



Lawsuit Filed To Protect Teachers' Rights

Mackinac Center Legal Foundation files on behalf of three Taylor school district teachers who disagree with 10-year clause that forces them to pay dues or fees to keep job

BY TOM GANTERT

Three Taylor Public School teachers sued the union that represents them, the school board and the school administration over an agreement that forces them to pay dues or fees to the union for 10 years or be fired for not doing so.

Special education teacher Angela Steffke, special education teacher Nancy Rhatigan and English teacher Rebecca Metz are being represented by the Mackinac Center Legal Foundation in a lawsuit charging that the 10-year

“union security agreement” that expires in 2023 and signed by the Taylor Federation of Teachers Local 1085 and the school district is illegal. The agreement prevents union members from exercising the right to leave the union without paying fees or dues as allowed under Michigan’s recently passed right-to-work law.

The decade-long extended payment requirement is outside the five-year contract the school board and union reached, which is

See “Teachers’ Rights,” Page 8



Special education teacher Angela Steffke (r), English teacher Rebecca Metz (c) and special education teacher Nancy Rhatigan are being represented by the Mackinac Center Legal Foundation in a lawsuit charging that the 10-year “union security agreement” that expires in 2023 and signed by the Taylor Federation of Teachers Local 1085 and the school district is illegal.

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A sampling of proposed state laws



Union Will Use ‘Any Legal Means’ To Combat Members Who Want To Leave

BY TOM GANTERT

Michigan Education Association President Steve Cook said his union will use “any legal means at our disposal” to combat members who want to leave the union.

Cook made his statement in a letter he sent to MEA local presidents, board members and staff. MEA Spokesman Doug Pratt didn’t respond to a request for comment.

The MEA said if members want to resign, they have to do so in August, “and only August,” Cook wrote.

“We are sticking to that,” Cook wrote. “Members who indicate they wish to resign membership in March, or whenever, will be told they can only do so in August.” he wrote, adding that the union will

take legal action against members or fee payers who chose not to pay their dues/service fees.

Patrick Wright, senior legal analyst for the Mackinac Center for Public Policy, said there is a Michigan Employment Relations Commission ruling that supports the MEA’s hardline stance.

“I don’t think it makes a ton of sense,” Wright said. “The union’s administrative concerns shouldn’t trump people’s freedoms.”

Two former public school teachers’ union presidents questioned how the MEA was handling the “August only” resignation window.

“I don’t like it,” Dusty Fairfield, a former Ravenna teachers’ union president, said in an email. “First

See “Any Legal Means,” Page 8

THREE CHEERS FOR HOUSE DEMOCRATS

BY MICHAEL D. LAFAYE

House Democrats in Lansing recently called on the Michigan Economic Development Corp. to be more transparent and accountable in a press release, saying the organization is “notoriously secretive.”

The latest salvo against the MEDC was inspired, at least in part, by the organization’s use of state money to buy an advertisement under the “Pure Michigan” label that featured Michigan’s new right-to-work legislation.

This is not the first time Democrats in Lansing have complained about the lack of transparency at Michigan’s

See “Three Cheers,” Page 8

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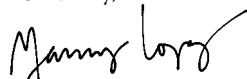
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Manny Lopez,

Managing Editor, Michigan Capitol Confidential


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Reform Starts in the States, Not in Washington



BY JOSEPH G. LEHMAN

(Editor's note: The following is an edited version of a commentary

written by Mackinac Center President Joseph G. Lehman in the January/February issue of Impact, the Center's newsletter.)

It's downright discouraging to consider how hard it is to start reforming Washington. That's why we have to remember that reform doesn't begin in Washington at all; it begins in the states. Washington is where reform ends.

The Mackinac Center's founders understood that you can't make headway in Washington by ignoring where people in Washington come from — the states. Nearly every elected official in DC cuts his or her political teeth at the state level. They field test policies and political strategies there, accumulating legislative records that sometimes read more like rap sheets than actual accomplishments.

State-level politicians who win elections in spite of their support for anti-taxpayer policies take their habits with them to the federal level. Free-market reformers shouldn't then be surprised when it's difficult to reform the federal government, because the die was cast in the states.

Federal fallout is one big reason it's utterly essential to study state policy and keep an eye on those who enact it.

The Mackinac Center was one of the first free-market think tanks established outside the DC beltway. From very humble beginnings in the 1980s, institutes

like ours are now in every state, and the states are where we are seeing progress. Here is some very good news from the November elections.

Three former state think tank leaders were just elected to a governorship and two U. S. Senate seats in Indiana, Arizona and Texas, respectively.

The Mackinac Center's founders understood that you can't make headway in Washington by ignoring where people in Washington come from — the states.

More than 20 state governments (including Michigan's) continue to resist the Obamacare takeover. Voters in four more states passed specific measures to limit Obamacare's implementation.

Washington state voters rebuked public school employee unions by approving that state's first charter public school law. Georgia voters also expanded charter public school options.

Wisconsin voters reaffirmed Gov. Scott Walker's reform agenda by returning control of the Senate to his party and retaining his party's majority in the Assembly.

This issue of Impact contains the good news about Michigan voters' verdicts on two ballot measures that would have enshrined costly union privileges into the constitution. Two state Supreme Court justices committed to the rule of law were re-elected. And, of course, the monumental news that the Legislature got serious about a right-to-work law.

As I predicted last quarter on this page, the unions' overreaching November ballot proposals unleashed a loud and overdue public conversation about the role of unions in our economy and government. I wrote the unions would likely lose control of the conversation they started and that is exactly what happened. The political momentum of the unions' 15-point loss on Proposal 2 helped transform Michigan into the nation's 24th right-to-work state.

Look for a two-year battle to defend the law from union attempts to overturn it. If the Legislature decides to keep pushing freedom-friendly reforms, look for plenty of ideas from our shop on how to do so. For both defense and offense, the Mackinac Center is needed now more than ever before.

And ask yourself, now that right-to-work is law in Michigan — of all places — then can anyone doubt it is also possible to turn around the federal government? It is possible, maybe even inevitable, as long as freedom fighters in the states keep working with your support. ■

Joseph G. Lehman is president of the Mackinac Center for Public Policy. The original version of this story was posted online on Dec. 20, 2012. It is available with hyperlinks and more info at www.mackinac.org/18136.

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RIGHT-TO-WORK LEGISLATION

Applauding Michigan Legislators Who Supported Workplace Freedom and Liberty

BY MANNY LOPEZ

Gov. Rick Snyder never lied about right-to-work legislation in Michigan. In 2009, he said he'd sign a bill if it reached his desk.

But, he also said then and stuck to his preference that a right-to-work bill not reach his desk because he said he thought it was too divisive. That didn't matter to Michigan's union bosses, who ignored Gov. Snyder and pushed Proposal 2 to protect their own perks at the expense of the majority of Michigan residents.

In response, Michigan legislators passed a package of bills that give workers the choice as to whether they want to pay dues or fees to a union as a condition of employment. Gov. Snyder signed it Dec. 11.

The legislation does not do away with unions. Nor does it eliminate collective bargaining.

It allows workers to decide if they want to give a portion of their yearly income to union bosses who have used most of that money supporting political activities and candidates that some union members don't support.

The governor and the following legislators voted for freedom and liberty in the workplace and should be commended for their efforts.

Senators:
 Sen. Darwin Booher, R-Evart
 Sen. Jack Brandenburg, R-Harrison
 Sen. Bruce Caswell, R-Hillsdale
 Sen. Patrick Colbeck, R-Canton
 Sen. Judy Emmons, R-Sheridan
 Sen. Geoff Hansen, R-Hart
 Sen. Dave Hildenbrand, R-Lowell
 Sen. Joe Hune, R-Hamburg
 Sen. Mark Jansen, R-Cutlerville
 Sen. Rick Jones, R-Grand Ledge
 Sen. Roger Kahn, R-Saginaw
 Sen. Mike Kowall, R-White Lake
 Sen. Jim Marleau, R-Lake Orion
 Sen. Arlan Meekhof, R-West Olive
 Sen. John Moolenaar, R-Midland
 Sen. John Pappageorge, R-Troy
 Sen. Phil Pavlov, R-St. Clair
 Sen. John Proos IV, R-St. Joseph
 Sen. Randy Richardville, R-Monroe
 Sen. David Robertson, R-Grand Blanc
 Sen. Tonya Schuitmaker, R-Lawton
 Sen. Howard Walker, R-Traverse City

Representatives:
 Rep. Dave Agema, R-Grandville
 Rep. James "Jase" Bolger, R-Marshall
 Rep. Jon Bumstead, R-Newaygo
 Rep. Mike Callton, R-Nashville

Rep. Kevin Cotter, R-Mt. Pleasant
 Rep. Hugh Crawford, R-Novi
 Rep. Kevin Daley, R-Attica
 Rep. Kurt Damrow, R-Port Austin
 Rep. Cindy Denby, R-Fowlerville
 Rep. Jeff Farrington, R-Utica
 Rep. Frank Foster, R-Pellston
 Rep. Ray Franz, R-Onekama
 Rep. Robert Genetski, R-Saugatuck
 Rep. Jud Gilbert, R-Algonac
 Rep. Ben Glardon, R-Owosso
 Rep. Joseph Grave,
 R-Argentine Township
 Rep. Gail Haines, R-Waterford
 Rep. Joseph Haveman, R-Holland
 Rep. Kurt Heise, R-Plymouth
 Rep. Thomas Hooker, R-Byron Center
 Rep. Holly Hughes, R-Montague
 Rep. Matt Huuki, R-Atlantic Mine
 Rep. Bradford Jacobsen, R-Oxford
 Rep. Nancy Jenkins, R-Clayton
 Rep. Joel Johnson, R-Clare
 Rep. Marty Knollenberg, R-Troy
 Rep. Eileen Kowall, R-White Lake
 Rep. Kenneth Kurtz, R-Coldwater
 Rep. Andrea LaFontaine, R-Richmond
 Rep. Matt Lori, R-Constantine
 Rep. Pete Lund, R-Shelby Township
 Rep. Lisa Lyons, R-Alto

Rep. Peter MacGregor, R-Rockford
 Rep. Greg MacMaster, R-Kewadin
 Rep. Tom McMillin, R-Rochester Hills
 Rep. Chuck Moss, R-Birmingham
 Rep. Paul Muxlow, R-Brown City
 Rep. Aric Nesbitt, R-Lawton
 Rep. Margaret O'Brien, R-Portage
 Rep. Rick Olson, R-Saline
 Rep. Paul Opsommer, R-Dewitt
 Rep. Mark Ouimet, R-Scio Township
 Rep. Rick Outman, R-Six Lakes
 Rep. Peter Pettalia, R-Presque Isle
 Rep. Earl Poleski, R-Jackson
 Rep. Phil Potvin, R-Cadillac
 Rep. Amanda Price, R-Holland
 Rep. Al Pscholka, R-Stevensville
 Rep. Bruce Rendon, R-Lake City
 Rep. Bill Rogers, R-Brighton
 Rep. Roy Schmidt, R-Grand Rapids
 Rep. Wayne Schmidt, R-Traverse City
 Rep. Deb Shaughnessy, R-Charlotte
 Rep. Mike Shirkey, R-Clark Lake
 Rep. Jim Stamas, R-Midland
 Rep. Sharon Tyler, R-Niles
 Rep. John Walsh, R-Livonia
 Rep. Ken Yonker, R-Caledonia ■

The original version of this story was posted online on Dec. 21, 2012. It is available with hyperlinks and more info at www.MichCapCon.com/18086.



Snyder

Republican Senators Against Right-to-Work

BY JACK SPENCER

For nearly two years, many doubted a right-to-work bill had enough support in the State Senate for passage. In December, the measure passed easily.

Republicans, led by Gov. Rick Snyder, resoundingly approved the bill, which became a reality after unions in Michigan tried to pass Proposal 2 in November. Four Republican State Senators, however, voted against giving workers the freedom to choose whether they want to pay union dues or fees as a condition of employment.

They were: Sen. Tory Rocca, R-Sterling Heights; Sen. Mike Green, R-Mayville; Sen. Mike Nofs, R-Battle Creek; and Sen. Tom Casperson, R-Escanaba.

Michigan becoming the nation's 24th right-to-work state made

headlines across the nation and sparked union protests at the State Capitol.

Sens. Casperson and Nofs stood by their votes when contacted. Sens. Green and Rocca didn't respond to requests for comment.

Of the four, Sen. Nofs might have gone out on a limb the most by voting against the right-to-work legislation. He represents the 19th Senate district, which covers Barry, Calhoun and Ionia counties. According to an *Inside Michigan Politics* analysis published in July 2011, the 19th District has a 55.6 Republican base.

"I think that, in general, working-class workers will not benefit from this," Sen. Nofs said. "When you go to apply for a job, you know it's a union job. If you

See "Republican Senate Opposition" Page 10

Republican House Members Who Voted Against Right-to-Work

BY JACK SPENCER

Republicans in the Michigan House widely supported giving workers the freedom to choose whether they wanted to financially support a union as a condition of employment.

But six GOP members voted against legislation (House Bill 4003 and Senate Bill 116) that made Michigan the nation's 24th right-to-work state.

On both bills, 58 Republicans voted "yes" and six Republicans joined the Democrats in voting "no." These six were: Reps: Anthony Forlini, R-Harrison Township; Ken Goike, R-Ray Township; Ken Horn, R-Frankenmuth; Ed McBroom,

R-Vulcan; Pat Somerville, R-New Boston; and Dale Zorn, R-Ida.

Five of the GOP House members who voted against right-to-work are starting a new term in the House. Horn is no longer in the Legislature due to term limits.

At times, legislative caucuses allow some members to vote against the majority position of the caucus. This can take place particularly when leadership knows ahead of time that there are already enough guaranteed "yes" votes for passage of a bill.

"Often they'll let some members off, especially on some tough votes," said Jud Gilbert, a Republican from Algonac who

See "Republican House Opposition" Page 10

SEIU 'Skim Tracker' Stops Ticking

After seven years and more than \$34 million taken from home-based caregivers, union contract officially ends

BY JACK SPENCER

The SEIU "skim tracker" has finally stopped.

The scrolling money ticker had been calculating the amount of money the Service Employees International Union was taking from home-based caregivers because of a forced unionization scheme that was orchestrated in 2005 when Jennifer Granholm was governor.

As of March 1, Michigan's home-based caregivers were no longer are unionized. The contract between the union and the dummy employer used for the scheme officially ended Feb. 28.

According to the Michigan Department of Community Health, the February Medicaid checks it

sends to home-based caregivers will be mailed on March 4. These are the checks the SEIU was taken money from. The checks mailed in March are expected to be the last ones from which union dues will be deducted.

"It has been a long, winding and courageous battle," said Pat Wright, senior legal analyst at Mackinac Center for Public Policy. "I'm glad to see that justice is finally being reached."

The Mackinac Center Legal Foundation has filed a legal action with the Michigan Employment



Relations Commission to try and get about \$3 million returned to home-based caregivers. That case is ongoing.

As a result of the scheme, the SEIU took more than \$34 million, mostly from unsuspecting workers

who are taking care of family and friends in their own homes.

The skim tracker won't be removed until the end of the dues skim can be fully verified in April. ■

The original version of this story was posted online on Mar. 1, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18344.

HOUSE REP WANTS TO FORCE HOMESCHOOL PARENTS TO REPORT ATTENDANCE TO THE STATE

BY TOM GANTERT

A Flint State Representative whose district has conventional public schools that have among the highest absentee rates in the state has introduced legislation that would mandate parents who homeschool their children be required to report attendance to the state.

Rep. Woodrow Stanley, D-Flint, said in a press release that "there are a growing number of kids becoming truant" in homeschools.

"Kids must be in school in order to learn," Rep. Stanley said in a press release. "This bill requires parents to report their child's attendance records, giving homeschools the same standards as public schools. Passing this bill is a no-brainer, it's necessary for Michigan students."

Michael Van Beek, education policy director at the Mackinac Center for Public Policy, questioned how Rep. Stanley

could know truancy is growing in homeschools since the state doesn't require registration of homeschool students or that such records be kept.



Stanley

"There's more evidence that truancy is a problem in the public school system than there is among homeschoolers," Van Beek said.

"There is evidence to suggest this is a problem for public schools in Flint."

The City of Flint Public School's attendance rate was 91.8 percent in 2009-10, which ranks 529th out of 550 districts. Flint Beecher district's attendance rate was 91 percent in 2009-10, which was 535th out of 550 districts.

Rep. Stanley's office didn't respond to questions sent in an email.

There is an estimated 45,000 children being homeschooled

in Michigan if the state has the same percentage of homeschooled children as the 3 percent national average.

"Public education is a service that the state offers to people, just like bus transportation," said Karen Braun, a Canton woman who has homeschooled her six children. "I am not required to report my daily driving attendance to the MDOT. I should not be required to report my school attendance to the state schools. The state and those in the schools work for the parents, not the other way around. The state schools are accountable to the taxpayers but taxpayers (including homeschool taxpayers) are not accountable to the state schools. The taxpayer is the boss and the state is the employee. Understand that and Rep. Stanley will understand why this legislation is absurd."

The original version of this story was posted online on Feb. 19, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18297.

Consumers Are Best Arbiters of the Market



BY MANNY LOPEZ

DETROIT — Government bureaucrats who think they know best what

people should buy and drive need to spend some time at the Detroit auto show.

If they did, they'd see that people spend about as much time looking at hybrid and electric cars as they do flossing.

That was evident again at Cobo Center at the North American International Auto Show. They flocked to the new Corvette Stingray and kicked a lot of truck tires.

Occasionally, someone stopped to see what was plugged in.

Therein lies the state of the automotive industry in America. Despite what environmental activists and some members of Congress want, consumers are king and they're still mostly interested in sedans, SUVs and trucks.

"Ultimately, it's the market that matters," said David Cole, chairman emeritus of the Center for Automotive Research in Ann Arbor and chairman and co-founder of Auto-Harvest Foundation. "The consumer is the voter."

The numbers back that up. Ford Motor Co., for example, sold more F-150 trucks last year than any other vehicle in its portfolio and the truck has been the nation's No. 1 selling vehicle for almost every month of the last 30-plus years. For 2012, three of the top five best-selling vehicles were pickups.

Ford sold more than 645,000 F-150 pickups last year, and in the

month of December alone sold more than 2,200 a day. By comparison, Ford sold 245,922 Focuses last year.

Auto executives I talked with said they expect most consumers will continue buying big, with a move among first-time buyers to smaller vehicles. But even those buyers trade up to bigger vehicles as they get older and earn more.

However, to a person, the executives I spoke with said that if the government's long-term fuel restrictions



2014 Corvette Stingray

are not adjusted, consumers will see the price of cars and trucks increase by far more than the \$2,500 the government estimates the standards will cost.

By 2025, vehicles will have to meet an average of 54.5 miles per gallon, double the current standard. That will add \$5,000 or more to the price of new cars and trucks, depending on the make and model, executives said.

Automakers are working to meet fuel rules that were designed without regard to market or consumer demands, and they'll continue to do so. But the industry and the economy will be much better served if government gets out of the way and quits driving blind. ■

The original version of this story was posted online on Jan. 15, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18167.

Right-to-Work comes to Michigan: A Visual Time Line

For more detailed information on these events, including links to essays, commentaries, studies and Op-Eds, go to MichCapCon.com/18301

Right-to-Work in Michigan: A Visual Time Line

1. APRIL 20, 1992
Mackinac Center Adjunct Scholar George C. Leef calls for right-to-work for federal employees and greater freedom for all union members, including a Michigan law that would make political union dues expenses voluntary in a Viewpoint titled "Protecting the Political Freedom of Workers."



4. JAN. 8, 1996
Reed publishes a Viewpoint titled "Michigan Needs Discussion of Right-to-Work."

5. MARCH 1, 1997
Robert P. Hunter, former Mackinac Center director of labor policy and President Ronald Reagan's first appointment to the National Labor Relations Board, predicts in a Michigan Privatization Report interview that Michigan would become a right-to-work state within a decade.



2. OCT. 5, 1993
Gov. John Engler tells a joint session of Michigan's legislature, "No public-school teacher should be compelled to be in the union to teach in the classroom."



3. NOV. 15, 1994
Former Mackinac Center President Lawrence W. Reed and former Senior Vice President Joseph P. Overton call for right-to-work in the labor law reform section of a study titled "Political Drift or Paradigm Shift?"



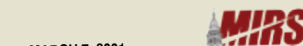
6. AUG. 3, 1998
Mark Fischer, former Mackinac Center labor policy research assistant, addresses the advantages right-to-work states have over Michigan in a Viewpoint titled "In Wake of Daimler-Chrysler Merger, Michigan Needs Labor Law Reform."



7. MARCH 1999
Senior Mackinac Center Policy Analyst Dr. William T. Wilson, a vice president and economist for Comerica Bank, is fired after testifying before a committee of the Michigan Legislature about the benefits of voluntary union membership. His firing comes after several unions threatened to close their accounts with the bank. He was given the Mackinac Center's "Lives, Fortunes and Sacred Honor Award."



8. AUG. 24, 1999
Hunter calls for a right-to-work law in a study titled "Michigan Labor Law: What Every Citizen Should Know."



9. MARCH 7, 2001
Reed promotes a right-to-work law with a commentary in the Michigan Information & Research Service (MIRS).

10. APRIL 19, 2001
Sen. Glen Steil, R-Grand Rapids, introduces Senate Bills 398 and 399, the first such legislation aimed at making Michigan a right-to-work state.

15. JAN. 6, 2006
LaFaive and Adjunct Scholar Michael Hicks point out that Michigan's out-migration population is heavily bound for right-to-work states.



16. FEB. 8, 2006
Mackinac Center Senior Economist David Littmann tells the Michigan House Tax Committee on Restructuring that the state must adopt a right-to-work law.



20. AUG. 29, 2007
Patrick J. Wright, director of the Mackinac Center Legal Foundation, releases "A Model Right-to-Work Amendment to the Michigan Constitution."



21. OCT. 2007
Ron Weiser, RNC finance chair, and Dick DeVos, The Windquest Group president, commission a poll and discover more than 40 percent of union members favored a right-to-work law.



14. NOV 14, 2005
Michael D. LaFaive, director of the Morey Fiscal Policy Initiative, suggests a right-to-work law would aid Michigan's falling economy in a commentary titled "Michigan: The France of North America."



18. JUNE 28, 2007
The Mackinac Center creates a "Right-to-Work FAQ" page.

22. APRIL 28, 2008
James Hohman, assistant director of fiscal policy at the Mackinac Center, points out the economic benefits right-to-work states enjoy.



23. AUG. 22, 2008
Mackinac Center President Joseph G. Lehman writes in the Detroit Free Press about the need for a right-to-work ballot measure.

24. SEPT. 13, 2008
The West Michigan Policy Forum holds its first meeting and calls for a right-to-work law, including the first public call by the group for such an action by Dick Haworth, president and CEO of Haworth Inc. and a member of the Mackinac Center's board of directors.



25. FEB. 26, 2009
Democrats in the Michigan House, with the help of 14 Republicans, vote down a right-to-work bill.



26. FEB. 24, 2010
Kersey says right-to-work has entered the Overton Window.



28. JULY 14, 2010
Mike Bouchard, candidate for governor, embraces right-to-work.



29. SEPT. 3, 2010
The Grand Rapids Press conducts a survey that finds 51% of Michigan voters support a right-to-work law.

30. OCT. 2010
Americans For Prosperity Foundation Michigan commissions a right-to-work study.

31. MAY 10, 2011
The New Hampshire Legislature approves a right-to-work bill (although later vetoed by the governor).

40. SEPT. 13, 2012
The Michigan Chamber of Commerce releases the "2012 Michigan Economic Competitiveness Study," conducted by Northwood University, that says a right-to-work law would make Michigan more competitive. Timothy G. Nash, a Mackinac Center adjunct scholar, led the study.



41. NOV. 6, 2012
Michigan voters reject Proposal 2 by 15 points. The constitutional amendment would have banned a right-to-work law.

42. DEC. 3, 2012
The Michigan Chamber of Commerce announces its support for right-to-work legislation.

43. DEC. 4, 2012
Gov. Rick Snyder says right-to-work legislation is "on the agenda."



44. DEC. 6, 2012
Gov. Rick Snyder announces his support of right-to-work legislation for Michigan. Right-to-work legislation is introduced the same day and passed.

45. DEC. 11, 2012
Gov. Rick Snyder signs right-to-work legislation.

39. MARCH 7, 2012
Mackinac Center Adjunct Scholar Michael Hicks, a Ph.D. economist and associate professor at Ball State University, appears at an Issues & Ideas forum hosted by the Mackinac Center to discuss his November 2011 study titled "The Puzzling Differences Between Michigan and Indiana in This Recession" one month after Indiana became a right-to-work state.

36. SEPT. 9, 2011
Senate Majority Leader Randy Richardville, R-Monroe, announces support for right-to-work for teachers.

37. NOV. 14, 2011
The Mackinac Center hosts more than 600 guests at a gala in Lansing to hear Indiana Gov. Mitch Daniels, where he encourages Gov. Rick Snyder to act "swiftly and decisively" in bringing about reform in Michigan.

38. FEB. 1, 2012
Indiana Gov. Mitch Daniels signs right-to-work legislation.

39. MARCH 7, 2012
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Average Michigan Government Employee Compensation Exceeds Six Figures For The First Time

BY JACK SPENCER

The Michigan Civil Service Commission's website boasts: "Invest your talent with the state of Michigan. The rewards are enormous."

In fact, for the first time, the average salary and benefit package for state employees surpassed \$100,000 a year in 2011-2012.

The average combined cost of salary and benefits for a state worker jumped to \$104,067 in 2011-12, increasing from \$97,883 in 2010-11.

James Hohman, assistant director of fiscal policy with the Mackinac Center for Public Policy, did the analysis using the Michigan Civil Service Commission's certified aggregate payroll.

When factoring in inflation, the cost of benefits for a state

employee has increased 75 percent since 1998-99. Overall, average compensation has risen 31 percent over the past 13 years.

The 2011-12 fiscal year was the first involving Gov. Rick Snyder. The number of state full-time jobs remained almost the same. There were 47,818 full-time equivalent employees in 2010-11. That dropped to 47,802 in 2011-12.

The state's total base pay decreased from \$2.87 billion in 2010-11 to \$2.81 billion in 2011-12. However, the cost of benefits increased from \$1.8 billion to \$2.2 billion in 2011-12. A little more than \$350 million of the increased costs of benefits was attributed to the state starting to pre-fund employees' retirement health care, Hohman said.

Gov. Snyder's spokespeople didn't respond to a request for

comment.

The cost of a state employee has risen steadily since 1998-99, when the average cost of pay and benefits was \$79,409, when adjusted for inflation.

That state's full-time workforce has dropped from 60,066 in 1998-99 to 47,802 in 2011-12. However, the state's cost for benefits has risen from \$1.23 billion in 1998-99 when factoring inflation to \$2.16 billion in 2011-12, a 76 percent increase.

Hohman said the costs for the state are going to increase if it doesn't cut retiree health care. Hohman said employees won't see any extra money, but the state will pay much more to make up for past years when retiree health care wasn't pre-funded.

The original version of this story was posted online on Feb. 12, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18281.

Hathaway Pension: First Check Due Before Sentencing

BY JACK SPENCER



Hathaway

Between now and when she's sentenced for bank fraud, former state Supreme Court Justice Diane Hathaway will have an

income thanks to her first pension check from the state of Michigan scheduled to arrive in February.

Hathaway, 58, pleaded guilty to bank fraud for concealing assets, including a home in Florida, while claiming financial hardship in a Michigan real estate deal. The financial hardship claim allowed her to use a short sale to unload a Michigan house at a price below what she and her husband owed on it. Reportedly it wiped out a \$600,000 debt.

May 28 has been set for Hathaway's sentencing. She is facing up to 18 months in prison for the fraud. Hathaway likely will have received additional pension checks by that time.

Although estimated at around \$98,766, the exact amount of Hathaway's annual pension has yet to be confirmed. She turned

her retirement paperwork in to the Office of Retirement Services on Dec. 20, in the midst of the fraud scandal. Less than three weeks later, on Jan. 7, Hathaway announced her resignation from the court, effective Jan. 21.

"It hasn't been processed yet," Department of Technology, Management and Budget Spokesman Kurt Weiss said Wednesday, regarding Hathaway's pension. "It will need to be finalized by February 12, in order to have her February check sent out."

Hathaway was elected to the high court in 2008 in an upset victory over then-Chief Justice Cliff Taylor. Her campaign was highlighted by ads labeling Taylor as the "sleeping judge," based on a false claim that he had dozed off on the bench during a case.

Before her time on the state's highest court, Hathaway was a Wayne County Circuit Court Judge. She was first elected to that position in 1992.

The original version of this story was posted online on Feb. 1, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18233.

Government Workers Average Twice As Many Sick Days Per Year As Private-Sector Employees

BY TOM GANTERT

The average state worker in Michigan is taking as many as five times more sick days than a worker in the hospitality and leisure industry or a construction worker, and more than twice as many sick days as many other workers in the private sector, according to state and national reports.

State workers have called in sick on average between 9.4 to 11 days a year over the past five years, according to the Michigan Civil Service Commission annual workforce report. The report applies only to workers directly employed by the state; not public school teachers or local government workers.

"That's good work if you can get it," said Charles Owens, state director of the National Federation

of Independent Business. "I don't think that would be sustainable in the private sector."

Private industry workers in the financial activities, information and utilities and professional and business services used about four sick days a year, according to a Bureau of Labor Statistics report.

Workers in the leisure and hospitality industry and those in the construction industry used about two sick days a year.

Jason Ford, an economist with the Bureau of Labor Statistics, said the study was based on 2009 data and was the most recent available on private industry.

State employees can get as many as 12 sick days a year, said Matt Fedorchuk, acting deputy director for the Michigan Civil

Service Commission. Fedorchuk said sick days can't be cashed out at severance for employees hired after 1980.

Government union representatives did not respond to a request for comment.

In 2011-12, the average state employee used 11 sick days on top of 18.2 vacation days.

The sick days drive up the cost of government, said Leon Drolet, chair of the Michigan Taxpayers Alliance.

"It's an incredibly high average," Drolet said of the number of days sick. "I would hope for the sake of the workers that they really aren't sick that much."

The original version of this story was posted online on Jan. 22, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18199.

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TEACHER'S RIGHTS

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a violation of the Michigan Public Employment Relations Act, said Derk Wilcox, senior attorney for the Legal Foundation. He said it's illegal to have two separate contracts running at the same with different expiration dates. The 10-year clause also binds future school boards that have no control over the costs of the deal made before new school board members were elected.

"This is clearly an attempt to circumvent the law, and it's just bad policy," Wilcox said on the Frank Beckmann show on WJR radio.

Steffke said she thinks the union's own interests have been put above its members, especially as it relates to the increasing compensation of top union officials while she is taking a 10 percent pay cut.

"The so-called 'security clause' guarantees nothing for the teachers except that dues will continue to increase," Steffke said. "Their money will continue to flow into union coffers, to pay inflated salaries of state and national union cronies."

The AFT-Michigan's top two union officials have seen their total compensation increase 28 percent and 46 percent in the past five years, according to documents the union filed with the Internal Revenue Service.

AFT-Michigan president David Hecker has seen his total compensation increase from \$137,570 in 2006 to \$176,195 in 2011, the last year financial data



was available. AFT-Michigan Secretary Treasurer Lois Loftin Doniver had her total compensation increase from \$111,716 in 2006 to \$162,899 in 2011. Hecker had an annual salary of \$131,122 in 2011 while Doniver made an annual salary of \$117,704.

Meanwhile, Taylor teachers had to take an immediate 10 percent pay cut when their new contract was passed, Steffke said, adding that when she asked union representatives if they were going to lower dues accordingly she said she was told no and that dues would probably increase.

"This suit ... won't change my salary one way or another," she said. "It is about fighting for my freedom of association and freedom from coercion, allowing me to advocate for myself and determine what is best for me and my family."

Michigan became the 24th right-to-work state on Dec. 11. The law prohibits employers and unions from signing contracts that require financial support of a union as a condition of employment. The law takes effect

March 28 and any contracts signed before then are grandfathered.

Some unions have rushed multi-year agreements specific to dues collection to protect union coffers amid the fear that members will leave the union when the law takes effect.

"This is really a union insecurity clause because rather than proving its worth to members, the union is forcing all teachers to continue paying dues or agency fees through 2023," Wilcox said, in a press release. "This is a desperate attempt by the union to circumvent Michigan's right-to-work law and preserve its own power at the expense of teachers."

Union and school officials did not respond to requests for comment. However, in an AFT email that was sent by Progress Michigan, Hecker said the lawsuit was "frivolous."

The Mackinac Center Legal Foundation filed its lawsuit in Wayne County Circuit Court. ■

The original version of this story was posted online on Feb. 28, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18340.

"If members wish to no longer be members, then those wishes should be honored," he said in an email. "Honoring those wishes may not happen instantly, but they should be honored at the next appropriate window. I hope that the MEA and locals approach it that way.

"It is never appropriate to ignore member requests, even if it is a request to resign membership,"

Ellsworth said. "If a member resigns in March, then I believe the MEA or local should tell the member that the resignation will be made effective in August when drops in membership are processed, but the member should not have to take further action." ■

The original version of this story was posted online on Jan. 21, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18197.

THREE CHEERS

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department of corporate welfare.

In 1999, then-state Sen. Alma Wheeler Smith complained of trying to obtain information from the MEDC. "I don't think the Legislature should have to FOIA a department or agency to find out how money is spent," she told Gongwer News Service 14 years ago this month.

In 2000, Democrat Joseph Rivet actually argued the MEDC should lose its funding over its secretive behavior: "Every time we try to hold these guys at the MEDC accountable to taxpayers, they claim to be a private agency outside the realm of scrutiny."

The great news here is that House Democrats have Republican colleagues in Lansing who also are troubled by the MEDC's lack of transparency and accountability. State Rep. Bob Genetski, R-Saugatuck, State Rep. Mike Shirkey, R-Clarklake, and State Rep. Tom McMillin, R-Rochester Hills, have all taken issue with the MEDC's lack of transparency.

In a November 2012 *Michigan Capitol Confidential* article titled, "MEDC Questioned About Its Transparency" Rep. Shirkey reported that he introduced amendments to make the agency more transparent, but that the MEDC lobby "watered down" the reforms.

Moreover, they are not the only Republicans to complain about MEDC transparency, or in recent years. Sen. Jack Brandenburg, R-Harrison Township, and Republican former State Senator Nancy Cassis have introduced several pieces of legislation to open up the secretive department.

Mackinac Center analysts have led this charge. In 2005 this author detailed just one set of problems with MEDC secretiveness attempting to obtain the simplest information from the recalcitrant agency.

It can be found in Appendix B of the study "MEGA: A Retrospective Assessment."

We followed up that treatment with a 2009 Policy Brief with a long list of complaints against the department titled MEGA, the MEDC and the Loss of Sunshine.

Remarkably, the latest attention being paid to MEDC openness — or lack thereof — follows hard on the heels of yet more criticism of the agency by the Auditor General of Michigan. The Auditor General recently found that the MEDC was taking credit for 12,000 jobs created by a program that cannot be verified. The Auditor General also criticized state development officials in 1993 for overstating jobs claims in a job-training program and again in 2003 over its claim of job creation.*

Maybe the MEDC does have something to hide.

Mackinac Center scholars have recommended the wholesale elimination of the MEDC. It is unnecessary, inefficient and maybe even harmful to state economic growth. At a minimum it should be more transparent. A bi-partisan collection of lawmakers in Lansing needs to open the MEDC up wide and let in the disinfecting rays of sunshine. They can't do it soon enough. ■

*Note: For details and sources on these stories please see page 40 of the Mackinac Center study "The Michigan Economic Development Corporation: A Review and Analysis."

The original version of this story was posted online on Feb. 1, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18243.

"ANY LEGAL MEANS"

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of all, have fun finding signed membership forms that are current. Secondly, you're going to come out publicly and threaten the very same people who have supported the MEA financially for their entire careers."

John Ellsworth, a former Grand Ledge teachers' union president agreed.

Is Repeal In The Cards For Michigan's Prevailing Wage Law?

Issue is on the legislative agenda

BY JACK SPENCER

If Chris Fisher is right, there's a good chance that the Michigan Legislature will pass a bill to repeal the state's prevailing wage law.

"I believe the votes are there in both the House and Senate to do it," Fisher, the president of the Associated Builders and Contractors of Michigan, told *Michigan Capitol Confidential*. "We just need to make sure we get all three pegs of the stool — the Governor, the House Speaker, and the Senate Majority Leader."

Michigan's prevailing wage law mandates that union-scale wages be paid on construction work funded by taxpayer dollars, regardless of the winning bidder on a contract. Typically, universities and public school districts are where the bulk of such projects take place.

"We're very encouraged," said Fisher, whose group has opposed the prevailing wage law for years. "The legislation (Senate Bills 157, 158 and 159) that was introduced in the Senate already has 15 cosponsors. In the House of Representatives, the action plan issued by the Republican caucus at the start of the year included repealing the prevailing wage law. Usually, that sort of thing mentions appointing a blue ribbon panel to look into it, or something along those lines. But this year it was a very strongly worded statement about doing it."

At the bottom of page 16 of the House Republican action plan it states: "We will repeal Michigan's Prevailing Wage Law to save the state and local units of government almost \$250 million every year."

The Senate package of bills was introduced by Senate Majority Floor Leader Arlan Meekhof, R-West Olive. In the House, a three bill package has been introduced. House Bill 4172, sponsored by

Rep. Amanda Price, R-Holland, would repeal the law statewide. House Bill 4173, sponsored by Rep. Peter MacGregor, R-Rockford, is a technical bill to facilitate the repeal. House Bill 4174, sponsored by Rep. Brad Jacobsen, R-Oxford, would exempt schools from the prevailing wage requirement.

"In this era, when we're trying to save taxpayer dollars, keeping the prevailing wage law just doesn't make sense."

"It hasn't come up in committee yet," Rep. Price said of her bill. "A lot of my colleagues are in support of it. Studies have shown that the prevailing wage adds from 10 to 15 percent to the cost of a project. In this era, when we're trying to save taxpayer dollars, keeping the prevailing wage law just doesn't make sense."

Sen. Meekhof could not be reached for comment.

Fisher's organization cites a state of Michigan report that shows the average construction wage in the state is \$23 an hour when the prevailing wage is not applied. When a project is subject to the prevailing wage law, the wages can go up by as much as 60 percent or more for some trades.

"In 43 other states there either isn't a prevailing wage law or the prevailing wage is based on the average of all construction workers," Fisher said. "But in Michigan, under this stupid law, it is based on the 18 percent (who are in unions).

"Believe it or not, Michigan's prevailing wage was signed into

law in 1965 by former Gov. George Romney," Fisher added. "But it was almost a completely different world back then — a much higher percentage of the workers were in unions. Now, overwhelmingly, non-union construction employees prevail in Michigan."

Gov. Rick Snyder's current position regarding a repeal of the prevailing wage law is reminiscent of his former position on right-to-work.

"This is not at all an issue we are looking at or working on," said Kurt Weiss, a spokesman for the governor's office.

The Senate bills have been assigned to the Senate Committee on Government Operations, which is chaired by Senate Majority Leader Randy Richardville, R-Monroe. The House bills have been assigned to the House Commerce Committee, which is chaired by Rep. Frank Foster, R-Pellston.

Groups that support keeping Michigan's prevailing wage law, such as the Michigan Building and Construction Trades Council, say the law doesn't really add to the cost of projects.

F. Vincent Vernuccio, director of Labor Policy at the Mackinac Center for Public Policy, said an abundance of studies have clearly demonstrated that the prevailing wage makes projects more expensive.

"The fact is that a prevailing wage contract costs more and those added costs come right out of taxpayers' pockets," Vernuccio said. ■

The original version of this story was posted online on March 5, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18369.

Balance Increased Road Spending with Cuts

Tax, spending cuts should be pursued



BY MICHAEL D. LAFATIVE

The Michigan Senate recently tabled a proposal by Gov. Rick

Snyder to raise the state gas tax and vehicle registration fees. Republican lawmakers have reportedly countered with a tax increase proposal of their own.

Both sides are right to propose more road spending. State legislators, however, should ensure that any increase in transportation taxes is offset by cuts in taxes and spending elsewhere.

The governor's proposal is a mixed bag. To his credit, he is making Michigan's roads a legislative priority, and he is tying new monies to gas taxes and registration fees — items akin to user fees for road use. Unfortunately, he would simply charge Michigan taxpayers an additional \$1.2 billion a year: \$728 million from a motor fuel tax hike (including a gas tax increase from 19 cents to 33 cents per gallon), and \$508 million from an estimated 60 percent increase in the typical driver's vehicle registration fees.

Levying the tax without other reforms is problematic. It digs into taxpayer pockets when offsetting spending cuts are possible elsewhere, permitting reductions to, say, the sales tax on gasoline (currently dedicated to non-road spending) or the state's personal income tax.

Cutting the income tax is overdue. Recall that in 2007, the Legislature hiked personal income taxes from 3.9 percent to 4.35 percent — an 11.5 percent increase — with the promise that in 2011, the rate would be rolled back 0.1 percentage points per year until it reached 3.95 percent. It was then scheduled to drop to 3.9 percent in 2015.

The Snyder administration delayed that rollback until 2013 and canceled the subsequent reductions. Especially in light of a proposed gas tax hike, Michigan workers deserve better. Lowering the personal income tax rate by \$1.2 billion, the amount of the proposed transportation spending increase, would imply a new rate of approximately 3.6 percent.

Can the Legislature cut \$1.2 billion in general spending? The answer is yes. State Rep. John Proos, R-St. Joseph, has already proposed earmarking an estimated \$130 million for road spending from current general fund dollars raised through sale taxes on fuel.

And legislators clearly think money is available elsewhere. For instance, the Senate has passed bills designed to effectively lower the 6 percent general sales tax for cars and recreational vehicles only. The Senate Fiscal Agency estimates that this exemption will lower revenues by \$41 million in the first year alone and by as much as \$233 million in fiscal 2023. Presumably, lawmakers could forgo creating this tax loophole and redirect the \$41 million in implicit spending cuts to roads instead.

With this \$171 million dedicated to roads, the state would not need to find the entire \$1.2 billion to provide offsetting tax cuts. In particular, if the \$171 million discussed above were deployed to lower the \$508 million taxpayer burden produced by the proposed registration fees, the Legislature would need to find only \$337 million more to offset the fee increase.

The following six suggestions are one way to fill this gap:

- Repeal Michigan's prevailing wage law: estimated savings, \$107 million. This state law punishes taxpayers by

REPUBLICAN HOUSE OPPOSITION

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was just termed out after serving 14 years in both the House and Senate. "Typically, the situation arises when some members could be hurt politically by voting against their districts or when they have tough seats to hold onto."

Michigan's House districts were redrawn in 2011. House members could argue that, theoretically, all the votes they made in 2012 were as representatives of their district as it was constituted in the 2010 elections. However, the partisan bases presented in this article are for the new (current) districts. It will be the constituents of these current districts that hold lawmakers accountable for votes taken in 2012 and in the future.

Right-to-work prohibits anyone from being forced to financially support a union as a condition of employment. *Michigan Capitol Confidential* contacted the offices of the five remaining House Republicans who voted against right-to-work and asked them to explain their reasoning.

Of the five, Rep. Goike might have taken the biggest risk by voting "no." According to the *Michigan Information and Research Services* 2012 Election Guide, Rep. Goike's current 33rd House district has a 55.4 percent Republican base.

"I've got a Ronald Reagan district," Rep. Goike told *The Voice*, a northern Macomb County and St. Clair County publication. "We have a lot of union workers up there and they did not feel that it was something that they wanted. I am in trouble with a few people but at least they respect me because I said 'You know what? I have to vote my district and I know what this district is. I have worked in this district my whole life'."

"They know my reputation now," he said. "Once I decide on something I don't flip."

Rep. Forlini represents the 24th House District, which is located in a portion of Macomb County. It has a 50.8 percent Republican base.

"The bottom line is that I voted my district," Rep. Forlini said. "My old district stretched all the way down to the southernmost part of Macomb County. Regarding my new (current) district, both a Republican House member and a Democrat House member, who previously represented parts of it, also voted against right-to-work — as did a Republican Senator.

"I hold meetings with my constituents twice a month," he said. "I've listened to what they've said at those meetings. Before we knew we would actually be voting on right-to-work, I stated my position on the issue at various events. I even talked about it in front of the Chamber of Commerce."

Rep. Forlini also said he would have preferred that the bills go through the regular committee process and said he believes it would have been better if the issue had been left up to the voters.

"My preference was always that this be presented to the voters as a referendum," Rep. Forlini said. "I think there would have been a lot of wisdom in letting both sides present their arguments and then let the voters decide."

Rep. McBroom represents the 108th district, which is in the Upper Peninsula. It includes the counties of Delta, Dickinson, and Menominee, and has a 50.5 Republican base.

"It really boils down to voting my district," Rep. McBroom said. "Whether I was knocking on doors or at events, the message I heard from the voters of my district was loud and clear. They don't support right-to-work. I even have businesses in my district with union shops that don't support this. They like having one entity to work with and believe that benefits them.

"I began hearing that my constituents were opposed to right-to-work as early as when I first ran in 2010 — even before I knew what right-to-work was," Rep. McBroom said. "When I researched the

REPUBLICAN SENATE OPPOSITION

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don't like unions, don't apply for a union job. There are plenty of other non-union jobs."

Sen. Rocca represents the 10th Senate district, which is located in Macomb County, and is 52.6 percent Republican, according to *Inside Michigan Politics*.

Sen. Green represents the 31st Senate district, which includes Bay, Lapeer and Tuscola counties. According to the *Inside Michigan Politics* analysis, it has a 50.8 Republican base.

Of the GOP senators who voted against right-to-work, Sen. Casperson is the only one who contends in a Democrat-leaning district. He represents the 38th Senate district, which covers

the Western and Central Upper Peninsula and according to the *Inside Michigan Politics* report, had a 53.8 percent Democratic base.

"My position on this issue has been consistent both as a candidate and after I was elected," Sen. Casperson said. "If people disagree with me on this, that's all right. Not everyone is going to agree with me on every vote.

"I was very active back when the tea party movement started. I went to rallies and I have always supported what it was all about," he said. "When it began, it was all about government becoming too big. It was about government overreach, unfair regulations

and government intruding in our lives. But now it seems that some people want to make it be about being anti-union. Whether it's working to get rid of unreasonable DNR (Department of Natural Resources) regulations or on other issues, I'm willing to work with anyone. In my district I work well with the unions and, to me, that's doing my job. Some people may not like that, but I think that's the way it should be." ■

The original version of this story was posted online on Jan. 16, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18173.

issue, I didn't find a strong enough reason to go against my district. This job can be a balance between your constituents' beliefs and your own opinion. But in this case, I'm comfortable with my vote."

Rep. McBroom said he opposes right-to-work, but supports union reforms.

"I support union reforms, such as allowing members to vote more often on union certification," he said. "I think there's a problem when there hasn't been a certification vote in 30 years. However, that wasn't the legislation we were presented with.

"Right-to-work is an issue on which I hope I am proven wrong," Rep. McBroom said. "I really hope it ends up doing the good things that its supporters claim it will. I'm skeptical, but I really do hope it is turns out to be something good for Michigan."

Rep. Dale Zorn represents the 56th House District, which is located in a portion of Monroe County. It has a 51.1 Republican base.

"The right-to-work issue has been, and continues to be, a very divisive issue for Monroe County and Michigan," he said. "It is true that if the economy was good, we would not be having this

discussion. I appreciate those who reached out to me from industry and businesses who are concerned about workplace productivity because of employee divisions.



Union members protested at the Capitol in December 2012 against right-to-work.

"I have spoken with union members, non-union members, company CEOs and citizens concerning right-to-work and have listened to the many sides of this issue," Rep. Zorn continued. "The residents of District 56 are evenly divided on whether or not Michigan should be a right-to-

work state. It is my responsibility to represent the ideals of all of my constituents. Without a majority of them asking for this to pass, I could not in good conscience offer a 'yes' vote on this bill package."

Rep. Zorn said he voted in opposition of the right-to-work legislation based on concerns from both large and small companies.

"They had real concerns that it is a disruptive issue that could divide employees and cause worker morale problems that will in turn cause productivity problems," he said. "In this time of rebuilding our economy, I am afraid it may do nothing but create conflicts in our communities."

Of the Republican House members who voted against the bills, Rep. Somerville was the only one with a current district that has a majority Democratic base. He represents the 23rd House District. It is located in a portion of Wayne County and has a 52.1 Democratic base.

"We are no strangers to making tough decisions in the state House, which is partly why Michigan is starting to see some success again," he said. "When faced with such decisions, I always take into account the impact on policy,

See "House Opposition," Page 12

Union President Receives 'Outstanding Organizing' Award For Shutting Down School To Protest Right-To-Work Law

BY TOM GANTERT

On Dec. 11, the Taylor School District closed because so many of its teachers skipped school to go to Lansing to protest right-to-work legislation. As a result, about 7,500 students in Taylor were forced to miss classes that day.

For organizing that “sick out” protest, the American Federation of Teachers-Michigan gave Taylor teachers’ union president Linda Moore an award for “outstanding organizing.”

Public Act 112 in Michigan makes public school employees strikes and/or lockouts illegal.

In a Jan. 28 announcement posted on Facebook, AFT Michigan boasted that so many union members took Dec. 11 off “that Taylor schools shut down.”

The photo (see nearby) shows AFT-Michigan President David Hecker and Secretary-Treasurer Lois Lofton Doniver with Moore during the presentation of the plaque. Hecker and Moore didn’t return requests for comment.

“I don’t think it is good thing to reward people for misbehavior,” said Rose Bogaert, chairwoman of the Wayne County Taxpayers Association. “And I think it is misbehavior to abandon your students in the classroom for your own personal gain. They should have been in the classroom where



Taylor local union head Linda Moore receives an award from AFT-MI president David Hecker and Secretary-Treasurer Lois Lofton Doniver.

they belong. For the union to heap praise on these individuals only tells me where their priorities lie.”

Bogaert said the Taylor teachers’ union has shown a pattern of misdeeds. Not only did the teachers play hooky, she said, but the union also negotiated for and received a 10-year “security clause agreement” that skirted the state’s recently signed right-to-work law.

That security clause agreement, which expires July 1, 2023, forces school employees to pay money to the union as a condition of

employment. Taylor Public Schools became the first district to approve such contractual language when it was approved by the Taylor School Board and ratified by the Taylor Federation of Teachers AFT Local 1085 AFL-CIO members.

Taylor was one of three public school districts to close because not enough employees showed up to work. Warren Consolidated Schools, which has schools in Macomb and Oakland County, and Fitzgerald Public Schools in Macomb County also were shut down. More than 26,000 students

were forced to miss school when the teachers chose to protest instead of teach classes.

As of 2011, the Taylor School District paid for the local union head to spend most of his time working exclusively on union business and not teaching in the classroom. Former local union head Jeffrey Woodford made \$96,419 in total compensation to spend 75 percent of his time on union business while only 25 percent of his time teaching. Current local union president Linda Moore made \$88,016 to spend half her time teaching and half her time on union business.

The district has a \$6 million deficit it is trying to eliminate.

Taylor school district and union officials were invited by Rep. Tom McMillin, R-Rochester, to explain at a hearing of the House Oversight Committee how the extended security clause benefits students, but they chose not to attend. They sent written information instead, but that didn’t answer questions, Rep. McMillin said in a statement.

“I can’t understand why they are scared to come explain it to us since, apparently, they believe it’s a great deal,” Rep. McMillin’s statement said. “Unless, maybe it’s not so great after all. I’ve never heard of any school having a 10-year contract with teachers.” ■

The original version of this story was posted online on Feb. 27, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18332.

Taylor School Board Approves Contract Forcing Teachers To Pay Union

BY TOM GANTERT

Taylor Public Schools has become the first public organization to approve a contract with a union that prohibits union members from exercising their right to not pay dues or fees to the union as a condition of employment.

That right became available to union members across the state March 28 if their current contract had expired by then. Michigan became the nation’s 24th right-to-work state late last year.

The “union security clause” expires July 1, 2023. It was approved by the Taylor School Board and ratified by the Taylor Federation of Teachers AFT Local 1085 AFL-CIO members.

Numerous other colleges and public school districts are considering similar agreements with their unions. The unions are not extending the entire contracts, just the portion that forces members to have to continue paying dues or fees as a condition of employment.

Taylor School Board President John Reilly said negotiations with unions have to have “some give and take.”

“We don’t have a lot to give. It was one of the things they wanted,” he said. “It doesn’t really impact our school district financially. It was something we could give the union they really, really wanted without costing us something.”

The Taylor Federation of Teachers didn’t tell union members what was in their contracts until after the union leadership approved a tentative deal with the school board. Then, they were given the contract to vote upon. ■

The original version of this story was posted online on Feb. 16, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18292.

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BALANCE

from Page Nine

- mandating that contractors on government construction projects pay an artificially high, union-related “prevailing wage.” The dollar estimate provided here comes from a 2007 Mackinac Center study and represents savings from state and local construction aside from schools and state projects subject to the federal Davis-Bacon Act.
- Redirect Indian gaming money from the Michigan Economic Development Corp. to road repair: estimated savings, \$43 million. This figure is the MEDC’s own conservative estimate of gaming revenue available. The MEDC oversees the state’s “jobs” creation programs and has a long history of failure. Redirecting this money to road repair may actually help the state’s economy.
 - Devolve State Police road patrols

to county sheriffs: estimated savings, \$65 million. The state could transfer its road patrol duties to counties, offer the counties a grant equal to sheriff-related patrol costs and still save tens of millions. The \$65 million estimate comes from 2003, when a Mackinac Center analyst first proposed the concept.

- Redirect 21st Century Jobs Fund money to road repair: estimated savings, \$75 million. The MEDC’s Jobs Fund was conceived as a way to create high-technology employment, but reports on the program’s performance by the Detroit Free Press and the Mackinac Center’s Michigan Capitol Confidential have not been positive. Indeed, underperformance is the theme of this and other MEDC programs, meaning that additional MEDC-related spending cuts could easily be justified in order to finance road improvements.
- Eliminate the Agricultural Experiment and Cooperative

Extension Service: estimated savings, \$54 million. Three different Mackinac Center state budget studies, beginning in 1995, have recommended ending these unnecessary items. The appropriations figure is based on last year’s budget as passed.

These cuts provide a total of \$344 million in money that can be reassigned to roads, more than offsetting the remaining \$337 million in proposed registration fees.

Of course, the \$728 million in motor fuel taxes remains. We’ll deal with spending cuts equal to that amount in subsequent pieces; dozens of other ideas are available.

There’s a lot of good news surrounding the debate over road repair. Roads are now a priority, and lawmakers are not sold on a net tax and fee hike. The ideas listed above — with more to come — are designed to help keep it that way. ■

The original version of this story was posted online on Mar. 1, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18348.

Bill Would Require One Year Of Residency To Qualify For Welfare

BY JACK SPENCER

Legislation that would require one year of residency in Michigan to qualify for welfare assistance from the state has been introduced in the Senate.

The measure, Senate Bill 70, is sponsored by Sen. Tonya Schuitmaker, R-Lawton.

Under current law, a person has to prove only his or her residency to qualify to receive welfare. The length of time they’ve been a resident doesn’t matter.

“Actually, I got the idea for this bill from a local judge who believes we should be promoting a culture of independence, not a culture of dependence,” Schuitmaker said. “We’ve just introduced the bill. It’s in the preliminary investigating stage.”

The key language in the bill states that someone is not considered a resident of this state “unless he or she has lived voluntarily in the state for not less than one (1) year before the date of the application for benefits.”

Sen. Vincent Gregory, D-Southfield, the ranking Democrat on the Senate Families, Seniors & Human Services Committee, said he didn’t need to analyze the bill much because he thinks it has already been ruled unconstitutional.

“I’m not sure this bill will even be brought up in committee,” Gregory said. “The point is that some other states have already tried to do this. It has gone to the U.S. Supreme Court, which has already ruled that it is unconstitutional, based on the Fifth and 14th Amendments.

“Under the Fifth Amendment the bill would violate due process,” Gregory said. “Under the 14th Amendment it would violate equal protection.”

Patrick Wright, senior legal analyst for the Mackinac Center for Public Policy, said he is familiar with the issue from reading court decisions that pertain to it.

“There are probably too many legal obstacles to this bill,” Wright said. “A better plan for reducing dependence on government assistance might be to continue working to improve the economy so there would be more jobs and less people relying on welfare.” ■

The original version of this story was posted online on March 5, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18369.

HOUSE OPPOSITION

from Page 10

the state finances and the economy, as well as my personal beliefs and feedback from constituents. In the case of freedom-to-work laws, I personally supported much of the concept, however I heard from many constituents in my district that the issue was not a priority for them and they could not support the bills in their final form.”

Ken Horn is no longer a member of the legislature. However, he is still eligible to run for state Senate. He voted “no” on right-to-work as a Representative of the old 94th District. He told reporters that when he voted “no,” he was voting his district. The new 94th House District is represented by Rep. Tim Kelly, R-Saginaw. It has a 56.2 percent Republican base. ■

The original version of this story was posted online on Jan. 24, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18208.

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Legislators Chip Away at Proposal A Property Tax Limits

Legislation would break 1994 promise to taxpayers

BY JARRETT SKORUP
AND JACK MCHUGH

In 1994, Michigan voters approved the constitutional amendment known as Proposal A to both overhaul school financing and cut-and-cap property taxes. Among many changes, the measure restricted school districts from asking voters to increase property taxes for ongoing school operating expenses.

But over the years, lawmakers from both parties have proposed bills chipping away at the initiative's property tax limitation promises, which they may do with a 3/4 supermajority vote in the House and Senate. Frequently the attempts have revolved around another state law that allows schools to levy up to 5 mills in property taxes for "sinking funds." Traditionally, these were special accounts used to pay off the debt incurred acquiring long-lived assets like land and buildings.

The current statute narrowly restricts allowable sinking fund uses to preclude spending on regular operating expenses of the type covered by Proposal A's restrictions on new millage requests. According to a 2009 House Fiscal Agency analysis, nearly half the state's conventional school districts have sinking funds (which is up from less than 20 percent in 2001).

In the past decade, more than a dozen bills have been introduced to expand the allowable uses of these local sinking fund taxes to include

operational spending items restricted by the Proposal A promise. Some of these bills proposed very broad expansions and some were less broad. Among the latter was a 2009 measure to let schools use sinking fund dollars to buy buses, computers and software, which in private sector business accounting are generally considered operational expense items rather than long-term capital assets.

In 2013, two bills expanding the use of sinking fund millages have been introduced, both by Republicans. The first, Senate Bill 99, was introduced by Sen. Howard Walker, R- Traverse City, on Jan. 29, just six weeks after the horrific school shooting incident in Newtown, Conn. It would add school security to the allowable sinking fund uses. This presumably would include ongoing expenses of the type covered by Proposal A millage limitations.

Three weeks later House Bill 4281 was offered by Rep. Michael McCready, R-Bloomfield Hills, which would also permit sinking fund revenue for school security, but then adds the "acquisition or upgrading of technology."

As mentioned, sinking fund expansions for technology and other things have been attempted many times by legislators, but have never before been attached to what has become the emotionally-freighted issue of school security.

"As a freshman, it's very possible Rep. McCready is not aware of the long legislative history of sinking fund expansion

attempts, and how they all chip away at the Proposal A promise," said Mackinac Center Fiscal Policy Director Michael LaFaive.

LaFaive said he thinks that members of the public school establishment are well aware of the history of these bills — and that they will use almost any excuse to get around the Proposal A tax limitation promise.

"In the current environment, slipping-in 'technology' under cover of the highly emotional issue of school 'security' is questionable at the very least," he said.

Not surprisingly, Rep. McCready highlights the security provision of his bill, but also argues it will save taxpayer money by giving local citizens an option that doesn't put them in debt for technology. "A millage for school security or technology will be subject to a vote of the residents — the same as it has always been," he said. "Bond proposals create future debt. A sinking fund millage raises X amount each year without borrowing and paying interest."

However, this sidesteps the real issue of adding technology to the allowable uses of sinking funds that have already been approved by voters for more limited purposes — in effect a bait-and-switch. It also raises the issue of whether technology (mostly computers and software) are long-lived capital assets that justify incurring long-term taxpayer debt.

On that point, Charles Owens, Michigan state director of the National Association of Independent Business, said in an email, "Creating

Proposed Law Would Prevent Unemployment Benefits For Certain Drug Users

BY TOM GANTERT

A state representative is proposing a bill that would prevent people who lose a job because of a failed drug test from receiving unemployment benefits.

Rep. Ken Goike, R-Ray Township said the inspiration for House Bill 5412 came from a story he was told by a relative. Rep. Goike said his brother-in-law is a plant manager in Macomb County and was set to hire 100 employees.

Rep. Goike said his brother-in-law told him that half of the applicants couldn't be hired because they failed the drug test necessary to run the equipment.

Rep. Goike said he's not requesting everyone who files for unemployment benefits be drug tested. The bill would apply only to people whose job requires drug testing. He said his own trucking and excavating business also requires federally-mandated drug tests to run certain equipment. He said if people fail those tests, they

can collect unemployment.

If Rep. Goike's bill passed and someone failed a drug test, they would have to get hired elsewhere, work 18 weeks and then lose that job before being eligible to collect unemployment.



Owens

Charles Owens, state director of the National Federation of Independent Business, said his organization didn't have an official stance on the bill, but said his own opinion was that it seemed fair.

The state's unemployment law states people have to be actively seeking work to collect benefits.

"You are not actively seeking work if you are having problems with controlled substances where it shows up at the work place," Owens said, adding that recreational drug use becomes a workplace issue when you fail a mandated drug test that's required for safety. ■

The original version of this story was posted online on Feb. 23, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18322.

long-term liabilities on the balance sheet for assets with a short shelf life, like technology, which rapidly becomes obsolete, is not an acceptable practice in the real world of accounting and financial management."

Rep. McCready is correct that his bill would not authorize new debt for technology — something that schools are already allowed to do with specific disclosures and voter approval (a practice Owens calls "sloppy management and careless planning at best, and at worst it is borderline fraud to the taxpayers").

But under the proper accounting procedures Owens

describes, in almost half the state's school districts (the ones with sinking funds) the bill would quietly subvert Proposal A's promise to limit new school operating expense millages.

Going forward, the legislative promise-breaking would expand every time an additional district asks voters to approve a sinking fund millage that under this legislation would include an item properly considered a recurring expense rather than a long-term capital asset. ■

The original version of this story was posted online on March 2, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18339.

Employees In Right-to-Work States Are Richer

BY TOM GANTERT

Scores of right-to-work critics ranging from politicians to economists have cited lower per-capita incomes in right-to-work states as why the new law is not good for Michigan.

However, not factoring in cost-of-living exposes a flaw in that analysis, said Mackinac Center for Public Policy Fiscal Analyst James Hohman. Once that is considered, Hohman said the per-capita income is higher in right-to-work states than non-right-to-work states.

For example, Texas per-capita income was \$37,098 but would

have a purchasing power of \$49,700 in the state of New York in 2007, according to Hohman's analysis. New York's per-capita income was \$47,852.

Hohman found that in terms of Michigan dollars in 2000, right-to-work states had 4.1 percent higher per-capita personal incomes than non-right-to-work states when factoring in cost of living. Michigan was considered a non-right-to-work state because the law was passed in late December 2012. Hohman said the right-to-work-states didn't surpass non-right-to-work states until 2003.

"One of the most basic

arguments repeated time and time again by right-to-work opposition is that Michigan is going to lose income by passing this law," Hohman said. "That just isn't the case. When you adjust for what a dollar can get you, the difference reverses itself."

Hohman used the cost of living index done by political scientists William Berry, Richard Fording and Russell Hanson. They adjusted for cost-of-living in every state from 1960 to 2007.

The idea is that costs vary state to state. For instance, gas on Friday in Connecticut was \$3.66 per gallon compared to

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Item	Price in Ann Arbor	Price in Wethersfield, CT
Can of tuna	\$1.20	\$1.99
Jar of peanut butter	\$3.28	\$3.49
Bottle of ketchup	\$1.79	\$2.19
Gallon of milk	\$2.59	\$3.59
A dozen eggs	\$1.68	\$2.29
Pound of ground beef	\$4.19	\$5.69
Jar of Tylenol	\$8.72	\$9.99
Pack of diapers	\$19.77	\$19.99
Box of dishwashing detergent	\$5.99	\$6.39
Movie tickets	\$10.00	\$10.25

Note: Each item was identical in brand and quantity. For instance, the can of tuna was a Bumblebee 5-oz white albacore tuna. Prices were checked on Jan. 15 in Wethersfield and Jan. 17 in Ann Arbor.

\$3.37 in Michigan. Connecticut's gas tax is 6.1 cents higher than Michigan's and Connecticut's sale tax is .35 percent higher than Michigan's. Prices on items like milk, eggs, peanut butter, Tylenol, detergent, diapers and

other goods are also higher (see chart). ■

The original version of this story was posted online on Jan. 28, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18222.

Hazards of Long-Term Union Security Agreements



BY DERK WILCOX

As Michigan's right-to-work law is set to take effect in March,

unions — primarily representing public employees — are scrambling to get contract extensions passed that would prevent their members from exercising this new freedom and continue to extract financial support from them as a condition of employment.

This attempt to skirt the law uses a legal strategy that is risky for employers and employees alike. It remains to be seen whether either side will join with the unions and endorse this ploy.

The unions are drafting decade-long "union security agreements" or "agency fee agreements" that, if valid, would continue requiring employees to pay full union dues or agency fees as a condition of employment. If these dues or fees are not paid, a union could force the employee to lose his or her job. By pushing for these last-minute extensions, the unions hope to take ad-

vantage of a provision in the bill that grandfathers in existing contracts at the time the law takes effect.

In other words, union bosses are trying to maintain the status quo by flouting a law that was enacted by a democratically elected Legislature and signed by a democratically elected governor and trying to forcibly collect money from employees who do not wish to support the union just so Big Labor can continue to pad its political coffers.

The Mackinac Center has been provided with various versions of these agreements. One such notable agreement is being proposed by the Western Michigan University Chapter of the American Association of University Professors and would lock its employees into financially supporting the union until September 2023. The Berkley Education Association is considering the same tactic.

Such agreements are unprecedented in Michigan. Union security clauses are generally a provision in the larger collective bargaining agreement entered into between the employer and the union, and lasts only for the length of the current collective bargaining agreement —

usually about three years.

This attempt to circumvent the new right-to-work law is sure to be tested in the courts, and therein lays one of the dangers for employees and employers. To induce the employer, such as Western Michigan University, into entering such an arrangement, the union is proposing that it will pay the legal costs of the employer when this scheme is challenged in court. The apparent hope is that the employer will see this agreement as reducing its financial liability and therefore acquiesce in the hopes of avoiding labor strife.

The very fact that this indemnification against legal challenges is being offered ought to set off warning bells for all the parties. This novel attempt will undoubtedly be tested in court and might take years of costly litigation. Even where the union local promises to pay the employer's related legal costs, the employer may still have to bear its own court costs to determine the scope of the agreement's indemnification, as well as have to defend itself if the union accuses it of breaching the security agreement. This also means the union is committing to using the forced dues and agency fees it hopes

to collect for purposes other than collective bargaining.

In at least one court case involving a union security agreement, a local school district refused to fire an employee who would not pay union dues. The union, which had granted the district indemnification in the first place and agreed to pay the district's legal fees, went on to challenge the scope of the school district's indemnification and sued the district for breach of contract. Even with an indemnification provision in place, the employer still faces the distinct possibility of having to represent itself in court and bear the cost of its own legal fees as a result of the union security agreement.

Employers face a number of other factors that would weigh against entering into such a union security agreement. Why would an employer want to lose a good employee just because that employee doesn't want to fund the union? Prior to right-to-work, the employer had little choice. But now, why would the employer voluntarily give up the ability to retain good employees? And why would the employer want to force on its employees a reduction in take-home pay by locking them into

a long-term dues requirement?

Employees voting on such extensions should think long and hard about funding the legal costs of their employer. Could the local union even bear such a cost, or would it require further financial assistance that may or may not come from the union's national office? The employees will also have to consider the forced reduction in take-home pay that will result from the security agreement as they would be placing themselves on the hook for the dues and fees for the next decade.

And lastly there is a question about the fairness of locking employees into paying union dues and fees regardless of whether they support the union's actions or how it is representing them. The benefit of the right-to-work law is that it is supposed to make unions more accountable to their members, who would then be more willing to voluntarily give the union financial support. ■

Derk Wilcox is senior attorney at the Mackinac Center for Public Policy. The original version of this story was posted online on Jan. 31, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18232.

UAW PRESIDENT BOB KING ADMITS PROPOSAL 2 WAS ABOUT RIGHT-TO-WORK

BY JACK SPENCER

So much for union claims that Proposal 2 on the 2012 ballot wasn't about right-to-work. United Auto Workers President Bob King says it was.

Michigan voters soundly rejected Proposal 2 in November, 58 percent to 42 percent. In December, Gov. Rick Snyder asked the legislature for right-to-work legislation. The legislature passed the bills and Snyder signed them into law.

As the right-to-work measures began moving, the unions bused protesters to the Capitol building. They screamed that right-to-work hadn't been discussed enough. And when Proposal 2 was defeated, they claimed the proposal hadn't been about right-to-work.

But King's initial announcement of the proposal and his recent recap to the *Metro Times* of why the union pursued Proposal 2 exposes exactly the opposite.

The *Metro Times* published its interview with King the week of Feb. 3-8. In it, King offered up a

litany of complaints the unions had about Gov. Snyder leading up to the announcement of the proposal on March 2. Then he started talking about right-to-work.

"So he [Snyder] talks this moderation, but every extremist bill that [the Republican-controlled Legislature] passes — there are one or two exceptions — but overwhelmingly, he signs them," King is quoted as having said in the interview. "So we said, 'Jeez, this guy says it's not on his agenda, right-to-work, yet he's signing legislation that's more harmful to workers than right-to-work.' So he didn't have any credibility with us at that point."

Later in the interview King made it even clearer that right-to-work was the issue the unions were concerned about when they came up with Proposal 2. In that context he concluded:

So we in labor said, 'You know, we can't just sit and wait for the lame duck, we know it's coming, this has been a 10-year, at least, effort by [Dick] DeVos and other right-

wingers — the Koch brothers were also involved. So it was our leadership responsibility to try and head this off. So we put together Proposal 2.

The *Metro Times* then asked King the following: "So if Gov. Snyder had publicly committed not to sign right-to-work, Prop. 2 would not have been pursued?"

"That's right," King answered.

Proposal 2 would have locked a myriad of union perks and advantages into the state constitution. Chief among them would have been a ban on Michigan ever becoming a right-to-work state. In right-to-work states, workers can not be forced to contribute dues or fees to a union as a condition of employment. Michigan is the 24th state in the nation to give workers the freedom to choose if they want to belong to a union.

King's comments about right-to-work in the *Metro Times* are important because the unions now are saying that there was no debate about the issue and that the law arose and was signed quickly. In fact, right-to-work bills have been introduced

in the Michigan Legislature for years and the issue has been widely debated in union halls, at universities, with business groups and in communities across Michigan.

King also said in the interview that two "much more serious" laws passed by the legislature related to an attempt to unionize graduate student research assistants at the University of Michigan and home-based caregivers who were forced into a union by the SEIU. The Mackinac Center for Public Policy filed lawsuits relating to those two instances.

Nearly a year ago, when King announced the proposal, he described it as being to ban right-to-work in Michigan.

Rep. Mike Shirkey, R-Clark Lake, began pushing for the legislature to take up right-to-work more than a year ago. After being informed of the King interview, Shirkey said that claims that the right-to-work issue appeared out of nowhere in December are disingenuous.

"Anyone who thinks this was something that was just ginned up at

the last minute in lame duck either had their head buried in the sand or is in denial," Rep. Shirkey said. "I've said from the beginning, my interest in right-to-work goes back many years.

"Further, there has been an almost immeasurable number of studies that show right-to-work will be good for Michigan's economy," he said. "The debate had been going on for a long time."

Another strong proponent of the law is Sen. Patrick Colbeck, R-Canton. He said Michigan's right-to-work law should be judged on its merits, not on distractions and rhetoric.

"That's interesting," Colbeck said, regarding King's remarks in the interview. "But when it comes down to it, this really isn't about a lot of backroom discussions and maneuvers the unions might have been involved with. To most people this is about jobs and basic rights." ■

The original version of this story was posted online on Feb. 18, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18284.

The Facts on Subsidized College Degrees

BY JARRETT SKORUP

In response to my article on why state government shouldn't subsidize higher education, several proponents of more state funding for universities disputed the claims but presented no actual evidence to counter the points.

As I wrote:

There is no link between higher education subsidies and economic growth, and none between college degrees and job creation. In recent decades, Michigan spent much more than other states on college appropriations, but faltered in economic growth. And states do not grow by adding college degrees — the increase in graduate population compared to personal income growth yields no correlation.

Economist Richard Vedder notes: "Nationwide, from 1980 to 2000,

the 10 states with the most rapid economic growth expanded their spending on higher education on average at a modest pace, from 1.31 percent to 1.44 percent of personal income. In the 10 slowest growing states, higher education spending grew rapidly on average, from 1.80 percent to 2.21 percent of personal income."

Doug Rothwell, president of the Business Leaders for Michigan, cited my article and told MIRS News that reducing funding to higher education "would be a travesty. It would affect one of the most important assets the state has. The last thing we should do is defund it."

Rothwell presented no evidence for his opinion.

Reporter Rick Haglund wrote that the article "makes a number of claims that run counter to most

research and data regarding the value of a college degree."

Haglund, however, does not say what "claims" are countered by this research and data or where it comes from.

In a separate article, Haglund wrote: "University officials cite declining state support as a major reason why tuition costs have exploded." But it is only in recent years that Michigan has significantly cut the appropriation amount to state universities. While there was a slight drop in per-pupil appropriations from 1980-2000, during the same time period the state increased its commitment to universities to the sixth highest proportion in the nation. But tuition costs skyrocketed, increasing by about 60 percent in real dollars.

That matches the trend

nationwide where in the past few decades colleges have raised tuition twice as much as every dollar lost in state support.

And direct appropriations are only one of many ways the public subsidizes higher education — students receive direct grants and artificially capped, taxpayer-backed loans while schools receive a host of direct subsidies, property tax abatements and tax breaks.

So what was the reason for sharp tuition increases cited by university officials during previous decades? Why is a college education so expensive? One significant reason is because the government subsidizes it.

When the government subsidizes higher education, it becomes cheaper for people to access, so more people apply. The demand for college rises, which in turn drives the price of tuition up. At the same time, as the price of college

rises, politicians are urged to spend more as universities become more empowered and invested in making sure those appropriations keep coming.

Students also are less likely to pay attention to their ability to actually afford what they are purchasing, let alone have a sense of the value of their degree.

Michigan taxpayers spent \$1.3 billion this past year on direct appropriations to its 15 public universities. In the long run, the state and federal government have increased direct and indirect subsidies to colleges and students, yet college has not become more affordable. In fact, it is fast becoming unaffordable for more people. ■

The original version of this story was posted online on Feb. 20, 2013. It is available with hyperlinks and more info at www.MichCapCon.com/18307.

IM JUST A BILL

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A sampling of proposed
state laws, as described on
Michigan**Votes.org**

House Bill 4369

Codify "education achievement authority" for failed schools: Passed 57 to 53 in the House

Introduced by Rep. Lisa Lyons (R)

To codify in statute the powers and structure of a state "education achievement authority" (already created by means of an administrative "interlocal agreement"), which is an office in the Department of Education tasked with managing, overseeing or contracting-out the operations of public schools deemed to have failed academically.

House Bill 4320

Expand forest property tax breaks: Passed 94 to 16 in the House

Introduced by Rep. Andrea LaFontaine (R)

To expand the eligibility for property tax breaks granted to owners of smaller forest property parcels (a separate program gives breaks to large "industrial" forest tracts and requires those owners to allow public recreational access). The bill would also double the number of acres eligible for these smaller "qualified forest" tax breaks from 1.2 million to 2.4 million statewide, authorize a new 2 mill property tax on property in this program that would go to proposed "Private Forestland Enhancement Fund" to subsidize private forestland management activities, and revise other details of this program.

House Bill 4042

Require match of welfare applicants against incarceration lists: Passed 109 to 1 in the House

Introduced by Rep. Tim Kelly (R)

To require the Department of Human Services to perform a monthly jail and prison "incarceration match" and Social Security "death match" to help determine eligibility for a welfare and food stamp benefit "bridge cards," and revoke the card of a person on those lists. This would codify in statute what is reportedly current department practice.

Senate Bill 94

Prohibit Michigan National Guard executing federal "indefinite detention": Passed 37 to 0 in the Senate

Introduced by Sen. Rick Jones (R)

To prohibit members of the Michigan National Guard or other state and local government employees from participating in the investigation, prosecution, or detention of any person under a recent federal law giving the current or a future President the power to order the indefinite detention of persons arrested on U.S. soil, without charge or trial ("Section 1021 of the National Defense Authorization Act for Year 2012").

Senate Bill 78

Restrict setting aside state land for "biological diversity": Passed 26 to 11 in the Senate

Introduced by Sen. Tom Casperson (R)

To prohibit the Department of Natural Resources from designating an area of state land specifically for the purpose of achieving "biological diversity;" no longer require the DNR to manage forests in a manner that promotes "restoration;" and remove from statute a legislative "finding" that most losses of biological diversity result from human activity.

Senate Bill 61

Convert Blue Cross to non-profit "regular" insurance company: Passed 36 to 0 in the Senate

Introduced by Sen. Joe Hune (R)

To convert Blue Cross Blue Shield into a "mutual insurance company" and make it subject to the same regulations as regular health insurers. Although it would remain a non-profit, current restrictions on the entity's ability to own for-profit subsidiaries would be reduced, and it would no longer be subject to close oversight by the state Attorney General. In return for being granted this conversion, BCBS would pay "up to" \$1.56 billion over 18 years (meaning it could be less) into a fund that would supplement various health-related government programs, with specific spending items selected by a board of political appointees. The bill does not include abortion restrictions that caused Gov. Snyder to veto the same measure when passed late last year.