiganders and put money back in your pockets."

The arguments for Whitmer's climate plan are questionable at best, writes Jason Hayes, formerly of the Mackinac Center for Public Policy, and Issac Orr and Mitch Rolling, both of Always On Energy Research. The trio conclude that the claims Whitmer makes to support her plan do not justify what they call the complete a complete transformation of Michigan's electrical system.

Residents of the Great Lake State could face blackouts as a result of the governor's plan, the report warns. In a

worst-case scenario, a blackout could last up to 61 hours, it said.

Though the plan might harm Michiganders, it will have no significant impact on the climate, the report says. The plan to respond to climate change "might avert an imperceptible 0.0015 C of global warming by 2100" and will yield "no meaningful environmental progress."

The U.S. Department of Energy did not respond to an email seeking comment.

"Promoters of renewable energy mandates regularly flood media outlets with the deceptive claim that wind and solar are the cheapest form of power generation," Kevon Martis, a Lenawee County commissioner and skeptic of renewable mandates, wrote in an email to Michigan Capitol Confidential.

Wind and solar are unreliable and do not deliver the same critical services to the power grid, Martis added.

"Would you hire an Uber for 15% less if you didn't know when it would arrive?" Martis asked. Even if wind and solar delivered electricity at the same price as other fuels, he said, they do not offer the same service, given their intermittent nature

Whitmer's office did not respond to a request for comment. ■

The original version of this story was posted online on August 22, 2025 and is available at [MichCapCon.com/33448](https://michcapcon.com/33448).

Budget request puts taxpayers on hook for \$10M Lansing entertainment venue

Convention center got \$5 million in 2023

BY JAMIE A. HOPE

State taxpayers could pay an additional \$10 million for a Lansing entertainment venue under a funding request in Michigan's 2026 budget.

Money awarded from the request, which was submitted by Rep. Emily Dievendorf, D-Lansing, and co-sponsored by three other lawmakers, would be used to support facility upgrades and improvements at the Lansing Convention Center.

The Lansing Entertainment and Public Facilities Authority, which manages the Lansing Convention Center, Jackson Field and Groesbeck Golf Course, is the recipient of the proposed funding.

The state previously awarded \$6.5 million to the authority in July 2023 for facility upgrades — \$5 million of which was designated for the Lansing Center and \$1.5 million for Jackson Field, according to a 2024 financial audit.

The public authority, according to the audit, also received more than \$2 million in unearned revenue in 2024 for the center. The revenue likely came from government grants, the report said.

The latest funding request would improve the Lansing Center's exhibit halls, upgrade facilities, and enhance safety in public areas.

If approved, the two earmarks would bring the total state taxpayer-funded support for the Lansing Center operations to \$15 million over a three-year period. It would be over \$17 million if the unearned revenue also came from taxpayers.

The funding gives the venue an advantage over privately operated banquet halls and event spaces in the region which have to rely on revenue generated from events to upgrade facilities.

Dievendorf did not respond to a request for comment.

Lawmakers in Lansing also approved \$1 million for Jackson Field in the

state's 2025 budget, which also gives the Lansing entertainment authority a financial advantage.

The Jackson Field earmark is currently the subject of a lawsuit, brought by the Mackinac Center for Public Policy. It challenges the state's approval of pork projects included in the budget and argues the earmark is unconstitutional.

"Lawmakers are given broad discretion about how to spend the public purse to benefit the public," according to James Hohman, fiscal policy director at the Mackinac Center for Public Policy.

But when they try to bring funds to particular projects, according to Hohman, the state constitution requires them to get more support than bare majorities.

"Legislators haven't been getting that in the past and I would like to see projects like this stop when they don't meet constitutional requirements," he said.

Tristan Wright, chief executive officer of the Lansing Entertainment and Public Facilities Authority, did not respond to an email seeking comment. ■

The original version of this story was posted online on July 18, 2025 and is available at [MichCapCon.com/33206](https://michcapcon.com/33206).

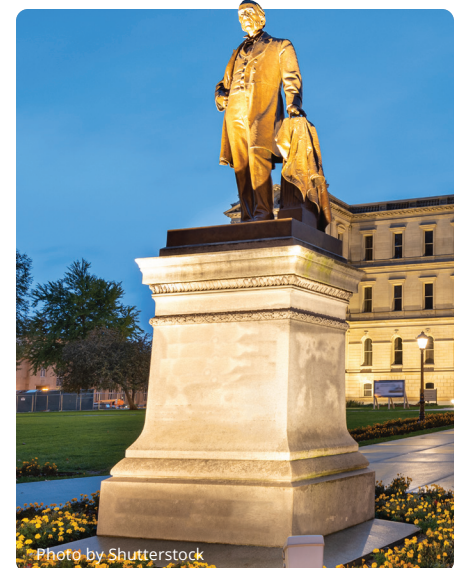


Photo by Shutterstock

Michigan’s auto jobs drive South from 8 Mile to I-65

Motor State lost more than 125,000 auto jobs over the last two decades — a 41% drop — while Alabama, South Carolina, Tennessee, and other states gained tens of thousands

BY SCOTT MCCLALLEN

Detroit put the world on wheels in the 20th century, but from 2001 to 2023, it shed more auto jobs than any other state, as factories and workers flocked to the South, according to an analysis from Michigan Capitol Confidential.

Michigan lost more than 125,000 auto jobs over the last two decades — a 41% drop — while Alabama, South Carolina, Tennessee, and other states gained tens of thousands.

Jobs sprouted in Alabama, Tennessee, South Carolina, Georgia and Kentucky.

Ford, General Motors, BMW, Mercedes, Nissan, Honda, Toyota, Subaru, Hyundai and Kia have all built factories in Southern

states rather than in Michigan since the 1990s.

Alabama, South Carolina, Georgia and Tennessee increased their auto and auto parts jobs 203%, 86%, 32%, and 24%, respectively, from 2001 to 2023. Michigan and the rest of the northern auto producers lost auto jobs.

The number of auto jobs in Illinois dropped by about 5% and Ohio dropped 35%.

There are also fewer jobs in the industry. The United States was down 188,070 auto jobs over the period. Michigan lost the most jobs in raw numbers and on a percentage basis.

Although Michigan has added a small

number of auto jobs since 2009, losses from 2001 to 2009 were much larger.

The industry isn’t producing more vehicles, and they’re able to do it with fewer workers. Sales are down 8%, but jobs are down 16%, according to James Hohman, the Director of Fiscal Policy at the Mackinac Center for Public Policy.

“Jobs are up when sales are up and down when sales are down, and sales don’t look like they’re going to go up by a lot any time soon,” Hohman told Michigan Capitol Confidential in an email.

The biggest winner was North Carolina, which added 1 million+ jobs in other industries over the period. But the Tarheel State lost 12% of its auto jobs in that time.

Even auto winner Alabama added five times more jobs in other sectors than it did in auto jobs.

The number of overall jobs in North Carolina from 2000 to 2023 increased by more than 27%, while the number of jobs in Tennessee grew by 23.7%. The overall national average of jobs growth during those years was 18.3%.

Meanwhile, the number of overall jobs in Michigan increased by 0.4%.

The United States lost 188,070 auto jobs and added 24 million jobs in other industries from 2001 to 2023. ■

The original version of this story was posted online on July 21, 2025 and is available at [MichCapCon.com/33122](https://michcapcon.com/33122).

Consumer's Energy makes 6th rate hike request in 6 years

Monopoly energy company asks for a historic rate increase three months after dipping more into consumers wallets



BY JAMIE A. HOPE

Consumers Energy’s request for a \$436 million rate increase is one of the largest requests on record and comes just three months after a \$154 million rate hike took effect.

The regional monopoly provides natural gas and electricity to 6.8 million residents. Michigan Capitol Confidential reported in April on Consumers’ plan to request another rate increase from the Michigan Public Service Commission. The company’s 2024 request started out at \$325 million but ended up at \$154 million, resulting in a 2.8%

increase for residential customers.

“Consumers Energy is committed to delivering safe, reliable and affordable energy to nearly 2 million homes and businesses,” said Katie Carey, director of media relations for CMS Energy & Consumers Energy, in an email to CapCon.

She added that the company understands many of their customers struggle to pay bills.

CMS Energy, the company that owns Consumers Energy, had a 13.23% increase in profits year-over-year in 2024, according to Macrotrends.

It had \$993 million in net income available to shareholders the same year, according to the company’s annual report.

This latest filing marks the largest electricity rate hike proposed by Consumers Energy in years, according to previous filings. If approved, the increase would go into effect in May 2026.

Recent major rate-hike requests include:

- \$100 million in 2020
- \$27 million in 2021
- \$155 million in 2023
- \$92 million in 2024
- \$154 million in 2025.

CapCon reported in 2018 that state regulators, appointed by the governor, allowed the company to raise prices nine times since 2005. The rate increases over that period totaled \$912 million.

Jason Hayes, director of energy and environmental policy at the Mackinac Center for Public Policy, has voiced concerns over the environmental costs of wind and solar infrastructure Consumers is building out.

He told CapCon in March that since the

state killed electricity choice in the state in 2008, residential rates have surged 75%. Rates in the state went from being 10% below the national average to being 10% above it.

Attorney General Dana Nessel filed a notice of intervention opposing the request. In a June 2 press release, Nessel called the proposed hike “likely the largest in decades” and criticized Consumers Energy for filing the new request just seven days after its last increase went into effect.

The proposal would raise rates by about 9.2% for all customers and 13.3% for households, according to Nessel.

The company, said Nessel, is seeking to recover \$24 million in deferred distribution costs from its “bill-paying customers” through a separate surcharge.

Nessel did not respond to a request for comment.

About 37 states have cheaper electricity than Michigan, CapCon has reported. ■

The original version of this story was posted online on June 23, 2025 and is available at [MichCapCon.com/33128](https://michcapcon.com/33128).

Nessel backs California-style consumer enforcement in Michigan bill

Legislation would let attorney general wield consumer deception law in oil lawsuit

BY SCOTT MCCLALLEN

A bill approved by the Michigan Senate in June could end up supporting Attorney General Dana Nessel’s promised environmental lawsuits against oil companies. Senate Bill 134, which its sponsor praised as a consumer protection measure, would create a fund for the attorney general’s office to fill with money extracted from private companies in the form of legal damages.

Sen. Sam Singh, D-East Lansing, said his bill would improve the state’s consumer protection laws, particularly the Michigan Consumer Protection Act. But an immediate beneficiary would be Nessel’s office, which has retained a team of out-of-state trial lawyers to find grounds to sue energy firms over alleged harm stemming from global warming.

“Whether they’re at the grocery store or paying to get their AC fixed — no matter the good or service — Michiganders deserve honesty and transparency in their day-to-day activities and purchases,” Singh said in a press release. “Michigan’s weak consumer protection laws currently leave residents across the state vulnerable to exploitation.”

SB 134 would create the Consumer Protection and Antitrust Revolving

Enforcement and Education Fund, a new account for the attorney general’s office that would be funded by damages the office obtains through class actions, whether actual damages or \$250 per class member. The amount of revenue created for the new fund would depend on how effectively the attorney general enforced the proposed law, according to an analysis by the nonpartisan Senate Fiscal Agency.

The Michigan Chamber of Commerce opposes the bill, said Wendy Block, the organization’s senior vice president of business advocacy.

“This unfortunately partisan bill would expose all state-regulated businesses and professions — including doctors, lawyers, banks, auto dealers, casinos, insurers, utilities, and more — to frivolous and abusive litigation, class action lawsuits, treble damages, and inconsistent judgments from courts and regulators,” Block said in a press release. “While this bill may be good for plaintiff attorneys and their pocketbooks, it’s bad for small businesses and our state’s economic climate and competitiveness.”

In 2024, Nessel announced plans to sue oil companies for allegedly contributing to climate change. Her office has yet to file a suit, but reporting from Michigan

Capitol Confidential prompted the U.S. Department of Justice to sue Nessel and Gov. Gretchen Whitmer in April. The attorney general has moved to dismiss the federal suit on the grounds that she has yet to take action against private energy companies.

While Michigan allows advisory opinions on the constitutionality of certain things, federal courts do not. If Nessel wins the motion to dismiss and then sues an energy provider, the federal government could refile the complaint. But if she wins and doesn’t file because of this suit, the DOJ would get what it wants anyway.

Nessel’s office supports the Senate bill, which would become law only if the House passes it and Whitmer gives her approval.

“While the Michigan Consumer Protection Act does still cover some unscrupulous practices, it leaves thousands of Michiganders unprotected from price gouging at grocery stores or deceptive sales contracts at used car dealerships — all because these acts are committed by licensed businesses,” Nessel said in a press release. “This legislation would restore the MCPA’s original purpose: protecting Michigan’s residents from deceptive and predatory conduct.”

The attorney general’s office received more than 10,000 written complaints and 20,000 complaints via phone call in 2024, it said in a March 2025 press release.

Nessel’s litigation campaign seems to be modeled on a tactic from California, the law firm Vinson and Elkins explains on its website.

In 2024, California Attorney General Rob Bonta sued five large oil companies: BP, Chevron Corp., Exxon Mobil Corp., Phillips 66 and Shell Plc. He also sued the American Petroleum Institute.

Bonta’s lawsuit claims that the companies deceived consumers and contributed to climate change. In filing the lawsuit, the California attorney general used a novel legal weapon granted to him by AB 1366, Vinson and Elkins wrote. This new law does not address environmental issues, but it lets the attorney general “seek disgorgement of profits from companies found to have committed violations of consumer protection laws” such as those governing false advertising.

Before California enacted AB 1366, victims of false advertising could receive no more than \$2,500 per violation. ■

The original version of this story was posted online on July 2, 2025 and is available at [MichCapCon.com/33148](https://michcapcon.com/33148).

Michigan wraps workers in 16,176 administrative rules

Mackinac Center scrapes government data so you don’t have to

BY SCOTT MCCLALLEN

Michigan has about 16,176 administrative rules, according to data the Mackinac Center for Public Policy scraped from government websites.

The number of active rules changes often. Here’s one example: “R 408.10031 Machine installations. Rule 31. (1) A machine installed on a bench, table, or stand shall be designed or secured to prevent unintentional movement or tipping. (2) A stationary machine shall be anchored or provided with anti-slip pads to prevent unintentional movement.”

Executive branch departments add or remove rules, with the Michigan Office

of Administrative Hearings and Rules overseeing the process.

Rep. Bill G. Schuette, who chairs the House Rules Committee, released a report proposing 80 changes to state permitting and licensing.

“Michigan is being held back by red tape put in place by our own state government,” it read. “From housing to the skilled trades, to factory floors, to mom-and-pop shops, state agencies stand in the way of new construction, new businesses, and new jobs. The Rules Committee Red Tape Reduction Initiative will force the state government to step back and let Michiganders go to work.”

Proposed changes include reducing

certain requirements to become an accountant, cutting continuing education requirements for physicians and eliminating redundant exams.

The Michigan Administrative Code contains the following rules, divided by department:

- Licensing and Regulatory Affairs: 4,094
- Labor and Economic Opportunity: 3,138
- Environment, Great Lakes, and Energy: 2,279
- Natural resources: 1,165
- Health and Human Services: 1,363
- Treasury: 1,346
- Agriculture and Rural Development: 525
- Insurance and Financial Services: 388

- Education: 336
- State: 328
- State Police: 322
- Lifelong Education, Advancement, and Potential: 305
- Transportation: 224
- Attorney General: 113
- Technology, Management, and Budget: 93
- Military and Veteran Affairs: 75
- Corrections: 74
- Civil Rights: 43 ■

The original version of this story was posted online on June 24, 2025 and is available at [MichCapCon.com/33139](https://michcapcon.com/33139).

State taxpayers could foot the bill for Owosso’s \$10 million exercise and child care amenities

Money would fund equipment, gym renovation, child care space

BY JAMIE A. HOPE

The YMCA in Owosso, a city with approximately 15,000 residents, could get nearly \$10 million from state taxpayers, thanks to an earmark requested by a member of the Michigan House.

Rep. Brian Begole, R-Antrim Township, requested \$9.78 million in the 2026 budget for the Shiawassee Family YMCA. The YMCA is planning a full-facility renovation, according to his request.

The renovation will be done in two phases, according to official documents. There will be space for a gymnasium, four licensed

child care rooms, a fitness center, a dojo area for martial arts, a lobby/reception area and offices.

The YMCA already has \$1.95 million for phase one but it needs an additional \$550,000, according to the document. Equipment costs were not included in the figure, and the total cost for this portion of the project is \$3,789,800.

Phase two, which will include expansions, will cost approximately \$6 million. The request reads in part:

“This expansion will double our gym space and add 4,000 square feet of community space which can be utilized by

groups, families, teams or organizations as casual event space, meeting space, or, as is desperately needed with our teenage members of the community, as a ‘hang out’ space.”

Begole did not respond to a request for comment.

The State Alliance of YMCAs was allocated two grants in 2024 for a total of \$4.7 million.

The Shiawassee YMCA received \$42,000 in grants from those allocations, according to Fran Talsma, chief partnership officer at the state alliance.

The legislative spending request is one of

hundreds posted online by the state House. A new requirement that legislators’ requests for district earmarks be published online is a transparency effort mandated by Speaker Matt Hall, R-Richland Township.

Michigan Capitol Confidential reports annually on earmarks requested by legislators to inform readers about the state budget. Its reports are not intended to reflect on the quality of the organizations that receive the money. ■

The original version of this story was posted online on June 12, 2025 and is available at MichCapCon.com/33120.

Legislators go fetch \$5M for Macomb Humane Society

Paw-litical pals push for public money for deteriorating building



BY JAMIE A. HOPE

Two members of the state House of Representatives have submitted nearly identical funding requests for \$5 million that would go to the Humane Society of Macomb. It is a nonprofit animal shelter of which Rep. Joseph Aragona, R-Clinton Township, who did not request the money, sits on the board of directors.

Reps. Karen Whitsett, a Democrat from Detroit, and Ron Robinson, R-Utica, each filed a request for a \$5 million earmark.

The money is intended for capital improvements at the shelter, which

its leaders say operates out of a deteriorating building.

The request appears to be a duplicate request, Aragona told Michigan Capitol Confidential in a phone interview.

Aragona said the animal shelter serves the region, not just the county. Whitsett loves dogs and wanted to help, he said, and that is likely why she also submitted the request.

Aragona is the president of the board of the nonprofit, though he does not financially benefit from the position.

A portion of Whitsett’s request reads:

“This money will be used to help build a new animal shelter building. The current

building is in disrepair. The Macomb Humane Society takes in animals, cares for them, offers animals for adoption, etc.”

Robinson’s request, which was joined by Rep. Douglas Wozniak, R-Shelby Township, echoed Whitsett’s:

“The purpose of this project is to improve the building for the Humane Society of Macomb. The current building is in disrepair and needs work. Despite that, they take in many stray animals around Macomb County, rehome them, and take care of them.”

Financial records from the organization indicate that it generated \$783,771 in

revenue for 2023. It also euthanized and cremated 765 animals in 2023, according to public filings.

In 2023, it paid \$646,149 in salaries and wages. It made \$17,665 in pension contributions.

The Michigan House has received nearly \$4 billion in earmark requests so far this year. In a move to promote greater transparency, House Speaker Matt Hall has required that all legislator funding requests be made public and available online. ■

The original version of this story was posted online on June 20, 2025 and is available at MichCapCon.com/33116.



Ann Arbor mulls green energy mandates as housing costs soar

'Ann Arbor's City Council is working against itself,' expert warns

BY JAMIE A. HOPE

Ann Arbor's City Council is considering a green-energy housing ordinance that would increase red tape and expenses for rental housing owners at a time when the council is also concerned about a lack of affordable housing in the city.

The proposed Green Rental Housing Ordinance aims to enforce new energy standards on rental housing. The plan, which had its first reading at the June 2 council meeting, imposes additional red tape and financial burdens that experts say would reduce Tree City's rental stock, particularly for low-income residents, and raise rents.

Landlords would have to meet a qualifying "Asset Rating" through either a prescriptive checklist or a third-party energy rating system before each routine rental inspection. A landlord who fails to comply could be prohibited from

obtaining or renewing a rental license.

Violations could result in civil fines of \$500 for a first offense and \$1,000 for subsequent offenses, plus the cost of prosecution, according to the draft language.

An association for landlords warns that the ordinance will cause trouble. "While we understand the intent behind this initiative, the Washtenaw Area Apartment Association firmly believes it will have far-reaching and devastating consequences for students, tenants, and property professionals in Ann Arbor," James Nichols, the organization's executive director, told Michigan Capitol Confidential via email.

Costly upgrades required by the ordinance will lead to higher rents, Nichols said. "This will not only hurt tenants, but price many students and tenants out of their homes."

Members of the city council say they are grappling with a housing crisis, according to an April 2024 report by Michigan Daily.

Some observers say the ordinance makes it harder to make housing more affordable.

"Ann Arbor's City Council is working against itself," Jason Hayes, director of energy and environmental policy at the Mackinac Center for Public Policy, told CapCon. "They're pushing for more affordable housing while imposing green ordinances that raise costs for landlords and limit rental options."

Hayes cited mandates for all-electric systems that add tens of thousands in upfront costs for homeowners and landlords, pricing out low-income residents.

Ann Arbor Mayor Christopher Taylor defended the proposal.

"The proposed Green Rental Housing

ordinance sets reasonable and attainable standards that will improve tenant expense and comfort, without overburdening landlords," Taylor wrote to CapCon in an email.

City Council Member Jen Eyer echoed Taylor's view, stating in an email to CapCon that the ordinance is crafted to improve conditions for renters without sacrificing affordability.

"Ann Arbor's housing affordability challenges are serious — and so is the climate crisis," Eyer wrote. The city can't tackle one issue while ignoring the other, she added.

Improving energy efficiency in rental housing will reduce financial burdens on tenants, Eyer said. ■

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Pothole fund pays 6% of submitted claims in 2024 and 2025

Michiganders claimed 14 payouts out of 218 claims last year



Photo by Adobe Stock

BY SCOTT MCCLALLEN

Michigan motorists who drive on state highways run the risk of having their vehicles damaged by potholes. Some seek compensation from the state, but only 6% of those who do get anything, according to documents Michigan Capitol Confidential obtained from the state transportation department.

Motorists filed 218 claims in 2024, but only 13 received payouts, for a total of \$5,953.

Compensation has been meager this year as well. As of June 12, the state has paid a total of \$1,668 for six claims, out of 86 filed.

A person seeking reimbursement for damages must sign a claim form, have it notarized, attach supporting documents, and submit it all to the regional office responsible for the road that caused the damage. Two laws, MCL 691.1402 and MCL 691.1403, give the state widespread immunity from most lawsuits. The pothole must have existed for at least 30 days before the damage happened, the law says.

There is no dedicated funding for these payouts, Michael Frezell, a senior communications manager at the Michigan Department of Transportation, told CapCon in an email. “If a damage incident is project-related, it would get charged to the project, which is typically covered by the contractor. If it is a maintenance issue, then it gets charged to the maintenance appropriation. With chronic lack of investment, road degradation will be a

continual problem, causing more potholes and an inconvenience to motorists. Once a long-term investment strategy is implemented, road agencies across the state can make long-term full repairs that ultimately will reduce these damages.”

Highway defect claims (including potholes) should only be submitted to the department if the damage occurred on a state trunkline highway. These are numbered roads that start with the letters M, I or US. The state does not offer compensation for damage incurred on county or local roads.

Upon receipt of a damage claim under \$1,000, MDOT will investigate the incident. Investigations typically take at least 90 days.

Michigan bought about \$40 million worth of salt to melt snow in 2024 and 2025, according to a document obtained through a records request. The salt eats away at paint and car panels, causing other vehicle damage.

Michigan’s 2025 budget is a record \$83 billion, but the roads here, especially county and local roads, are falling apart faster than they are being repaired. In 2018, Gov. Gretchen Whitmer campaigned on fixing the roads. In her proposed 2026 budget, the second-term governor proposed spending \$7.8 million to study road funding. ■

The original version of this story was posted online on June 30, 2025 and is available at MichCapCon.com/33144.

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