



CAPCON MICHIGAN CAPITOL CONFIDENTIAL

MACKINAC CENTER FOR PUBLIC POLICY

CapCon is a product of the Mackinac Center for Public Policy

A news service for the people of Michigan — Vol. 9 No. 4 December 2015

Daily Online Coverage at MichCapCon.com

TEACHER UNION EXECUTIVES GET DOUBLE-DIGIT RAISES WHILE LIABILITIES SKYROCKET

Top MEA officers, unlike teachers, get 18.6 percent average pay bump in three years

BY TOM GANTERT

While the teachers they represent have seen very small pay increases or even pay freezes over the past three years, high level executives at the Michigan Education Association union received large raises.

The average increase in the salaries paid to the top four union officials was 18.6 percent over three years. At the same time, the MEA's liabilities increased by nearly \$100 million, or 50 percent in one year.

Vice President Nancy Strachan received a 25 percent salary increase

between 2012 and 2015 (\$119,520 to \$149,433). Secretary-Treasurer Rick Trainor was also up 25 percent during the period (\$121,476 to \$151,675). President Steve Cook's salary increased 16 percent (\$182,154 to \$211,390) and Executive Director Gretchen Dziadosz had a 13 percent increase from 2012 to 2015 (\$190,196 to \$215,222).

The salaries and liabilities are mandated to be reported by the union annually in its federal LM-2 form. The 2015 form recently became available.

Teachers are not getting anywhere near those kinds of raises. For example,

a teacher in Plymouth-Canton Community Schools saw her salary increase by 5 percent over a three-year period from \$57,448 to \$60,346 during 2012 to 2015, according to a Freedom of Information Act.

A Michigan Capitol Confidential survey of the largest Michigan school districts found 13 of the 17 gave some type of pay raise to their teachers in 2014-15. Just one of the 17 districts cut pay, imposing a 1-percent reduction.

The raises come at a time when the MEA's financial liabilities are skyrocketing, largely due to the cost

of retirement benefits granted to its own employees. Union liabilities increased from \$206.2 million in 2014 to \$304.1 million in 2015.

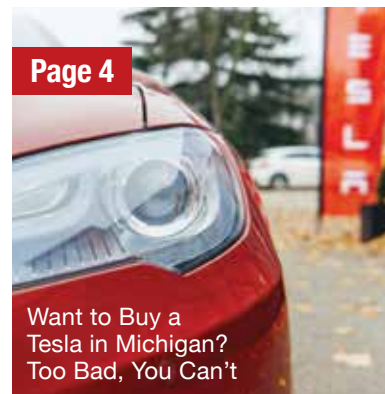
The salaries the MEA reports to the U.S. Department of Labor vary significantly from year to year. The union says that in some years, there is a delay in the payments it receives from school districts, so some money earned in one year may not be reported until the next.

For example, Trainor's salary for the four years has been reported as \$121,476 (2012), \$109,911 (2013), \$158,296 (2014), and \$151,675 (2015).

See "Double-Digit Raises," Page 10

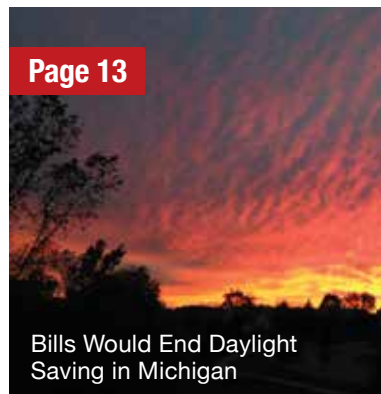


INSIDE THIS ISSUE



Page 4

Want to Buy a Tesla in Michigan? Too Bad, You Can't



Page 13

Bills Would End Daylight Saving in Michigan

Number of Michigan Welfare Recipients Declines 70 Percent

BY TOM GANTERT

The number of people receiving welfare cash assistance from the state has plummeted since Gov. Rick Snyder took office, partly due to the improved economy but also because the state now enforces a limit on how long beneficiaries could receive cash benefits.

There were 227,490 people receiving cash assistance benefits from the state in 2011. As of August 2015, that number was down to 64,492. The state welfare agency's Family

Independence Program provides temporary cash assistance to pregnant women and families with children. The program also attempts many interventions to get people employed in long-term jobs.

From 2005 to 2011, the number of people in this program held consistently in the low 200,000s range. It varied from 202,693 (2009) to 237,102 (2007). However, in 2011, with control of the Legislature and governor's

See "Declines 70 Percent," Page 8



MICHIGAN'S WIND ENERGY MANDATE COSTS EACH FAMILY NEARLY \$4,000

BY JACK SPENCER

A new study from Utah State University found that, as of 2013, Michigan's renewable energy mandate, enacted in 2008, has cost families and businesses here a bundle: \$15.1 billion overall, or \$3,830 per family, compared to what we would have experienced without the mandate.

According to the study, the economies of all states with a renewable portfolio standard, or RPS, have suffered harm. Among the negative effects are a nearly 14 percent decrease in industrial electricity sales, plus losses in both personal income and employment. A key finding was that an

See "Mandate Costs," Page 12

NONPROFIT ORG.
U.S. POSTAGE
PAID
Fenton, MI
Permit # 1776

Capitol Confidential
Mackinac Center for Public Policy
140 West Main Street
P.O. Box 568
Midland, Michigan 48640

CAPCON

MICHIGAN
CAPITOL
CONFIDENTIAL

Dear Reader,

We could not do this without you.

For eight years now, Capitol Confidential has served citizens as Michigan's reliable and trusted source of news that includes the free-market point of view.

We have reported breaking news on everything from alternative energy boondoggles to unwarranted seizures of private property to union perks at taxpayer expense, all with the objective of holding government accountable to the people.

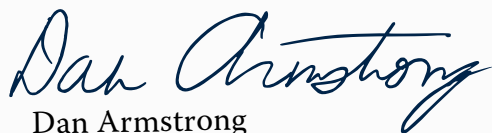
Today I want to thank you for your readership and ask for your continued support.

Will you make a tax-deductible gift to Michigan Capitol Confidential during this holiday season? You can send a gift in the enclosed envelope or make a donation online at www.MichCapCon.com.

Your gift will help safeguard our liberties through investigative journalism that keeps citizens informed.

Thank you for your consideration, and happy holidays from all of us at Michigan Capitol Confidential.

Sincerely,



Dan Armstrong
Managing Editor

LETTER FROM THE EXECUTIVE VICE PRESIDENT

The Idea of Liberty

BY MICHAEL J. REITZ

“Americans and Europeans alike sometimes forget how unique is the United States of America. No other nation has been created so swiftly and successfully. No other nation has been built upon an idea – the idea of liberty.”
–Margaret Thatcher, 1991

In November, I joined hundreds of lawyers, judges and policy experts for a gathering of the Federalist Society in Washington, D.C. the occasion, the Barbara K. Olson Memorial Lecture; the speaker, Sen. Tom Cotton of Arkansas.

The Federalist Society established this annual lecture 15 years ago to honor a life cut short. A lawyer and commentator with a distinguished career in public service, Barbara Olson was a great friend of the Federalist Society and the ideas it espouses – individual liberty, limited government and the rule of law. Olson died on Sept. 11, 2001, a passenger on American Airlines Flight 77, which crashed into the Pentagon.

Cotton used his address to highlight America’s exceptional promise, both for those born here and those who would come: “We should take pride that we live in a nation people are willing to die to reach, not escape.” Our duty, he said, is to do more than simply pay tribute to Olson and the thousands killed that day, but to live lives that preserve and advance liberty. Cotton’s remarks were especially poignant as news of the Paris terror attacks came to us that very day.

Later that night my colleague Patrick Wright and I walked down to a symbol of a different era of crisis. Abraham Lincoln’s words etched in marble and Dr. King’s 1963 speech at the Lincoln Memorial remind us again of the idea of liberty – the proposition that “all men are created equal.”

Our last stop was the Tomb of the Unknown Soldier to watch the changing of the guard. I’ve made dozens of trips to D.C. and yet this was

my first time viewing the ceremony. The guard relinquishes his watch and passes orders to the new sentry: “Remain as directed.” Through rain, snow or terror ... remain as directed.

Against this backdrop is the hysteria of students on campus who demand intellectual childproofing to shield them from contrarian viewpoints. Trigger warnings, safe spaces, shouting down opponents and lodging protests over graduation speakers all flow from the same troubling assumption that truth can be attained through a militantly enforced silence. Occupy Wall Street has devolved to Occupy My Bubble.

It would be easy enough to deride the childish expectation that all disagreement can be avoided. Instead, we should recognize an opportunity to defend one of the pillars of the idea of America. As a free people we are eager to embrace vibrant debate. Justice Louis Brandeis explained this when he wrote, “Freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth. ... Discussion affords ordinarily adequate protection against the dissemination of noxious doctrine.” Those who would silence speech would suffocate democracy.

Sacrifice, equality, duty and free expression. Ideas worth the founding of a nation, and worth our vigilance today. ■



Michael J. Reitz,
Executive Vice President

MEET THE STAFF



Tom Gantert is the senior capitol correspondent for Michigan Capitol Confidential. He may be reached at Gantert@mackinac.org.



Jack Spencer is capitol affairs specialist for Michigan Capitol Confidential. He may be reached at Spencer@mackinac.org.



Jarrett Skorup is digital engagement manager for Michigan Capitol Confidential. He may be reached at Skorup@mackinac.org.

CAPCON MICHIGAN
CAPITOL
CONFIDENTIAL

DO YOU LIKE WHAT YOU'RE READING?
Then check us out online!

We completely overhauled it with you in mind. Now it's easier than ever to stay up-to-date with the important things going on in Lansing and around Michigan.

MichCapCon.com

MICHIGAN EDUCATION ASSOCIATION RETIREMENT COSTS SKYROCKET IN 2015

BY TOM GANTERT

A retirement system created by the state's largest teachers union for its own employees has become a huge financial drain on its finances. Skyrocketing pension and retiree health benefits were the largest contributors to a \$100 million increase in liabilities on the books of the Michigan Education Association in 2015, up almost 50 percent from the previous year.

The MEA's overall liabilities jumped to \$304.1 million in 2015, up from \$206.2 million in 2014 and \$181.5 million in 2013. The increases were disclosed in annual financial documents the union must file with the U.S. Department of Labor.

The MEA's cost of providing pension benefits to its own employees rose from \$77.1 million in 2014 to \$137.2 million in 2015. Its expenses for retiree health benefits increased from

\$112.2 million to \$149.8 million during the same period.

While this was happening, it was revealed that the MEA and some local school districts have engaged in major pension spiking schemes benefiting the current and past union presidents.

The schemes allowed these MEA presidents to work for the union — for decades in some cases — while still being carried on school payrolls for purposes of boosting their eventual payouts from the state-run school employee pension system.

Steve Cook, the current MEA president, was last employed by a public school district in 1993, working 25 hours a week as a paraprofessional in the Lansing district. That year, he struck a deal with the district that let him work full time for the union but still accrue annual service credits toward his school pension.

This allowed Cook to parlay his six-figure MEA salary into much higher pension payouts from the government system. Cook was paid \$211,390 by the MEA in 2015. The scheme will allow him to collect an annual pension of about \$105,000 a year from the state, despite working just 15 years in a part-time position with the Lansing School District.

The MEA has paid the pension contributions to the school districts for deals with its past presidents.

MEA officials have not responded to emails seeking comment. It's unclear if past MEA presidents also received a pension from the union as well as from the state-sponsored school system retirement plan. ■

The original version of this story was posted online on Dec. 3, 2015. It is available with hyperlinks and more info at MichCapCon.com/21936.

WORKER BULLIED AS UAW PUBLICIZES HIS OPT-OUT

BY TOM GANTERT

Another Michigan union has used its newsletter to post the names of employees who have chosen to exercise their right to not have to financially support a union as a condition of employment. Workers say the union is bullying them and creating a hostile work environment.

This time, it's UAW Local 600 that's publishing the names of employees who chose to opt out of belonging and paying dues to the union.

Bob Brezovsky, president of the UAW's Tool & Die Unit, wrote in the union's online publication: "The employees listed below have chosen not to pay union dues any more but still want everything that

dues paying members get in the contract. These names and anyone else that chooses to stop paying their fair share will be posted in every article."

Todd Lemire was one of the individuals whose names were published, and had been a member of the 576-member Tool & Die Unit. UAW Local 600 has about 27,000 active and retired members spread across 40 bargaining units in Southeast Michigan. Members include steel workers, auto industry workers, truck drivers, independent parts suppliers, health care and technical office professionals.

Lemire, who joined the union in May of 1998, said he doesn't hide the fact he chose to leave it, but said he does feel vulnerable now that every UAW member has been alerted

to him exercising his option. He said the word "SCAB" was written on his uniform locker at work.

"I decided to opt out after realizing that the UAW truly wasn't an organization that represented the interest of all their members," Lemire said in an email. "It spent our dues in ways that didn't represent my interests or political ideology, nor did I have a say in how my dues were spent. I saw instances of blatant nepotism, political discrimination, and indiscretion in spending year after year while listening to our unit president bad mouth the Republican party with no consideration that he could have a Republican in his midst. I simply had enough and

See "Worker Bullied," Page 8



WANT TO BUY A TESLA IN MICHIGAN? TOO BAD, YOU CAN'T

BY JARRETT SKORUP

If a Michigan citizen wants to buy an iPhone from Apple, they can go to an Apple store, buy one from another merchant, or order it online.

But if a state resident wants to buy a Tesla, too bad — they'll have to go to Ohio or another state to get one. That's because a law meant to protect new-car dealerships prohibits a manufacturer from directly selling a car to a consumer.

At a luncheon hosted in Lansing Dec. 2 by the Mackinac Center for Public Policy, Dan Crane, an associate dean and law professor at the University of Michigan, explained to legislators and others in attendance how these laws came to be and why they no longer make sense.

Crane said direct distribution of automobiles — manufacturers selling directly to consumers — is allowed in about half of the states, mostly along the coasts (though also recently in Ohio). In the other half of the nation, automakers are required by state laws to sell their products through a dealer.

"That's bad for consumers, that's bad for choice, that's bad for efficiency and innovation," Crane said.

The laws came about in the 1930s and 1940s, putatively to protect small dealerships from losing business through actions taken by the Big 3 automakers. At the time, the Big 3 controlled almost the entire car market. They sold directly to consumers,

in addition to selling through franchised dealers and through other stores.

In contrast, today there are 10 automakers selling at least 100,000 vehicles per month nationwide, and the competition is fierce.

Crane argued that the economics of distribution mean that sometimes direct selling makes sense while other times third-party dealerships or a combination is better.

Apple and cell phone companies are an example of dual distribution, where the product is sold online directly from the manufacturer as well as through third parties. Other companies, as Gateway computers did years ago, sell only directly to consumers.

Companies like Tesla and Elio want to sell directly to consumers here, but can't. Crane said from a public policy standpoint, "There is no reason why the law should favor one type of distribution or another."

He added, "This is not an anti-dealer or pro-Tesla argument. ... The system works best when competition drives the distribution strategy."

Defenders of the status quo use four main arguments against lifting the restrictions, and Crane offered rebuttals to each.

"Direct distribution gives manufacturers a monopoly over retail sales."

Crane said the reality is the opposite; the model allows

See "Too Bad," Page 8

Who Knew? Man Faces Criminal Charges For Snowmobiling While Driver's License Suspended

BY ANNE SCHIEBER

One alternative to dreading Michigan's cold and snowy winters is finding ways to get out and enjoy them. That was what Kevin Willcome of Ottawa County had in mind when he, his parents and some friends went out snowmobiling one Sunday afternoon last February. What he did not expect was to run afoul of the law, much less find himself charged for allegedly committing a crime.

Shortly after Willcome and his companions arrived at the empty public school lot where they decided to ride, an officer with the Department of Natural Resources pulled up in a truck and asked them to stop. The area was a common spot for the activity, as indicated by worn-in tracks in the snow. Willcome thought they were within the law, on public property and traveling safely, far from neighbors.

"He asked us why he was stopping us and none of us could figure out why," said Willcome.

The officer asked for identification. Only half the group had ID, as Michigan does not require a license to operate a snowmobile and drivers who take a safety course can be as young as 12 years old. Those without ID, including Willcome, gave their names and addresses.

The DNR officer said he got a complaint that a neighbor thought they were trespassing on private property. The group did travel through some back roads to get to the school lot, but told the officer that they were careful to stay well within the public right of way.

A county sheriff's deputy arrived. The officers were offering little information about what the group did wrong but allowed Willcome's father and friend to leave to retrieve a trailer for the snowmobiles. When they returned, the group continued to wait in the cold for what would be a total of an hour and a half. Finally, the officers handed Willcome a ticket, saying he needed to appear in court.

Willcome hired an attorney and it was only in court that he realized how serious the situation was. He was charged with a misdemeanor for driving a snowmobile while his driver's license was suspended. Under Public Act 451, he faced a \$500 fine or 90 days in jail. He was dumbfounded.

"I've been riding snowmobiles since I was 12 years old, over 15 years ago. I took the snowmobile safety class. I didn't need a license at 12. I didn't need one now, but now I guess I did," said Willcome, who couldn't imagine how the status

of his license to drive a car would have anything to do with operating a snowmobile, which does not require a license of any kind.

Willcome had come full throttle against a pattern in Michigan's legal system: Hundreds of laws allow people to be prosecuted for things that are not obviously illegal, even if someone does not intend to break the law. Willcome said he had no idea he was committing a crime, let alone intending to commit one. His lawyer helped him plead the charge down to a civil infraction.

"I work 60 hours a week and I was worried by having a crime on my record it was going to delay the reinstatement of my license even longer," said Willcome. He added that he had to move back in with his parents so they could drive him to and from work. He bought the snowmobile because he knew he couldn't drive a car but used it mostly for recreation and emergencies.

"After court, I went back and eventually found the law on the DNR website but it did take me some time," said Willcome.

According to recent Mackinac Center policy brief, 59 percent of the state's 1,893 criminal misdemeanor laws fail to specify whether prosecution requires criminal intent. Under those

laws, courts may apply "strict liability," meaning a person who never intended to break a law can be convicted. As Willcome discovered, many of these involve behavior that is not obviously a crime.

As he also learned, such laws place an individual at the mercy of law enforcement officers, prosecutors and judges, who have wide discretion in how far to take a particular matter. In another jurisdiction, the outcome could have been different.

As Willcome feared, had he been convicted of a crime, his driver's license could have been suspended for an indefinite time. He would have a permanent criminal record, something he might have to divulge on job, school or credit applications. While this particular defendant was allowed to accept responsibility for a civil infraction, he was still stung by more than \$500 for the fine and legal fees.

"I'd like the rules to be laid out. It is going to be a rule, then it needs to be made known to the public. I would not have bought the snowmobile if I knew driving it was illegal," said Willcome.

His attorney, Jason Barrix, understood why his client would not have known what he did was a crime.

"The fact that a child or that a person never licensed would be able to drive a snowmobile ... (but not allow someone) suspended from driving on the road makes no sense. The motor vehicle code is designed for vehicles on the road, not off road," said Barrix.

The Department of Natural Resources says it has no control or power to change the law. Lt. Gerald Thayer of the division that regulates Ottawa County said the law has been in effect for at least 12 years and that when new rules emerge, the DNR usually doesn't enforce them right away to give the public time to learn about them.

"I do feel bad about some of the folks who get arrested and don't know the law, but if someone is going to participate in any sport such as snowmobiling it would be prudent of them to reference the guide and know the regulations," said Thayer. He said DNR officers have discretion as to who gets a warning or ticket, and that they put much thought into their decision.

Michigan lawmakers are considering two bills that could have an impact on cases like Willcome's. However, the legislation appears to be stalled in the Senate Judiciary committee, chaired by Sen. Rick Jones (R-Grand Ledge). ■

The original version of this story was posted online on Dec. 5, 2015. It is available with hyperlinks and more info at MichCapCon.com/21943.

Feeling Lucky? State-Run Gambling Hits Record High in 2014

BY TOM GANTERT

The Michigan Lottery set a record in 2014 with \$2.6 billion in ticket sales, up 25 percent since 2005.

People are spending more than ever on Michigan's state-run gambling, and the biggest growth is in the instant ticket games, where participants rub off portions of the ticket to see if they've won. The games advertise prizes that go as high as \$2 million.

Instant ticket sales have increased from \$662.5 million in 2005 to \$913.1 million in 2014, a 38-percent increase.

Almost all of the lottery proceeds go to fund public schools. The School Aid Fund received \$743 million in 2014 from the lottery. Between 2011 to 2014 the lottery contributed nearly \$3 billion to public schools.

This fall, the state debuted a new game — the Ultimate Millions Instant Game — that offered a \$2 million prize for a \$20 ticket.

State Rep. Mike Shirkey, R-Clarklake, said he doesn't approve of the state's growing legalized gambling operations.

"I don't like the Michigan Lottery," Shirkey said in a text message. "We set



it up to entice people, many of which probably shouldn't spend the money, to take chances that they can't afford. Then we perpetually create 'new games' that, as far as I am concerned, is in direct

violation of our constitution because these 'new games' have only one purpose: expand gambling. ... I believe we either live by the constitutional changes voters approved (no new gambling) or we become a full freedom gambling state."

Jeff Holyfield, spokesman for the Michigan Lottery, said preliminary budgetary information shows that the state will exceed \$2 billion in sales in 2015. ■

The original version of this story was posted online on Dec. 1, 2015. It is available with hyperlinks and more info at MichCapCon.com/21928.



Former Energy Regulator Says Bill Would Establish Energy Monopoly

BY JACK SPENCER

According to a former chairwoman of the panel that regulates electric utility prices in Michigan, if the current version of House Bill 4298 is enacted electric choice will cease to exist in the state.

“There is no question that the new language in the bill will eliminate electric choice,” said Laura Chappelle, who was a member of the Michigan Public Service Commission from 2001 to 2007, and chaired it from 2001 to 2003. “It looks like it is written to maintain electric choice, but it wouldn’t — at least not for the majority of alternative energy suppliers.”

Under current electric choice provisions, alternative electricity suppliers are allowed to compete with the state’s two big quasi-monopolistic utilities, Consumers Energy and Detroit Edison. The term “alternative electricity suppliers” in this case does not refer to purveyors of wind energy. It simply means power companies that want to compete with

the big utilities that dominate most of Michigan’s electricity market.

The market was opened up to this competition under former Gov. John Engler in 2000. But in 2008, legislation was enacted that limited the portion of the electricity market subject to this competition to just 10 percent. As a result, ratepayers have to queue up and wait for a spot within that 10 percent to become available before they can participate in electric choice.

As initially introduced by House Energy Policy Committee Chair Aric Nesbitt on March 5, 2015, House Bill 4298 specified that it would end electric choice in Michigan. That version of the legislation went nowhere. In fact, polling showed that 75 percent of Michigan voters opposed the idea of eliminating choice, which would return the two large utilities to full monopoly status.

Nesbitt’s proposal languished for months in the House Energy Policy Committee before undergoing a major face-lift earlier this month. It was passed by the committee on Nov. 10. According to supporters of the

new version of the legislation, it would no longer eliminate electric choice. Instead, it would keep the 10 percent competitive market in place but make it operate under an array of new regulations.

Chappelle, who now represents Energy Michigan, disagrees. (Energy Michigan is a trade association for alternative and independent power supply cogeneration, advanced energy industries and customers in Michigan.) She argues that the new regulations in the bill would effectively strangle choice.

“Often with legislation like this nobody ever really drills down into the details,” Chappelle said. “This has about 27 pages of amendments (there is currently no updated version of the bill available online) and any one of them alone could potentially eliminate electric choice.”

Opponents of the legislation argue that it would make choice so costly and burdensome for ratepayers and alternative energy suppliers that it would eventually wither away. Wayne Kuipers,

director of Energy Choice Now, an energy choice advocacy group, said it would do this in four ways.

First, it creates what is essentially a new tax (or fee) that customers who choose electric choice must pay for 15 years. Theoretically, it would reimburse the big utilities for stranded costs — the cost of the portion of the electricity they generate that they lose money on because of electric choice. The existing dominant utilities are required to maintain enough electric capacity that they could provide service to the electric choice customers should they return.

Advocates of electric choice argue that this would be like forcing customers to reimburse one grocery store chain for choosing to take their business to a competitor. In addition, they insist the fee is a double payment because Michigan already assures that the utilities are fully reimbursed for their stranded costs.

See “Energy Monopoly,” Page 10

Detroit Students Missed 1.5 Million Days of School Last Year

BY TOM GANTERT

The 50,000 students enrolled in the Detroit public school district last year missed a total of 1,539,981 days of school, the equivalent of 30 absences per student.

That’s the average across all students, factoring in those who missed far more days and those who missed few or no days. The figures were obtained from the district in response to a Freedom of Information Act request.

But Detroit Public School officials say those numbers can be misleading if not put into proper context. The district has several different categories for absences and considers many in the total to have been excused. The 1.5 million figure includes days missed due to illness, suspensions, pending expulsions and more.

The Detroit district also has a transient population of students, estimated to be in the hundreds, who registered for school in the next grade but may have moved, according to spokeswoman Michelle Zdrodowski.

“In reality, DPS’ absence rate is approximately 5.5 percent of a student’s enrolled days,” Zdrodowski said.

The district’s median number of student absences for 2014-15 was 8,113 students

a day. That means about 16 percent of the student body doesn’t show up on a typical day.

The district had its lowest absenteeism on the two “count days.” The first count day was Oct. 1, 2014, when only 2,580 students were absent, and 48,881 students showed up. That fall count day accounts for 90 percent of the money (known as the state foundation allowance) the district receives from the state, according to the Michigan Department of Education.

The second count day was Feb. 11, 2015, when just 3,847 students were absent and 47,087 students came to school. That accounted for the other 10 percent of the funding that comes from the state.

School districts often make extraordinary efforts to bring students in that day, because it determines the level of funding it will get from the state.

The average number of absent DPS students was 8,750 per day last year. The figure may have been skewed by two days on which more than 20,000 students were not in class.

On Jan. 9, 27,636 Detroit students missed class in a mass exodus equal to 54 percent of the district’s total attendance on count day. This occurred on a Friday when the

high temperature was 18 degrees — the same day as a 194-car whiteout-induced pileup on I-94 in Kalamazoo County.

The only other day last year when more than 20,000 DPS students missed school was Nov. 11, which was Veterans Day. On that day, 23,552 students missed class, which was a half-day for the district.

The state of Michigan tracks school absenteeism rates and makes the information available online.

Detroit Public Schools had 64.8 percent of its students listed as “chronically absent” by the state, meaning that those students missed more than 10 days of school or more. The state average is 27.8 percent.

“This level of student absenteeism is staggering,” said John Rakolta, the CEO of Walbridge and the co-chair of the Coalition for the Future of Detroit School Children, in an email. “But placing all the blame on the children ignores the important fact that these statistics reveal both a cause and a symptom of the dysfunction hanging over Detroit’s education landscape.”

“We know that the reasons for skipping school are complex, rooted in issues beyond the four walls of the classroom that must be addressed by the adults in our community



— parents, teachers, administrators, clergy and legislators,” Rakolta continued. “That’s why the Coalition for the Future of Detroit Schoolchildren, a diverse group of unlikely partners, was formed last Christmas. We’re committed to doing better by these kids, which includes motivating greater student and parental accountability, setting higher expectations on attendance and academic performance, and putting teeth into solutions. But make no mistake; continuing to kick the can of funding and accountability for management of the district down the road is the most pernicious form of absenteeism.” ■

The original version of this story was posted online on Nov. 24, 2015. It is available with hyperlinks and more info at MichCapCon.com/21912.

Proposal Would Let Special Needs Children Attend Private School with Public Money

But it can't be done without amending the state constitution

BY JACK SPENCER

A measure introduced in the Michigan House earlier this year could start the process of making an exception to the state constitution's ban on taxpayer support for nonpublic schools. Specifically, the end result would be allowing parents to send their children with special needs to private or religious schools using tax dollars. The state would cover the cost for each child, up to the amount it would have paid for educating that at a public school.

Such a change would require the approval of voters in a statewide election, and if the Legislature approves HJR B, voters would face that question. But the resolution must first pass by a two-thirds vote of both the

House and Senate. In the House, that would require the support of numerous Democrats, and nearly all of them are sure to oppose it.

"I know the chances aren't good for this to move forward," said Rep. Tim Kelly, R-Saginaw, the sponsor of the resolution. "But I felt it was important to have a discussion about expanding options for parents and families."

To make that case, Kelly arranged to have Jason Bedrick of the Cato Institute visit Lansing on Nov. 12 for a special joint committee hearing, combining the House Appropriations Subcommittee on School Aid, which Kelly chairs, with the House Education Committee, which is chaired by Rep. Amanda Price, R-Holland.

Bedrick gave a presentation on Education Savings Accounts,

which have been enacted by five states. These accounts, not to be confused with tax-advantaged private college savings plans which do not use government money, are sometimes called Empowerment Scholarship Accounts. By either name, they are a way of allocating taxpayer dollars directly to parents who could then spend the money to advance their children's education — including at a private or religious school if that's what parents choose.

Under current law this would violate the state constitution, unless it is amended in the manner proposed by House Joint Resolution B.

"We brought in Jason to expand the conversation as we explore possible solutions for the problems we're confronting, such as what's happening with

the Detroit Public Schools system and so on," Kelly said. "In terms of education, Detroit is quickly becoming a backwater that's falling farther and farther behind what's taking place elsewhere. In fact, bringing this information here kind of reminds me of many years ago when we (the United States) would make freedom broadcasts into Cuba."

Bedrick told lawmakers that ESAs were similar to school vouchers in concept but would offer families more flexibility. He noted that forms of ESAs are being used or established in Arizona, Florida, Mississippi, Nevada and Tennessee.

Arizona has the oldest ESA program, which Bedrick used as an example. In that state, he said,

See "Special Needs," Page 10

The Politics of Speed Limits

BY ANNE SCHIEBER

With a high number of drivers exceeding the posted speed limits on Michigan interstates and rural highways, one has to wonder why anyone would oppose legalizing higher speeds. For insight, look no further than the five hours of testimony before the House Transportation and Infrastructure Committee on House Bills 4423 to 4427 given on Sept. 29, Oct. 6 and Oct. 13. The bills modify speed limits on roads to reflect what is known as the 85th percentile, or the speed not exceeded by 85 percent of drivers.

Those speaking out against the bills include members of the Michigan State Police, the

See "Speed Limits," Page 15

Traverse City Homeless 'Bill of Rights' Could Turn Public Facilities into Impromptu Shelters

BY ANNE SCHIEBER AND JACK MCHUGH

Traverse City's governing body recently passed a resolution that among other things could make it harder for libraries and other public facilities to enforce rules banning vagrants from using their facility as a place to hang out. "A Resolution Recognizing the Rights of Homeless Persons," as the document is titled, is the product of an arm of city government called the Human Rights Commission.

Commission member Patricia Nugent said, "We're trying to be proactive. The population has grown in the last few years and we don't want to see bad things start to happen."

By "bad things," Nugent means laws passed in cities around the country restricting homeless people from using public places as a shelter rather



than for their intended use. It remains unclear whether the resolution could be used to undermine rules adopted by libraries and other public facilities that want to restrict vagrants they believe dissuade regular patrons from visiting.

Jason Gillman, president of the Traverse Area District Library board of trustees, has a different take on such policies. He said: "When a person walks into our library, there isn't a label

on them that says 'homeless.' To be good stewards of public resources libraries adopt rules to protect all patrons. Empowering activists to challenge these commonsense rules based on special 'rights' granted to a particular population would not be a good idea."

Gillman also expressed concern for the rights of taxpayers who want to use the library for its intended purpose, or parents who want to bring their kids without being confronted by a spectacle.

For example, MLive has reported on a problem with heroin use at the downtown Ann Arbor public library. The library had four heroin overdoses from 2011 to 2014 and at least one drug deal was made there during that span.

The Traverse City resolution states that the homeless should

be able to "move freely in public places in the same manner as other persons without harassment or intimidation," and have equal opportunity to employment, to vote, have a "reasonable expectation of privacy," and be able to "access basic requirements necessary for sustaining life, including shelter, sanitation, medical care, clothing and food."

One provision of the resolution also raises concerns related to the First Amendment, since it appears to tell journalists what they can and cannot report. Specifically, it creates an individual "right" to "have economic status not reported in media reports." The ACLU of Michigan chose to decline to comment on the resolution.

It may be premature to focus too much on specific concerns, however, since

even the resolution's authors admit it probably has few teeth. Nugent said, "We use this document as a publicity document to create more awareness around the city that we have a homeless population and they do have rights and the commission will do some activities that will continue to keep public awareness and public education."

But she also hinted that if the resolution does not bring about the commission's goal of making the public show more respect to homeless individuals, then the city may have to create something with more regulatory power, like an anti-discrimination ordinance that authorizes fines and lawsuits. Nugent believes this is the only resolution of its kind in Michigan. ■

The original version of this story was posted online on Nov. 14, 2015. It is available with hyperlinks and more info at MichCapCon.com/21880.

DECLINES 70 PERCENT

from Page One

office for the first time since 2002, Republicans adopted reforms that, along with economic growth, have helped reduce the number of people on welfare from 154,941 (2012), to 129,185 (2013) and 89,957 (2014).

The state's major welfare assistance program is food stamps, now distributed with a debit card system. In August, the state of Michigan paid

for \$188.7 million in purchases by 1.5 million people.

By comparison, the 64,492 people on traditional welfare cash assistance received \$9.1 million from the state.

Bob Wheaton, the spokesman for the Department of Health and Human Services, attributed some of the drop to the state's improving economy. Michigan's unemployment rate was 11.2 percent in December of 2010, but only 5.0 percent this September.

The state is now enforcing a 48-month lifetime limit on cash assistance. Wheaton said the time limit was in place previously but not enforced. The state also enforced federal 60-month time limits going back to the federal and state welfare reforms of 1996.

"As the governor said at the time of the decision to enforce time limits, this was returning cash assistance to its original intent — a transitional program to help families as they work toward self-sufficiency while preserving the safety

net for families most in need," Wheaton said in an email.

He also said many cash assistance recipients have found jobs through another state program called Michigan Works. The state has also stepped up this program's fraud prevention efforts over the last past five years, Wheaton said. ■

The original version of this story was posted online on Oct. 21, 2015. It is available with hyperlinks and more info at MichCapCon.com/21835.

WORKER BULLIED

from Page Four

decided I could no longer support an organization that didn't equally support all of their members. I began to look at the UAW financial reports filed with the Labor Department and saw where our dues were going and it made me sick that I had no choice and was forced to give money to an organization and party that I do not support."

Terry Bowman is another former union member who opted out. He left UAW Local 898 and is now the president of Union Conservatives, a nonprofit that

keeps union members informed about relevant political and labor issues.

"It is definitely union bullying," Bowman said of Lemire's situation. "It is to shame those that have pulled out of the union. But it causes a hostile environment and they hope that environment will stop anyone else from leaving the union. They want a hostile environment towards those people who exercise their additional rights, freedoms and protections that come from the state's right-to-work law."

F. Vincent Vernuccio, the director of labor policy at the Mackinac Center for Public Policy, said union membership or lack thereof is personal information.



"Anyone who shares this information without permission should be as liable as someone who shares a Social Security number," Vernuccio said. "Guarding this information will help workers who exercise their right-to-

work rights from union harassment and union members from being targeted by their employers."

UAW Local 600 President Bernie Ricke didn't return a message left on his office voice mail. The union didn't return an email sent to its general account.

Most UAW members in the state can now opt out of their union. The website www.UAWOptOut.com has been set up to walk them through the process. ■

The original version of this story was posted online on Nov. 13, 2015. It is available with hyperlinks and more info at MichCapCon.com/21893.

TOO BAD

from Page Four

greater competition and lowers prices for consumers. He cited a 2009 Justice Department study that found direct distribution saves auto buyers some \$2,200 per vehicle on average.

"Vehicle manufacturers won't provide adequate levels of after-market services. So for example, a buyer who ended up with a lemon would have nowhere to go for repairs."

Crane said there is no evidence this happens in the states that allow direct sales. Manufacturers know their brand would collapse if this happened. Moreover, Michigan's current system actually causes this problem right now, because Tesla wants to invest in service centers here but is prohibited from doing so.



Dan Crane speaking about the issue at a Mackinac Center event in December.

"Fewer restrictions would lead to unsafe cars on the road."

Crane noted that current safety and quality issues at General Motors and Volkswagen are happening despite the franchise model. In any case, dealers don't make recall decisions; federal regulators do.

"Direct sales is bad for local economies and small businesses."

This is the most frequent claim, and Crane cited studies that show direct distribution creates more local jobs, not fewer. Tesla and Elio want to invest in Michigan, build service centers and hire workers — but they cannot.

"If anything, this model is sending jobs to the Buckeye State," Crane added. "This is not a story of big business versus small business; it is big business versus consumers."

He also observed that this isn't a liberal or conservative issue. There is a broad coalition supporting reform that includes free-market supporters, environmentalists, and many in between.

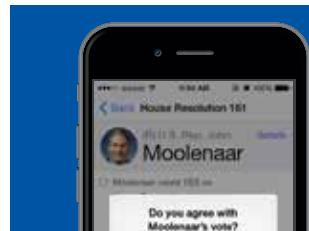
"From the Sierra Club to the Koch Brothers," Crane noted.

He said that independent studies on this issue all conclude that more market

freedom leads to better outcomes for consumers. That view is supported by a letter sent by the Federal Trade Commission last May to Michigan Sen. Darwin Booher. It said, "In our view, current provisions operate as a special protection for dealers — a protection that is likely harming both competition and consumers."

Crane concluded that while regulatory policy is complicated and controversial, "On this issue, I do not know a single economist across the political spectrum, a single law professor across the political spectrum, who believes these laws are good for consumers or the economy." ■

The original version of this story was posted online on Dec. 3, 2015. It is available with hyperlinks and more info at MichCapCon.com/21937.



VoteSpotter is a mobile app that connects you to your representatives. Get alerts when they vote, then tell them what you think. It's never been easier to make your voice heard.

Download it free at the App Store and Google Play.
VoteSpotter.com

VOTESPOTTER®

Available on the
App Store

ANDROID APP ON
Google play

Detroit Public Schools Bankruptcy Could Cost the State \$3.4 Billion

Treasury report outlines what Michigan taxpayers would be liable for

BY TOM GANTERT

The Detroit Public Schools' \$1.3 billion in pension obligations is the major roadblock to the school district filing for bankruptcy, according to a recent state of Michigan analysis.

That \$1.3 billion is how much the district must pay into the pension system from 2016 to 2031, according to Kurt Weiss, spokesman for the state Treasury department.

"Our estimates are actually quite conservative," Weiss said in an email.

Pension legacy costs for public school employees have skyrocketed statewide, not just in Detroit.

Required employer contributions to the statewide school pension system

have increased by 92 percent from 2007 to 2014, increasing from \$835 million to \$1.6 billion.

Overall, the state projects that if Detroit Public Schools filed for bankruptcy today it would enter the process with \$3.4 billion in outstanding liabilities, most of which are owed to the state.

While discussions have taken place over how to fix the troubled school district, some people ask why it just doesn't file for bankruptcy like the city of Detroit did.

"Unlike the City of Detroit, DPS would not benefit from a bankruptcy as it would predominantly shift liabilities onto other municipalities," the Oct. 27 report stated.

That's because the state is ultimately

on the hook for so much of the district's debt that a default would mean less state resources available to back the loans of other school districts and local governments.

The state's analysis broke down Detroit school debt into three categories — direct, potential direct and indirect.

"Direct" debts are those that immediately fall on the state or statewide municipalities. DPS owes \$196 million to a school loan fund, on top of its \$1.3 billion obligation to the state-run school pension fund.

"Potential direct" debts are ones for which the state could be liable depending on the details of a bankruptcy ruling. The

analysis shows \$1.5 billion in long-term bonds in this category.

"Indirect" debts would negatively affect other local and statewide market participants that in turn could default. That includes \$464 million in short-term bond/notes and another \$50 million in unpaid bills (accounts payable).

Various bailout plans are currently under discussion in Lansing as an alternative to entering federal bankruptcy court. One plan pitched by Gov. Rick Snyder comes with a \$710 million price tag. ■

The original version of this story was posted online on Nov. 23, 2015. It is available with hyperlinks and more info at MichCapCon.com/21919.

MICHIGAN GETS D-MINUS GRADE FOR FORFEITED PROPERTY PROFIT MONGERING

BY ANNE SCHIEBER

Even though Michigan took steps this year to restrict civil asset forfeiture and require more disclosure of the practice, an authority in the field says the state has not gone nearly far enough. The just-released second edition of the "Policing for Profit" report by the Institute for Justice gives Michigan a grade of D- and ranks it 44th in the nation for practices it uses under a state-federal forfeiture program.

In Michigan, civil forfeiture laws allow police agencies and sheriffs to keep 100 percent of the proceeds from items their officers seize, one item that contributed to the state's poor grade. According to Michigan State Police records, forfeitures here total \$18.8 million worth of property a year on average.

Civil asset forfeiture is getting attention because it does not require a conviction for law enforcement to keep property seized on the suspicion of a crime. The legal obstacles to challenging a forfeiture action are so high that many people just walk away from their property, judging



that the cost in fees and time doesn't justify the effort.

Moreover, when a seizure involves a suspected drug crime, the burden of proof is on the property owner to demonstrate that his property was not connected to the crime, making it even more likely that the law enforcement agency will keep what was forfeited.

In October, Michigan passed a law that significantly increases the amount of information on forfeitures that law

enforcement agencies must report, and directs the State Police to assemble the data into a statewide report. A second bill raises the burden of proof for civil forfeitures from a preponderance of evidence that property was associated with a crime to clear and convincing evidence that it was.

This last change is far short of what the Institute for Justice considers the gold standard, which is to require an actual conviction before the government

can keep the proceeds of property seizures. Short of that, IJ recommends that lawmakers tighten the standard of evidence to beyond a reasonable doubt.

In addition, Michigan still allows local police agencies to pocket forfeiture proceeds under Federal Equitable Sharing, which involves the U.S. Department of Justice in raids. Between 2000 and 2013, Michigan law enforcement agencies collected \$127.6 million from such activities. Michigan law enforcement agencies have forfeited at least \$270 million since 2001.

Recently, a federal audit of the program found that one Michigan township improperly used some its forfeiture proceeds. Plymouth Township spent the money on activities other than law enforcement, something not allowed under the federal program's rules.

The federal government tightened the rules of its sharing program, but joint task forces like multicounty drug enforcement teams can still operate under the older standards. The IJ report

See "D-Minus Grade," Page 12



Friends of Freedom FEBRUARY 3, 2016

We are pleased and honored to present Michigan Speaker of the House **Kevin Cotter** as our guest speaker for the Mackinac Center for Public Policy's Friends of Freedom event. Mr. Cotter will share his personal insights and experiences as a legislator and Speaker of the House for the 2015-2016 term.

If you have any questions or would like additional information, please contact Kim Fischer-Kinne via email at events@mackinac.org or phone at 989-698-1905.

MACKINAC CENTER
FOR PUBLIC POLICY

SPECIAL NEEDS

from Page Seven

the following students would be eligible for ESAs:

- Students (including pre-K children) with special needs.
- Students assigned to a public school that has a grade of D or F grade.
- Children who were adopted through the state foster care system.
- Children of an active duty military member or a member killed in the line of duty.
- Children living in Native American lands.
- Siblings of eligible students.

Bedrick's presentation also zeroed in on the overall issue of choice in education. Without that, he pointed out, children end up being assigned to buildings based on the home their parents can afford. Bedrick also cited studies and polling results that support the fundamental argument for

families and children to be provided with more educational options.

According to Bedrick, national polling shows that many parents aren't able to provide their children with the education they'd prefer to provide. The poll results showed that 40 percent of parents would prefer to send their children to private schools, 37 percent would prefer public schools, 11 percent prefer their children be home schooled, 10 percent prefer their children attend charter schools and 1 percent prefer virtual schools.

But what's actually occurring has little resemblance to what parents prefer. Nearly nine out of ten (87 percent) of the nation's children end up in conventional public schools, 9.2 percent go to private schools, 4.3 percent are in charter schools, and 3.1 percent are home schooled.

"Public schools are not directly accountable to parents," Bedrick said. "If parents disagree on something — let's say 60 percent want A while 40 percent want B — with the public schools, the 60 percent get what they want and the 40 percent

don't get what they want. When we're talking about our children's education, that 40 percent needs to be provided with more options."

Another portion of Bedrick's presentation focused on a study showing that the amount of money spent on education has little effect on academic outcomes. This study, which was based on data from the National Assessment of Educational Progress and the Digest of Education Statistics, revealed that nearly as many high-spending states experience relatively small gains in education outcomes as experience large gains while many lower-spending states experience comparable gains.

Bedrick's presentation also provided statistics showing that public schools are increasingly becoming top-heavy. Between 1950 and 2009, the average number of students in U.S. public schools increased by 96 percent. The average total school personnel increased 386 percent, with the average number of teachers increasing 252 percent, but the average

number of administrators and other staff increasing 702 percent.

"I appreciated the opportunity to expose the news media and others here in Michigan to some of the education options that are being used in other parts of the country," Bedrick said in an interview. "I think it was a chance to get a tremendous amount of press coverage here in Michigan."

In 2000, Proposal 1 would have changed the state constitution to allow education vouchers that could have been used for nonpublic education. That proposal was defeated soundly by the voters on a nearly 70-30 margin.

"A lot of water has gone under the bridge since 2000," Kelly said. "I think in the area of education options we're falling behind the times and I suggest Michigan should avail itself of these kinds of reforms." ■

The original version of this story was posted online on Nov. 21, 2015. It is available with hyperlinks and more info at MichCapCon.com/21917.

ENERGY MONOPOLY

from Page Six

Second, Kuipers said, the legislation would not allow customers who leave the electric choice program to return to it for 20 years. Proponents of competition argue that if the big utilities don't want customers to seek alternative suppliers, the best way to do that is provide service for lower costs. Between 2000 and 2008, when Michigan had complete electric choice, the state's electricity rates were among the lowest in the region. After competition was limited to just 10 percent of the market in 2008, however, the rates began trending upward. Now Michigan has the highest rates in the region.

The third mechanism by which HB 4298 would affect electric choice, Kuipers said, would be through creating an artificial energy crisis. This refers to language in the bill that would allow the state to end electric choice if it determined that an energy shortfall was pending.

"The MPSC is not in the business of predicting shortfalls," Chappelle said.

Finally, the proposed law, Kuipers said, would force alternative energy suppliers to purchase unneeded capacity. In conjunction with this, his group argues that the bill includes a slew of regulatory barriers and triggers that would endanger choice.

"No other state that has electric choice has anything like this," Kuipers said. "For some alternative energy suppliers this won't make it difficult to operate — it will make it impossible. If one of the other states where

Detroit Edison and Consumers Energy sell electricity tried to pass legislation like this, they'd both be down there fighting it."

Chappelle also said that she believes aspects of the legislation are probably unconstitutional because they treat suppliers that don't generate their electricity in Michigan differently than suppliers that do. In other words, it would violate the commerce clause of the U.S. Constitution. But she acknowledged that challenging the legislation in court on these grounds would likely be expensive and time-consuming.

"You know how that works," she said. "One side lines up its attorneys and other side lines up their attorneys."

According to Ray Telman, secretary-treasurer of the Michigan Schools Energy Cooperative, which also opposes House Bill 4298, Michigan schools have saved more than \$100 million due to energy competition.

"In 2013 and 2014 they saved roughly \$15 million each year," Telman said. "And it would be more if not for the [10 percent] cap. One hundred of the 110 [legislative] House districts have school districts that save money through electric choice. Of those, 84 have saved more than \$1 million."

The Legislature is currently on Thanksgiving break and Nesbitt could not be reached for comment. ■

The original version of this story was posted online on Nov. 27, 2015. It is available with hyperlinks and more info at MichCapCon.com/21922.

DOUBLE-DIGIT RAISES

from Page One

While the yearly fluctuations can lead to pay cuts and pay raises, the trend has been one of significant increases for the top executives.

Steve Cook's salary has increased since he became president but is still about \$24,000 short of what his predecessor made in 2011. Former MEA President Iris Salters made \$235,447 in her final full year as president. Cook's salary as vice president was \$206,106 in 2010 and that was cut to \$196,594 in 2011. Cook had his salary reduced to \$182,154 in 2012 in his first full year as president and then it has increased three consecutive years.

Jim Perialas, president of Roscommon Teachers Association, said the teachers

he has talked to around his part of the state are not getting much of a raise, if any at all.

"It's the same thing I've always felt over the last 20 years: They are out of touch," Perialas said about the MEA executives. "They are extremely out of touch with what is going on with the rank-and-file in the union. Nobody in the rank-and-file will call them out on it. It's a money grab." The Roscommon teachers union left the MEA in 2012 and now operates as an independent union.

The MEA didn't respond to emails about their salary increases. ■

The original version of this story was posted online on Dec. 7, 2015. It is available with hyperlinks and more info at MichCapCon.com/21947.

FIND US ON
facebook





We Can Have a Clean Environment and Good Paying Jobs

BY THOMAS M. DORAN

Fervent environmentalists and fervent free-market advocates can be mortal enemies, at least in a political and ideological sense. To the environmentalists, free markets are not adequately regulated, and are responsible for climate change, the extinction of species, deforestation and a lot of other bad things. To free-market supporters, environmental initiatives kill jobs, innovation and individual liberty.

Is there a middle way? Here are some ideas that might be a bridge between those concerned about the environment and those who believe that free markets are necessary and a net benefit to society.

First, those who support free markets ought to embrace the concept that

fair competition means that all costs associated with a product are reflected in its price. If I operate a banana cream pie factory in my backyard and throw the banana peels over the fence into my neighbor's yard, I'm violating my neighbor's property rights, an essential ingredient to well-functioning markets.

So, why don't more free-market supporters encourage businesses to assume the air, water, and land cleanup costs associated with their activities, rather than having these costs borne by taxpayers or some other third party? Isn't this the inverse of free-market advocates' gripe with corporate welfare schemes, where we indirectly and unfairly subsidize select industries by permitting them to pass some costs on to others?

Second, environmentalists should "Think Globally," as the saying goes. After all, our impact on the environment doesn't obey artificial political boundaries. For instance, I recently read that Russia, a country rife with environmental disasters, is poised to build an almost 700-mile long gas pipeline to Pakistan. Meanwhile, environmentalists are adamantly fighting the Keystone Pipeline here in the states. But we could build 10 Keystone Pipelines with less global environmental impact than this Russian-Pakistani project, which will almost certainly be constructed and operated with few environmental safeguards. Taking a global perspective, there should be 10 times the outrage about the Russian-Pakistani pipeline compared to the Keystone.

In the same vein, there's a lot of speculation that more and more cars will be built in China. With story after story of environmental shortcuts and disasters in that country, including a recent massive chemical explosion, it's safe to say we could build 10 cars in America with less global impact than building one in China. Take a behind-the-scenes tour of Russia, China, Venezuela, or Saudi Arabia — all top-down, anti-free-market societies — and you'll get an eyeful. So, why wouldn't environmentalists help promote policies that keep America competitive with these nations and allow us to manufacture products and transport energy right here, in our imperfect but exponentially better-regulated markets and environment?

See "Clean Environment," Page 12

Hillary Has It Wrong: Low Income City Doesn't Mean Low Income Schools

BY TOM GANTERT

Democratic presidential candidate Hillary Clinton recently said in an interview that politicians don't fund schools in poor areas.

Clinton said, "But I am also fully aware that there are a lot of substandard public schools. But part of the reason for that is that policymakers and local politicians will not fund schools in poor areas that take care of poor children to the level that they need to be."

In Michigan, urban school districts often get considerably more federal money than other districts, largely due to special funding targeted at them. For

example, the average school district here received \$513 per pupil from federal sources, according to the Michigan Department of Education. Benton Harbor, however, received \$2,014 per pupil from the feds in 2013-14, the most recent year data are available.

Other Michigan districts serving low-income students had similar federal funding advantages: Flint received \$3,194 per student from the feds, Detroit received \$3,251 per student and Saginaw received \$1,487, compared to the \$513 per student state average.

This extra funding allowed districts with a large proportion of low-income

residents to have more money per pupil than other districts.

At the Benton Harbor school district, 48.4 percent of the population is living below the poverty level, according to the U.S. Census Bureau. The state average is 16.8 percent. Benton Harbor Area Schools received \$11,607 per pupil from all sources in the 2013-14 school year, including local, state and federal money. That was 27 percent more than the average for all public schools in Michigan, which was \$9,121 per pupil.

In the Flint school district, 41.5 percent of residents live below the poverty level,

and it received \$13,127 per pupil in funding, which is 44 percent higher than the statewide public school average.

Detroit had 39.3 percent of its residents living below the poverty level, and its schools received \$12,931 per pupil, or 42 percent higher than average.

In Saginaw, 37.3 percent of the population is below the poverty level and the schools received \$10,180 per pupil, or 12 percent higher than the statewide average. ■

The original version of this story was posted online on Nov. 10, 2015. It is available with hyperlinks and more info at MichCapCon.com/21882.

Two Cities, One Finance Director — For Over \$200,000

TOM GANTERT

A Novi-based news site has discovered that two cities in southeast Michigan are paying the same man to be their full-time finance directors, and as a result, he is collecting two salaries that come to \$205,000 a year.

Novi.org reported that the city of Novi's finance director Carl Johnson is also collecting a salary to be the full-time finance director for the city of Oak Park.

Novi hired Johnson in January 2014. Before that, he was a partner at the accounting firm Plante Moran, PLLC.

Novi City Manager Pete Auger says he is aware that Johnson is also a full-time director at Oak Park and thinks he can do both jobs.

Oak Park City Manager Erik Tungate said he was aware of Johnson's position with Novi when Johnson was hired in July 2015.

"I have the utmost faith, and Carl has thus far proven, that he can fulfill the job requirements I have set forth for finance director for the city of Oak Park," Tungate said in an email. "In addition, given Carl's previous status as a partner at Plante & Moran handling several jurisdictions'

finance departments, I consider it a benefit for us to have him focused almost entirely on ours. ... If his status changes, or his performance becomes an issue, he is aware that I will track in a new direction."

Tungate added: "We are a very financially stable community with a cumulative general fund balance ranging near 15 percent. During my three years as city manager, I have reformed this local government from top to bottom. I have also hired a good number of department heads who are top performers. Carl is no exception."

Novi.org reported that Johnson makes

\$90,000 a year at Oak Park and \$115,000 a year at Novi.

"It makes me wonder if both cities really need a full-time salaried director," said Leon Drolet, chair of the Michigan Taxpayers Alliance. "One would think that two cities that share a manager would coordinate and share the costs."

Johnson didn't respond to an email seeking comment. ■

The original version of this story was posted online on Nov. 11, 2015. It is available with hyperlinks and more info at MichCapCon.com/21886.

MANDATE COSTS

from Page One

estimated 24,369 jobs have been lost in Michigan because of the mandate, which is in effect a mandate for wind energy.

The study concluded: “Our analysis of the legal rules surrounding RPS in Michigan suggests that the regulatory climate is burdensome for both utilities and bureaucracies, making RPS an even worse venture for taxpayers than the tax-based or empirical analyses suggest.”

In October, Michigan Capitol Confidential conducted a telephone interview with Utah State University professor Ryan Yonk, one of the investigators who contributed to the study. Some excerpts:

CapCon: What’s the best way to explain how an RPS causes increased costs?

Yonk: An RPS is an example of picking one policy track and going down it. When you do that, you lose the

opportunity for lower direct costs on electric rates and investment opportunities because investments are influenced and rearranged by the decisions of central planners instead of the market.

CapCon: When we say RPS, what we’re mostly talking about is wind energy, right?

Yonk: The majority of it is wind. Second would be solar, but the bulk of it is wind. Most states set their RPSs on wind.

CapCon: In Michigan, even though we have a 10 percent wind power mandate, the law did not require that emissions be monitored to see how much emissions are actually being reduced or if emissions are being reduced at all. Is that the way it was done in most other states that set wind power mandates?

Yonk: I can’t speak to that because I’ve never looked into it. What I can say is that very often the benefit claims for

these tend to be esoteric; that is to say, they’re all about what’s supposed to happen in the future while disregarding what the effects are now.

CapCon: According to the study, as of 2013 Michigan’s RPS had resulted in a loss of 24,369 jobs in the state. How was that measured?

Yonk: It doesn’t mean that there were 24,369 jobs that just went away. It’s the additional number of jobs that would have been created had the RPS not been enacted. An advantage of the macroeconomic model we use is that it can be applied to multiple states to measure the impact of an RPS on costs, real income and unemployment.

CapCon: Did you notice any elements of Michigan’s RPS or the way it is implemented or regulated that are unique?

Yonk: Not particularly, other than that it’s more rigid in Michigan than in some other states because in Michigan you have a mandate as opposed to some

states that only have goals. As a result, it is more of a regulatory burden.

The study was conducted by the Institute of Political Economy at Utah State University, using a model that applies state-specific data and characteristics to the long-term cumulative effects of an RPS policy. These effects include:

- State electricity sales: -13.075 percent.
- Real personal income: -3.6 percent.
- Nonfarm employment: -2.8 percent.
- Manufacturing employment: -3.7 percent.
- Unemployment rate: +9.6 percent.

All figures are measurements of the difference between the status quo and what the state would have experienced without the mandate. ■

The original version of this story was posted online on Oct. 2, 2015. It is available with hyperlinks and more info at MichCapCon.com/21783.

D-MINUS GRADE

from Page Nine

finds that 97 percent of the equitable sharing proceeds in Michigan involve joint task forces and concludes that the latest federal rules will have little effect in Michigan.

IJ says the federal government’s program also deserves a D-, along with Michigan law. Federal forfeitures have exploded in the past 14 years, soaring from less than \$500 million in 2001 to \$5 billion in 2014.

“Research has shown that the financial incentives baked into civil forfeiture laws influence law enforcement behavior,” said Dick M. Carpenter II, an IJ research

director and one of the authors of the report. “When laws make taking property relatively easy and lucrative for law enforcement, it should be no surprise to see agencies take advantage.”

The Institute of Justice is a public interest law firm that litigates forfeiture cases and promotes reforms nationwide. Only six states received grades of B or

better in its report. New Mexico ranked at the top with an A-. Massachusetts and North Dakota were at the bottom of the list. Both received an F. ■

The original version of this story was posted online on Nov. 12, 2015. It is available with hyperlinks and more info at MichCapCon.com/21889.

CLEAN ENVIRONMENT

from Page Eleven

Third, while technology isn’t a substitute for good policy or ethical decisions, advances in science and engineering have enabled us to do things we couldn’t do a generation or two ago, or at the least, do only at a much greater expense. So, why wouldn’t both environmentalists and free-market advocates support prudent research and experimentation to promote

cleaner energy production and better, cheaper environmental technologies? Most technology breakthroughs come from companies trying to get a competitive advantage in the marketplace, but some also come from government-funded scientific research, when properly vetted.

I realize that what constitutes economic liberty, reasonable environmental practices and prudent experimentation is the rub — the difference between holding companies accountable on the one hand and

regulating them out of existence on the other. But for those who think compromise is a four-letter word, I’d refer them to George Washington, who spent his whole public life making compromises, and whose balancing of the Federalists (the Alexander Hamilton-types) and the Republicans (the Thomas Jefferson-types) kept America from another bloody revolution. Washington was better than non-compromisers like France’s Robespierre and Marat, who cut off their opponents’ heads, or drove

them (like Lafayette) out of the country, to France’s ruin.

We need both a clean environment and a free market. Yes, we can have both, and I believe Washington would concur (George, that is). For all our bickering and shouting, America is still closer to achieving this balance than anyone else. ■

The original version of this story was posted online on Oct. 5, 2015. It is available with hyperlinks and more info at MichCapCon.com/21758.

Spring Forward, Fall Back? Bills Would End Daylight Saving in Michigan

BY JACK SPENCER

A pair of state lawmakers claim that daylight saving time hasn't produced the benefits anticipated when Michigan adopted it 42 years ago, and isn't worth the problems it causes. But any attempt to rearrange Michiganders' time schedules has potential consequences and faces political hurdles.

The modern use of daylight saving time, the practice of advancing clocks during summer months by one hour, was proposed in New Zealand in 1895. Several countries, including the United States, adopted the idea as a way to save energy during World War I. It has been used at other times, including during the oil embargo of the 1970s when, once again, it was considered as a way to save energy. Michigan adopted the practice in 1973 and has stuck with it ever since.

In March of this year, Rep. Jeff Irwin, D-Ann Arbor, introduced House Bill 4342, to get rid of DST and place the state on Eastern Standard Time year-round. Last week Rep. Peter Lucido, R-Shelby Township, introduced House Bill 4986 to do the same thing. Lucido says he is open to tweaking his bill to give some Upper Peninsula counties more flexibility. (Four U.P. counties that border Wisconsin are on Central Standard Time.)

"Daylight saving time hasn't done what it was supposed to do, which was save energy as a result of needing to have less lights on," Lucido said. "Empirical studies have shown that it hasn't been effective in achieving that. Meanwhile, modern computers, servers and other electronic devices that people rely on — including automobile clocks — don't always make

smooth adjustments to the twice-a-year time changes."

"There is also the physiological effect the time switches have on people," Lucido continued. "As a business owner I've seen the negative impacts the time changes can have. People are tired, tardy more often, don't function as well and even suffer ill effects immediately after the changes."

Some players in the tourism industry oppose the change, however, arguing that losing an hour of light on summer evenings would significantly hurt their businesses.

"This would be an industry killer for golf courses," said Kate M. Moore, executive director of the Michigan Golf Course Owners Association. "Golf courses rely heavily on golf leagues and most leagues are primarily supported by



people who work in the day. The average round takes two and a half hours and without daylight saving time, operating golf leagues would be very difficult. This legislation would jeopardize about 50 percent of those businesses' revenues."

See "Daylight Saving," Page 14

FORtheRECORD

Revenue From State to Cities is Increasing

In a recent editorial arguing that the state does not give cities enough of its tax revenue, Detroit Free Press columnist Stephen Henderson wrote that Lansing is "shorting" the revenue collected from sales tax that is shared with cities, villages and townships.

"Yes, state government has balanced its own books by shorting revenue to cities, but the consequence is more municipal governments in financial distress, and more necessary state intervention that is both costly and less effective than properly funding cities on the front end," Henderson wrote.



ForTheRecord says:

The amount of revenue-sharing money the state gives local governments has increased in each of the past six years, from \$994,196,100 in FY 2010 to \$1,252,406,100 in FY 2016, according to the Senate Fiscal Agency.

Job Makers: Sewing Beats Subsidized Solar in Snowy Michigan

The Capital News Service, part of the Michigan State University online news network, ran a recent story on solar energy. It quotes John Sarver, the president of the Great Lakes Renewable Energy Association, on the number of jobs in the solar industry.

Michigan has 2,100 workers in the solar industry, including manufacturers, installers, sales people and others, Sarver said.

"It's a significant number and it's growing," he said.

The story followed this by saying the size and growth of the industry in Michigan is comparable to what's happening in most states in the Great Lakes region.



ForTheRecord says:

There were 3,380 sewing machine operators in Michigan as of May 2014, according to the U.S. Bureau of Labor Statistics. Why not report stories about a homegrown occupation that employs more people, with no multimillion-dollar taxpayer subsidies?

There is No Teacher Shortage

Over the past year there has been a steady stream of claims of a looming "teacher shortage" coming from voices in the public school establishment that Michigan. Generally these are associated with false claims of lower state funding and falling teacher pay rates.

Among those repeating the teacher shortage claim is State Superintendent Brian Whiston. Many union and school officials who appear to reading from similar "war on teachers" play books assert that the mythical attacks are dissuading many who might otherwise choose to enter the profession.



ForTheRecord says:

There were 97,288 teachers in the state of Michigan in 2014-15. From 2000 to 2014, 34,689 individuals granted an education degree from a Michigan college passed a government certification test that allows them to teach. If there is an impending shortage, the many state colleges churning out teaching candidates apparently never got the memo.



MEDC's Magic Act: Make Taxpayer Money Disappear With Little Return

BY JACK SPENCER

Magicians distract the audience's attention from what really takes place on the stage. In a similar fashion, the Michigan Economic Development Corporation fosters an illusion that its accomplishments are substantive when they are primarily hokum. One would think at some point those who should know better, especially members of the news media, would figure this out.

What is written here is not about the debate over whether MEDC should be eliminated. Chances of that happening seem so remote that discussing it is little more than an academic exercise. The purpose here is to probe beneath its facade and encourage recognition of what MEDC actually is.

As the state's corporate welfare arm, MEDC is supposedly tasked with enhancing Michigan's economy. In reality, MEDC is an advertising and promotional agency supported by public dollars. Its primary function is to use corporate welfare to make government officials look good. Anything of real value it contributes to the economy — if it adds anything of value at all — would be a relatively minuscule byproduct.

MEDC spends the public's money, in one form or another, to entice or encourage businesses to either locate or start-up in the state or convince

already existing businesses not to move elsewhere. The shiny gold-tinted carrot it dangles before the eyes of the public and news media is the promise of jobs. Based on state audits, the actual number of jobs created by MEDC runs about 19 percent of what it has claimed.

To be fair, much of those abysmal audit figures reflect jobs claims from the days of former Gov. Jennifer Granholm. During that era, MEDC press releases proclaimed sky-high job creation figures even the news media stopped taking seriously. Of course, as the audits later showed, the press releases were indeed fairy tales.

"It's not like that anymore," supporters of MEDC now insist. "Stop bringing up the past."

Gov. Rick Snyder has significantly reined in MEDC's excesses. So let's concede that MEDC may not be "as bad" as it once was. Nonetheless, it remains what it has always been — an entity long on public relations and very short on solid economic benefit. A pretty accurate MEDC mission statement would read: to make government officials and the agency itself look good and the public — at least temporarily — feel good." This is the stuff of image, within which the artificial is transcendent. Incidentally, that's precisely why it is so unlikely that government and politicians would ever agree to get rid of MEDC.

Obviously, the fact that a business is opening in an area, or has decided not to leave, is good news locally whether MEDC has had anything to do with it. And most of the time it doesn't.

Each quarter there are roughly 200,000 jobs created in Michigan and about 200,000 jobs lost. If more are created than lost, then the state has experienced a net job gain; if the number lost is greater than the amount created, it experiences a net job loss. Pointing out that headlines and press releases do not accompany the vast majority of those approximately 200,000 jobs created each quarter in Michigan hardly seems necessary.

Though virtually insignificant in the context of the roughly 400,000 jobs created and lost statewide each year, when an MEDC project is involved the number of jobs created — or projected to be created — is ballyhooed far and wide. These jobs arrive with MEDC as a built-in press agent to assure the news media is made aware of them and that local and state officials are on hand to lap up the inevitable positive press coverage.

Typically, the job creation numbers projected for MEDC projects can run anywhere from less than 50 to a few hundred. Clearly amid a Michigan economy in which 400,000 jobs are turned over (created and lost) annually, the MEDC projects are like a few piles

of sand being tossed on the Sleeping Bear sand dunes. Well, in point of fact they aren't even that important. This is because significant portions of MEDC-created jobs are like sand that never settles on the dunes and is relatively quickly blown away by the wind.

Here is the classic "vanishing lady" trick in MEDC's magic act. Proclaiming a project has produced X-number of jobs is closely akin to an advertising stunt. That's because the number of jobs created has meaning only when they are tracked to establish how long they were sustained. There is a huge difference between X-number of jobs being created that last two or three months and those created that last three to four years, or longer. MEDC wasn't designed to publicly chart its projects' success rate in terms of jobs created and sustained — and you can bet your woolly winter socks that was no accident.

If MEDC publicly tracked the jobs its projects produce in a manner focused on sustained jobs, instead of the superficial classification of "jobs created," then the agency would be a very different creature. Can there be any doubt that MEDC would keep score in this fashion if it believed the results would produce positive publicity? Of course not. MEDC officials know doing so would reveal facts about their projects they'd prefer remain obscured. Therein lays the proof of what MEDC actually is. ■

The original version of this story was posted online on Nov. 5, 2015. It is available with hyperlinks and more info at MichCapCon.com/21871.

DAYLIGHT SAVING

from Page Thirteen

Lucido and Irwin said they wouldn't be opposed to moving in the opposite direction of what their bills would do by using daylight saving time year-round. In essence, that would be putting Michigan on Central time.

"The problem comes with having to make the twice-a-year time changes," Lucido said. "I'm OK with switching over to the daylight saving time hours all of the time. The issue is about making it consistent — it's the changing that causes the problems."

Irwin concurred.

"There are a lot of people who support making a change," Irwin said. "It is well-documented that road and workplace accidents increase following the spring time switch and making that change each year actually has negative health impacts, including an increase in heart attacks."

"But if the problem is a negative effect on the tourism industry, then, yes we could just change over to having the same hours we now have with daylight saving time all year," Irwin continued. "The problems come when we have to keep changing the clocks. It's a question of getting on one schedule and staying on it."

Lucido also said, if possible, he'd like to see a time change take place in a manner that would allow polls to close throughout the state at the same time on election nights. In the four counties that are on Central time, polls in those counties close an hour later than the others in Michigan.

Sen. Tom Casperson, R-Escanaba, represents the four counties that are currently on Central time. "The people I've talked with in my district have basically said leave it alone," he said.

Casperson also pointed to the tourism industry's concerns and added some additional ones.

"I seem to recall there being issues about kids having to go to school in the

morning when it would still be dark out if we stayed on the daylight saving time schedule all year long," Casperson said.

Irwin said he doesn't believe that requiring children to go to school in darkness is an insurmountable issue.

"Look, it's always cold and dark on winter mornings regardless of what we do," Irwin said. "If that was the only obstacle I believe we could find ways to make accommodations to avoid the problem." ■

The original version of this story was posted online on Oct. 23, 2015. It is available with hyperlinks and more info at MichCapCon.com/21841.

Michigan Moves to Ban Red Light Ticket Cameras

BY ANNE SCHIEBER

While the debate over road funding has been a prominent story in news outlets lately, few people have noticed that cameras on highways and at traffic lights could be a way for governments to take in more money from motorists. While governments may financially benefit from the cameras, the companies that lease them to governments lobby heavily for their use.

But now a bill in the Michigan Legislature seeks to clarify the state's position on traffic cameras.

Senate Bill 593, introduced by State Sen. Mike Shirkey, R-Clarklake, bans the use of unmanned traffic monitoring devices to detect or enforce violations related to speed limits, traffic signs, signals, markings and high-occupancy vehicle lanes.

"I think sometime next year we might just want to officially

put a fork in those options and move on. The recent scandals that took place in other states show the true nature of some of these programs, and Michigan drivers have always, thankfully, valued freedom and we've avoided the added stress that cameras and their inaccurate ticketing can present," said Shirkey.

So far, efforts in Michigan to use cameras for traffic-law enforcement have been stymied. In 2007, then-Attorney General Michael Cox declared that most tickets from cameras would be invalid. He said that railroad crossings are the only places where tickets-by-camera are allowed under state law.

According to the Governors Highway Safety Association, 12 states have a speed-enforcement camera in at least one location, while 24 states have at least one operating red-light camera. There



have recently been discussions in a congressional committee to deploy cameras in schools zones under a federal highway program.

The only thing stopping the use of cameras (beyond railroad crossings) in Michigan is the attorney general's opinion, but efforts to install them persist.

In addition to codifying the past opinions from the attorney general's office on traffic cameras, Shirkey's bill prohibits the Michigan secretary of state from

adding points to a driver's license based on violations caught on cameras in other states.

The secretary of state's office cannot say how many points have been issued over the years from violations attributed to out-of-state traffic cameras. States share information on moving violations through the National Driver Register as well as the Commercial Driver's License Information Service. Michigan law requires out-of-state violations to be recorded on license records using Michigan's point system.

"We don't normally know the details of a ticket, only that the person received the ticket. If someone gets a ticket for running a red light, we would record the violation on the person's driving record regardless of whether the ticket came from a camera or a police officer sitting in a squad car," said Fred Woodhams,

spokesman for the Michigan secretary of state.

Under the bill, it is conceivable that an out-of-state ticket would not generate points if the motorist could present evidence that it was generated by a traffic camera.

Points can be costly to motorists since insurance companies often impose surcharges for up to three years after they are levied. In some instances, though, drivers can avoid having points added to their licenses if they take a state-approved safety class. The price of a class varies by sponsor, but can reach a maximum of \$100. In the 2013-14 fiscal year, the secretary of state offered the opportunity to 272,070 motorists, and 72,507 completed a course. ■

The original version of this story was posted online on Nov. 7, 2015. It is available with hyperlinks and more info at MichCapCon.com/21875.

SPEED LIMITS

from Page Seven

auto insurance industry, the nonmotorized transportation lobby, the Michigan Municipal League and the Michigan Department of Transportation. Each of these groups has a strong vested interest not to see speed limits increase. By listening to their comments, you can judge for yourself if safety is the number one reason on their minds.

First, some background: Speed studies by the Michigan Department of Transportation and the Michigan State Police on sections of Interstates 94, 96, 69 and 75 show that speeds of 76 to 81 mph are the norm (the 85th percentile, as it is known in traffic engineering). On I-96 near Milford, for example, 85 percent of drivers exceed the speed limit. All of those drivers could potentially get a ticket, and many do. Police patrols can pull over virtually anyone at their own discretion.

When people drive faster, the conventional wisdom has

been that the roads are less safe. Crash data, however, does not support this. According to the state police, though more cars are on the roads, total crashes fell in 2014 to 298,699 from 373,028 in 2004.

The Michigan State Police and Michigan Department of Transportation said they were taking a neutral stand on increasing limits, but their testimony suggests otherwise. For example, a researcher who said he was not speaking for MDOT but whose testimony was based on research MDOT paid for, told the panel we shouldn't broadly raise limits. He testified that higher speeds would increase the severity of crashes, cause people to drive faster or jeopardize federal road funding, though his own research did not strongly support these conclusions. He suggested raising limits on certain candidate locations, considering things like favorable roadway geometry. Drivers assess roadway geometry all the time and slow down accordingly. Few would attempt hairpin curves at a 70 mph clip.

Likewise, representatives from the Michigan State Police testified that limits should not be increased, saying there is an epidemic of distracted driving. Examples included familiar horror stories such as "balancing a checkbook while steering" or "driving with knees while eating." They didn't say these things actually happened or led to crashes. MSP cited an increase in distracted driving tickets as evidence of less attentive driving, but that demonstrates nothing more than police writing more tickets for a particular offense. Ten years ago, MSP led the charge in getting speed limits to reflect actual driving behavior, so this about-face is a wonder.

Or is it? MSP would need fewer patrols to write speeding tickets, making arguments for higher budgets less convincing. There would be one less reason for patrols to pull cars over, which could result in fewer opportunities to seize property and cash through civil asset forfeiture.

MDOT testified that raising limits on roads would cost

time and money. True, but what the agency is proposing — micromanaging speed limits with exhaustive studies — could be even more costly.

With fewer tickets, insurance companies would have less reason to levy surcharges for drivers with points on their licenses. It is almost impossible to calculate how many millions of dollars this costs Michigan drivers each year in addition to ticket fines. Premium-setting based on license points is a murky science to the outsider. Michigan drivers can't even see how many points they have on their license — one of the criteria for setting premiums — without paying the Secretary of State \$10.

Municipalities would have less money for themselves and their courts with higher limits. Most speed ticket revenue goes to the state library fund, but some cities and townships get around this safeguard by pleading speeding tickets down to zero-point local ordinance violations that can sometimes cost double the price of a speed ticket. Municipalities can then keep the entire fine

amount for themselves. HB 4426 essentially eliminates points on tickets for going 5 mph or less over the limit, making it harder for local prosecutors to deal points.

But opposition to the bills was not universal.

"These bills will virtually eliminate artificially low speed limits on main roads which facilitate speed traps for revenue," testified Jim Walker of the National Motorists Association.

He said higher limits would allow police patrols to focus on the truly egregious speeders and help restore respect for traffic laws.

"Most rational people know that artificially low limits which arbitrarily define 50 to 70 or 90 percent of the safe drivers as violators are not about safety," said Walker.

"Enforcement for profits is always wrong." ■

The original version of this story was posted online on Oct. 22, 2015. It is available with hyperlinks and more info at MichCapCon.com/21838.

IT'S JUST A BILL

Michigan✓**votes.org**

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

Senate Bill 616

**Exempt “internet data center”
companies from most sales tax**

Introduced by Sen. Tonya Schuitmaker (R)

To exempt from sales tax the purchases of most business equipment made by internet data centers. The bill originally applied only to the developers of proposed data center in the vacant “Pyramid” building near Grand Rapids, but was expanded to all companies in this particular business. For the next 15 years these firms would only have to pay 2 percent sales tax on most equipment and construction materials, rather than the full 6 percent paid by others.

Senate Bill 556

**Extend “commercial rehab”
tax breaks for developers**

Introduced by Sen. Kenneth Horn (R)

To extend for another five years a “commercial rehabilitation act” that authorizes property tax breaks for owners of commercial property selected by local government officials. The law was originally created with the developer of a moribund Oakland County mall in mind, and has been used to give these indirect subsidies to other developers as well.

Senate Bill 279

**Ban public school/union
pension spiking scheme**

Introduced by Sen. Marty Knollenberg (R)

To prohibit public school districts from adopting arrangements in which a school employee goes to work full time for a teachers union but remains a school employee for purposes of collecting a government pension. Recent news reports have exposed how the recent presidents of the state’s largest teachers union were paid by the union but remained school employees “on leave” for many years, thereby “spiking” their government pension payouts to six-figure.

Senate Bill 492

**“Push back” against Obama NLRB
franchise unionization rule**

Introduced by Sen. Jack Brandenburg (R)

To establish that the owner of a local business franchise is the sole employer of its employees, rather than being a “joint employer” alongside the franchisor, with some specified exceptions. The bill was introduced after President Obama’s appointees on the National Labor Relations Board ruled that all franchise employees are actually employed by the franchiser for purposes of union organizing. This would mean that employees at local stores franchised by a national chain (like McDonald’s) could be unionized on a nationwide basis.

House Bill 4095

**Authorize \$51 million for college
& university building projects**

Introduced by Rep. Al Pscholka (R)

To authorize \$51.3 million in new government spending for several state college and university construction projects. The bill would cause the state to increase its own debt burden by \$33.1 million.

Senate Bill 280

**Ban schools and governments paying
union officials to do union work**

Introduced by Sen. Marty Knollenberg (R)

To prohibit the state and local governments, including public schools, from carrying union officials on their payroll for doing union work, on either a full time or part time basis. Under these so-called “release time” arrangements many public school districts pay a local union official a teacher’s salary to do union work on school time.

Senate Bill 13

Eliminate straight ticket ballot option

Introduced by Sen. Marty Knollenberg (R)

To eliminate the straight party ticket option from election ballots.