



# CAPCON MICHIGAN CAPITOL CONFIDENTIAL

MACKINAC CENTER FOR PUBLIC POLICY

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## Some Upper Peninsula Residents In Revolt Over Federal Road Closings

*U.P. Senator on Forest Service plan: 'They're not listening to the citizens'*

BY DEREK DRAPLIN

Some Upper Peninsula residents are outraged over a U.S. Forest Service plan to close roads in the Hiawatha National Forest. Community members say they were left out of the planning process and presented with a plan they were expected to sign off on.

The proposal, called the Camp Cooks Integrated Resource Management Project, would close a number of specified two-track roads and trails in order to diminish accessibility and reduce alleged environmental damage. These roads are unpaved and typically not large enough for full-sized vehicles. They are often used for recreational

purposes by people who ride ORVs, side-by-side ATVs and snowmobiles, but they are occasionally used to access camps and other private properties within the million-acre national forest.

The Forest Service wants to close 35 miles of existing roads that were previously ordered to be closed but never were, according to the plan. It designates these roads "operation maintenance level 1," or "OML 1," which it reserves for roads meant for "basic custodial care" and not vehicular traffic.

The plan also calls for decommissioning another 31 miles of roads based on criteria that are not clear in the text. The Forest Service did not respond to questions asking for a clarification.

The Camp Cooks plan also asserts that 95 percent of such roads in the forest should be closed down because they are damaging wetlands. (It's unclear how many more roads and trails this may be, but regular visitors know that the entire forest is crisscrossed by hundreds if not thousands of these "two-rutters.")

One of the announced goals is to limit access to make the forest more secluded for wildlife.

"The purpose of this proposal is to reduce access in areas with management emphasis on seclusion," the plan states.

In Nahma Township, which lies entirely within the Hiawatha forest, four trail networks totaling 16.2 miles have been deemed "illegal," with a recommendation

that they be closed. The "illegal" label is claimed because these two tracks have not been designated official off-highway vehicle (OHV) areas and were not created by the Forest Service.

"The trails are located in sensitive areas including wetlands and Great Lakes coastal lands," the plan states. "Increasing illegal use on these trails is negatively impacting hydrological and ecological function."

Some local residents say the Forest Service has blocked their ability to provide meaningful input on the plan.

Rich Heinz, a Delta County resident who owns a business in Escanaba, said the situation has gotten out of control.

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Feds Force Michigan Cherries to Rot — In Order To Raise Prices

### Michigan District Bans Homeschooled Girl From Homecoming Dance

BY TOM GANTERT

Wayne-Westland Community Schools has a policy that states that homeschooled students who want to attend a dance such as Homecoming would have to come from an "accredited" homeschool. That would effectively ban homeschoolers from attending dances held by the district since homeschoolers have no reason to be accredited and the state doesn't require it.

Karen Braun, a nationally recognized homeschooling activist in Michigan, said the school district is putting an unfair and unnecessary burden upon homeschoolers. Braun said parents contacted her and said their daughter, a homeschooling student, was invited to the upcoming Homecoming dance within the Wayne-Westland district. The student, though, was told she could not attend because she was not from an accredited homeschool. Braun posted the news on her Facebook wall. Braun didn't have permission to release the name of the student, so she left out the student's name.

See "Homecoming," Page 10

### EPA Expands Power by Calling Plowed Farm Fields 'Mini Mountain Ranges'

BY TOM GANTERT

When farmers plow their land, it produces grooves called "furrows," bordered by small ridges of dirt.

But in pursuit of new regulatory powers, federal agencies refer to the little dirt mounds by another term: "mini mountain ranges." That seemingly absurd distinction is being used to impose more federal control over private land use decisions made by U.S. farmers.

That was the claim described in a U.S. Senate committee report released Sept. 20. The committee reviewed the powers held by the nation's two largest environmental regulation agencies, the U.S. Army Corps of Engineers and the Environmental Protection Agency, and a proposed regulatory rule.

The rule, called "Waters of the United States," uses the Clean Water Act to give both federal agencies expanded jurisdiction over private land use decisions. The Senate report suggests the dispute over whether the rule goes beyond what the law

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# CAPCON MICHIGAN CAPITOL CONFIDENTIAL

Dear Reader,

**We could not do this without you.**

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

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

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

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

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

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

Sincerely,

  
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LETTER FROM THE EXECUTIVE VICE PRESIDENT

## *Postelection: Moving Forward With What Brought Us Here*

MICHAEL J. REITZ

Every election provides a moment to reset and evaluate assumptions, values and priorities. The 2016 presidential election is no different. The pundits – the very ones who were so utterly wrong with their predictions – have rushed to explain what it all means.

The important thing is for everyone to learn the correct lessons. At the Mackinac Center, we've decided this is not a moment for self-indulgent emotions. Some Americans feel elation, some feel despair, and some simply feel relief. Leaders must have grace, courage and good cheer, and those qualities are needed now. We will continue dedicating ourselves to careful and open-minded dialogue with both those who agree with us and those who are more skeptical.

We reject the simplistic and inaccurate narrative now offered by the media – that this election was simply about anger or fear. I see a deeper theme: a revolt against the idea that we can only live and think in manners that are approved by political leaders or institutions. That's wrong. The government must serve the people, not the other way around. As one state constitution says: "All political power is inherent in the people, and governments derive their just powers from the consent of the governed, and are established to protect and maintain individual rights."

A presidential election does little to change the Mackinac Center. We stand for free markets, liberty and restraints on governmental power. Whether the president was Ronald Reagan in our first years, or Barack Obama or Donald Trump today, our role is to research and explain the ideal path for addressing the public policy challenges of the day.

Looking to next year, the most significant opportunity for them is to address the unfunded legacy costs in the public pension

system. We are \$26 billion in the hole for school employees, and that doesn't include retiree health care costs. This can be a legacy issue for Gov. Snyder.

We will continue to advocate for labor reforms that give employees choices about union membership. Building on the enactment of the right-to-work law in Michigan, we shared our expertise in Wisconsin and West Virginia as those states adopted worker freedom laws. We expect similar opportunities in Missouri and Kentucky in 2017. The U.S. Supreme Court will take up another case like the Rebecca Friedrichs case, which would extend First Amendment protections in employment to public employees nationwide.

Michigan could become even more attractive to new people and businesses by eliminating the personal income tax. And we are pursuing ideas that would help the most disadvantaged: choices in education, criminal justice reform and occupational licensing reform.

So here we are. The task is before us. In 1776, George Mason wrote: "No free government, nor the blessings of liberty can be preserved to any people, but by a firm adherence to justice, moderation, temperance, frugality, and virtue; by frequent recurrence to fundamental principles." The Mackinac Center will continue remind our leaders and fellow citizens of those fundamental principles. ■



Michael J. Reitz,  
Executive Vice President

## MEET THE STAFF



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## Police Seize Car, Drive 56,000 Miles, Sell It Without Charging Owners With a Crime

BY DEREK DRAPLIN

A year after the Saginaw County Sheriff seized a classic muscle car from a Shiawassee County couple, it sold the car — with another 56,000 miles that had been logged in the interim. Last month, the couple filed a federal lawsuit over the car and other items that had been seized and then sold by the department. The department's actions grew out of a 2008 investigation for possible drug crimes, but the couple was never convicted or even charged with a crime.

Gerald and Royetta Ostipow filed the lawsuit on Aug. 24 with the U.S. District Court in Detroit against Saginaw County Sheriff William L. Federspiel, the department and a number of unnamed sheriff deputies. The lawsuit alleges that Federspiel and members of his department seized, then sold, hundreds of thousands of dollars in property belonging to the couple before the final determination of forfeitability.

In April 2008, the department received search warrants to search a farmhouse in Shiawassee County owned by the Ostipows, who lived a half-mile down the street in their longtime residence.

The search warrants were issued by Saginaw County judges, said Outside Legal Counsel, which is representing the Ostipows. But it's unclear why the Saginaw County officers were in a neighboring county's jurisdiction and didn't get search warrants from Shiawassee County judges.

The farmhouse, which was being renovated by Gerald Ostipow, was occupied by his adult son, Steven, and the property's outbuildings were used for storage.

When the sheriff's deputies searched the farmhouse they found marijuana plants and seeds grown by Steven Ostipow, but his parents have denied knowledge of his illicit activities, their lawyers said.

That's when the Ostipow's property stored in the Shiawassee farmhouse and outbuildings were seized by the Saginaw County officers, despite Gerald and Royetta not being charged with any drug-related crimes.

The deputies seized dozens of animal mounts, tools, deer blinds and farm equipment from the farmhouse property. They also took a 1965 Chevy Nova SS that was being renovated and stored on a trailer.

Outside Legal Counsel claims the seized property "lacked any realistic connection to the pot plants and seeds of Steven's grow."

Later that day, Saginaw deputies obtained another search warrant — again from a Saginaw judge — to search the Ostipow's main residence in Shiawassee County, down the street from the farmhouse. The couple's law firm says no drugs were found at the property, yet officers seized cash from Gerald Ostipow's wallet, plus other items.

After the initial seizures, Saginaw deputies "would then routinely appear and present themselves, in plain clothes and in their personal vehicles while off duty, at the Residence and Farmhouse to continue to seize additional personal property," the federal complaint alleges.

The Michigan Court of Appeals later found that Royetta Ostipow's portion of property seized from the farmhouse — which included the classic car — should be repaid. A later trial court decision ruled "most of the personal property seized was improperly taken and was ordered non-forfeitable."

But it was later discovered that Sheriff Federspiel and the department sold off most of the Ostipow's seized property before there was a ruling on the forfeitability of the items held by the county.

Documents provided by Outside Legal Counsel show the department seized the Ostipow's 1965 Chevy Nova SS on April

See "Seize Car," Page 8

## Saginaw County Sheriff Denies Driving Seized Muscle Car, Won't Explain 56k New Miles

BY DEREK DRAPLIN

The Saginaw County Sheriff's Department has yet to explain how 56,000 miles were added to the odometer of a classic muscle car that it seized and held for over a year before selling it. The county also denied a Freedom of Information Act request for more documents regarding the vehicle following a previous article detailing the civil asset forfeiture case.

On Sept. 13, it was reported that 56,000 miles had been added to a 1965 Chevy Nova SS, which was owned by Shiawassee County couple Gerald and Royetta Ostipow, while it was in the possession of the department. Information in the report came from a seizure-related form from the department as well as a title transfer document.

A day later, Saginaw County Sheriff William Federspiel went on the Frank Beckmann Show and said allegations were not fact-based, citing the same title documents.

"A lot of what I've seen reported is allegation not based on fact and we have copies of the title and the mileage and all that," he said.

Days later, the Mackinac Center for Public Policy sent the county a FOIA request asking for the Chevy Nova's vehicle logs, or sign-out sheets.

On Sept. 26, the county denied the FOIA request, saying it did not have the requested documents. It added that the previous news report was "based on inaccurate factual representations, including the false premise that the 1965 Chevrolet Nova seized by the Saginaw County Sheriff's Department was subsequently operated by the Saginaw County Sheriff's Department."

The Ostipows filed the lawsuit on Aug. 24 with the U.S. District Court in Detroit against Federspiel, the department and a number of unnamed sheriff's deputies, alleging that the department seized hundreds



A 1965 Chevy Nova. Photo via Wikimedia Commons.

of thousands of dollars of the couple's property. The suit also said that the department sold the seized property — including the Nova — before there was a final determination of forfeitability and despite the Ostipows never being charged with a crime.

The lawsuit stems from a series of searches in April 2008 of the Ostipows' two Shiawassee County properties. In addition to seizing the vehicle and an accompanying trailer, deputies also took dozens of animal mounts, tools, deer blinds and farming implements. Those items were stored on a farmhouse property the Ostipows owned, down the street from their residence. Their grown son, Steven Ostipow, lived in the farmhouse.

Deputies found marijuana plants and seeds from a growing operation their son maintained before the department seized various items. The elder Ostipows have claimed they did not know he was growing marijuana.

A trial court later ruled that Ostipows were not, in fact, innocent owners, but knew about the marijuana operation. The Michigan Court of Appeals later found that Royetta Ostipow's portion of property seized from the farmhouse — including the Nova — should be returned. Another trial court found that "most of the personal property seized was improperly taken and was ordered non-forfeitable." The lawsuit filed by the senior Ostipows alleges Federspiel and his department sold off the property before a ruling came down on the forfeitability of the seized items.

The title and seizure documents show that 56,000 miles were added to the vehicle.

According to an official forfeiture document dated April 24, 2008, a detective wrote that the vehicle's odometer read 73,865. According to the "title assignment by seller" form dated June 2009 — around the time the department sold the vehicle for \$1,500 — the mileage was recorded as 130,000 and signed by Federspiel.

Federspiel and Saginaw County did not respond to questions asking for an explanation of how, if nobody in the department had driven the vehicle, 56,000 miles were added to the odometer.

In his radio interview, Federspiel blamed his predecessor for the car's seizure. He did not become sheriff until January 2009, after the seizure, as was noted on Beckmann's show.

"This case originated under my predecessor, the sheriff who was before me," he said. "Nine months worth before I ever became sheriff." Federspiel added everything his department does related to forfeitures is at the direction of the county prosecutor's office.

Philip Ellison, one of the Ostipows' lawyers, contends the lawsuit isn't challenging the seizure of the property, but the sale of the property under Federspiel's watch.

In the radio interview, Federspiel also said that the Nova, which was on a trailer at the time it was seized, was not operable.

See "Muscle Car," Page 10



## Safe Space? Ann Arbor Landmark Painted With 'Kill em All' After Trump Victory

BY TOM GANTERT

The face of an iconic rock in Ann Arbor was painted with the words “Kill Em All” in white surrounded by red along with a picture of a blue elephant, the traditional mascot of the Republican Party.

Another side of the rock also had a donkey, the mascot of the Democratic Party, with two stars around it and no words. And another side had a profanity that says “F\*\*\* America” on it.

The photo was taken after the election in which Republican Donald Trump upset Democrat Hillary Clinton to become the next president.

“The Rock” sits on the corner of Washtenaw Avenue and Hill Street and borders the University of Michigan campus but is officially part of a city of Ann Arbor park. It historically has been painted over the years on numerous occasions.

“We understand students are in the process of repainting the rock now,” said U-M Spokesman Rick Fitzgerald.

Ann Arbor Mayor Christopher Taylor didn’t immediately respond to an email seeking comment. ■

*The original version of this story was posted online on Nov. 9, 2016 and is available at [MichCapCon.com/22975](http://MichCapCon.com/22975).*

Left: “The Rock” is an iconic landmark in Ann Arbor that has been painted on numerous occasions.

## Radical U-M Student Group Demands 'Sanctuary Campus' Walkouts

*Thousands of students ditch class in response*

BY DEREK DRAPLIN

In the wake of Donald Trump’s election as president, a radical student group at the University of Michigan has organized protests to demand that the university make itself a “sanctuary campus” for illegal immigrants and make accommodations for minority students. The group also claimed that campus security officers should not be trusted because police unions endorsed Trump. They stated that entrusting the police to look out for minorities was “an act of violence.”

A group called Students4Justice has orchestrated walkouts in which thousands of students left scheduled classes. It also issued guidelines for the protest on a Facebook event page that assigned white people secondary roles in the protest.

“All roles highlighted in blue are open to white people!” the form reads.

“What we have found that when white people and people of color make statements, they overwhelmingly choose the quotes of white people,” the guidelines said. “That would be reductive to what we are doing in this walkout, where we are centering the voices of those most marginalized.”

White people are told to deal with law enforcement and crowd control, since “We want visibly privileged folk [sic].”

The directions explain that the protest is “about fighting against white supremacy,” not the election results, despite mentioning Trump in their demands.

The University of Michigan and its satellite campuses in Flint and Dearborn will receive \$355.9 million in state appropriations for the current fiscal year. That’s the most of any state university.

The protest is just the latest in a series following Republican Donald Trump winning the presidency last week. A vigil of nearly 1,000 people was held after the election results were released, and on Tuesday over 100 students protested Trump in an even organized by the group By Any Means Necessary. Recently, the iconic rock in Ann Arbor was painted over with the words “Kill Em All” surrounding a picture of the Republican Party’s elephant mascot as well as the Democratic Party’s donkey mascot. It was later painted over.

The Rev. Jesse Jackson spoke to the crowd of protesters at the Diag before thousands walked to various campus locations, including through the undergraduate library and business school, then blocked off parts of State Street in downtown Ann Arbor.



Photo from the StudentsForJustice Facebook page.

Students4Justice, which is not officially registered as a student group, issued a lengthy list of demands for the university to adhere to in the days before the walkout.

Among the issues detailed in the demands are the removal of “symbols of white supremacy on this campus”; the creation of a “sanctuary campus” for illegal immigrant students; and an increased call for the rejection of race-based harassment and protection of minority students. The list also demanded that the university divest from businesses “that profit from human rights abuses inflicted against people of color.” Five of the seven outlined demands repeated the sentiment that minority students need to be protected.

“The University must re-channel its resources and money to its basest requirement: to protect its students. This safety must not depend on the University’s police. The police, as a union, has endorsed Trump. Placing us in the police’s care is an act of violence, especially for Black students,” said the demands, which were passed around the student body via an open Google document.

“The University must protect its students, instead, by dramatically increasing financial aid, emergency funds, health care resources, health insurance grants, and discretionary funds available

See “Sanctuary Campus,” Page 8

# Feds Force Michigan Cherries to Rot — In Order To Raise Prices

BY DEREK DRAPLIN

Over the summer, millions of pounds of Michigan tart cherries were dumped on the ground and left to rot, thanks to a federal board. The dumping means fewer tart cherries in stores which means higher prices for consumers. And while American farmers are forced to keep their cherries off the market, some companies end up having to import cherries from other nations.

Photos of some of the dumped cherries went viral. The images troubled many people, who wanted to know why all that fruit was wasted.

The short answer is this: It's complicated and involves government policies.

The Cherry Industry Administrative Board is given the power by Congress and the U.S. Department of Agriculture to control the prices of tart cherries (though not sweet cherries). It does this by restricting the amount of cherries that are processed and sold to consumers. When there's a good crop that might drive prices down — a "surplus" in the eyes of the government — the amount of picked cherries that companies can process is limited by a numeric cap. One result is that millions of pounds of cherries rot on the ground. Another outcome is that consumers pay higher prices than they would have had the market been allowed to freely work.

One viral cherry photo was posted by Michigan cherry farmer Marc Santucci of Santucci Farms in Traverse City. He captioned the photo: "These cherries are beautiful! But, we have to dump 14 percent of our tart cherry crop on the ground to rot. Why? So we can allow the import of 200 million pounds of cherries from overseas! It just doesn't seem right."



The Cherry Board says that the regulatory regime was set up "to assist the industry in dealing with the erratic production cycle of red tart cherries and to improve returns to the growers and processors of red tart cherries in the United States."

The dumping and price controls are carried out through a "market order," which must be approved by producers and the USDA. The stated goal is to "help provide stable markets for dairy products, fruits, vegetables and specialty crops." The orders are also "tailored to the individual industry's needs" yet "are a binding regulation for the entire industry in the specified geographical area," according to the USDA.

After Santucci posted his opinion on social media, the Michigan Farm Bureau said it was ill-informed and left "a trail of destructive misinformation in its wake."

A press release from the Michigan Farm Bureau said Santucci's post was poorly informed and implied that Santucci was motivated by "politically charged interest."

The cherry "surplus" for 2016 was expected to be 101 million pounds, "far too much for the market," said Perry Hedin, executive director of the Cherry Board, in a press release. Because of the good harvest, the cherry marketing order required processors to keep 29 percent of the crop off the North American market.

The Cherry Board is made up of representatives of farmers and processors from seven states that are subject to the order. The representatives make industry decisions and send recommendations to the USDA, which then adopts or rejects the recommendations. In the 1990s, the marketing order was created by the USDA at the behest of the tart cherry industry. Every six years, the industry holds a



This photo, provided by Santucci Farm in Traverse City, went viral when posted on Facebook and created an outrage over why some cherries go to waste in Michigan.

referendum on continuing the marketing order; the last vote was in March 2014.

Although both farmers and processors have a say with the Cherry Board, the marketing order's regulations only apply to processors (also called handlers) who prepare and can harvested tart cherries.

If processors cannot hold excess tart cherries in reserves or send them to alternative outlets, they can ask farmers not to deliver the cherries for processing. That leaves the farmers with cherries that spoil easily if they're not processed. When processors won't take cherries, farmers like Santucci often end up dumping them, something the Cherry Board calls "in-orchard diversions."

In his viral post, Santucci said that he knew people who would buy the discarded cherries if he could sell them. He also said, "Just to let everyone know we are not allowed to donate or in any way use diverted cherries."

But Hedin disputes that contention, saying farmers can donate excess cherries.

"While it may be convenient to assert that growers cannot donate the surplus cherries, that simply is not the case," he said. "There is a process by which surplus, aka excess, tart cherries can be donated to charitable organizations. Under the procedures of the order, growers can, in fact, arrange for their excess tart cherries to be donated to such charities."

Those cherries must be processed before they are donated, according to Hedin.

In an email to growers and processors, Hedin asked rhetorically if some people in the industry were mad because "growers have been misled by other growers into believing that the surplus tart cherries could not be donated to charitable organizations?"

According to the cherry board, Michigan harvested 236.4 million pounds of tart cherries in 2016, accounting for 69 percent of national production. Michigan's cherry growers also diverted 14 million of their tart cherries in 2016, with another 12 million being diverted nationally.

Santucci, in an interview with the Mackinac Center for Public Policy, said the Cherry Board believes that by "limiting the domestic supply of cherries, that will act to support the price of cherries. That could happen in times where there was no international trade of cherries, but given that we have become a major importer of cherries, there is no way that they can support the price without drawing in more imports."

Santucci added that the program makes it more difficult for U.S. farmers to compete with imported cherries. "Because of our program, we actually make it easier for (Eastern European) cherries to come

# U-M's New 'Chief Diversity Officer' Will Collect \$385,000 per Year

BY DEREK DRAPLIN

The University of Michigan's new chief diversity officer will collect \$385,000 a year under his various job titles, including a new one created by a recently revealed \$85 million, five-year U-M diversity plan.

Robert Sellers' appointment to a new position called "vice provost for equity and inclusion and chief diversity officer" (VPEI-CDO) was approved Oct. 20 by the university's governing board. Sellers previously served as "vice provost for equity and inclusion," and is also listed as a professor of both psychology and education. In 2014-15 Sellers was paid \$347,295 in his capacity as vice provost, a position created in 2014.

President Mark Schlissel nominated Sellers for the job several weeks ago. The new full-time administrative position "will serve as a leadership voice on diversity, equity and inclusion for the entire university."

The diversity plan Sellers will oversee will spend \$17 million a year over the next five years. It seeks to "recruit, retain and develop a diverse university community" and "support innovation and inclusive scholarship and teaching" through a number of new and expanded programs.

The \$85 million plan is in addition to the \$40 million a year the university already spends promoting diversity.

Earlier this year, university officials increased tuition by 3.9 percent for in-state undergraduates on the Ann Arbor campus.

"This new position expands upon the existing Vice Provost for Equity, Inclusion, and Academic Affairs role to establish an elevated and expanded leadership function charged with guiding and supporting the community's progress in this critical domain across all segments of the institution," the plan says.

As a U-M graduate student in 1987, Sellers was a member of the progressive group United Coalition Against



Racism (UCAR), which protested the university's graduation commencement speaker, CBS journalist and alumnus Mike Wallace, claiming that in the past he made racist statements.

The university recently announced a new online student portal where

individuals can report their preferred gender pronouns so faculty and staff can use these them when addressing each student. ■

*The original version of this story was posted online on Oct. 28, 2016 and is available at [MichCapCon.com/22910](http://MichCapCon.com/22910).*

## Got a Permit for That Garage Sale?

BY TOM GANTERT

For decades, garage sales have been a popular way for homeowners to make money selling second-hand products.

But more and more, the neighborhood tradition has caught the attention of local governments, which have sought to regulate and charge permit fees and limit the number and duration of garage sales in their communities.

For example, in Garden City, residents have to pay a \$6 fee for a permit that must be displayed "in a prominent location" on the premises of the sale. The city allows each residence just two garage sales a year with a third allowed if the resident is moving. The garage sale must be limited to three days. And sale items can't be displayed in the front yard but must be placed near the garage or backyard.

The city of Garden City's website states: "Your compliance with these rules and regulations is necessary in avoiding the disruption of the environment within residential areas that garage sales might cause."

The city of Dearborn charges \$5 for the first garage sale permit and \$15 for each additional permit issued in a year. The city

also limits garage sales to two per year and limits their length to three days each.

The city of Westland charges between \$12 to \$35 for permits, depending on whether the permit holder is an individual or subdivision. Each household is limited to five sales per year.

Shikha Dalmia, a senior analyst at Reason Foundation, which promotes individual liberty, said she can't understand the motivation for limiting garage sales to just a handful a year.

"What are the local authorities worried about? Frivolous yard sales?" said Dalmia, who lives in Michigan. "Yard sales involve a lot of work and hassle for homeowners so it is not something that anyone holds for entertainment purposes. No. Folks usually organize them because they want to clear out the clutter in their houses and create order and space by getting rid of stuff that's sitting around and serving no purpose."

Dalmia said garage sales are a spontaneous form of recycling in that they allow used consumer goods to be passed on from those who don't need them anymore to those who do. The sales provide an alternative to buying new items.

"Indeed, the more frequent the garage sales, the more recycling will happen

and the less stuff will be dumped in landfills," Dalmia said. "So it is weird that on one hand cities are trying to boost recycling and on the other curbing a natural and long-standing American recycling tradition."

City of Westland Clerk Richard LeBlanc said he believed the permit process in his city came about after some residents complained of neighbors hosting multiple "or never ending" sales of "used goods in residentially-zoned portions of the city."

"Speculating further, perhaps it was believed a permit could reduce or limit the occasions; thereby limiting an unappealing appearance on a lawn or in a driveway, the resultant traffic, and/or other unappealing attributes of commercial or business-like trade within a neighborhood environment," LeBlanc said in an email.

LeBlanc said he served three terms as a city council member and received some complaints from neighbors about excessive garage sales.

The city of Westland does offer residents two specified weekends a year when they can have sales without a permit.

Dalmia said if a municipality can show that it bears a cost from residents hosting

garage sales, then a small fee wouldn't be unreasonable — making it akin to a user fee.

Westland City Council Member Kevin Coleman said there are no costs to city government due to residents having garage sales. Westland's permit ordinance was passed in 2013. Coleman said he wasn't on the council at that time but spoke out against it as a citizen.

"I opposed because I believe we have a right to resell our own property without government oversight or extra fees," Coleman said in an email. "My opinion is that very few garage sales bring in more than \$30-\$40 total anyways, so a \$15 is excessive."

Coleman said he didn't oppose a limit to the number of garage sales allowed by residents.

"There are a handful of residents that operate their driveways and front yards as 'resale-shop' type businesses," he said. "This has been a nuisance to neighbors in the past."

Officials from Dearborn and Garden City didn't respond to emails seeking comment on their garage sale ordinances. ■

*The original version of this story was posted online on Oct. 7, 2016 and is available at [MichCapCon.com/22844](http://MichCapCon.com/22844).*

## SEIZE CAR

from Page Four

24, 2008, when the vehicle's mileage was 73,865. Federspiel, who signed the vehicle title transfer form, sold the partially restored muscle car over a year later on June 4, 2009, for \$1,500.

The vehicle's title certificate filled out by Federspiel around the time it was sold says the mileage was 130,000 — 56,000 miles more than when the department seized the car.

"They went ahead and spent the proceeds," the Ostipow's lawyer, Philip Ellison, said. "Their intent wasn't to protect my clients' rights, it was a pure money grab."

Federspiel and his department did not return requests for comment.

Federspiel competed in and won the Democratic Party primary in August, campaigning on forfeiting drug dealers' property and claiming it saved taxpayers money. (He will face no Republican opposition in the November general election.) For two years, Federspiel drove a black Mustang GT as his department vehicle after the car was forfeited, MLive reported. In 2013, Federspiel sold the Mustang, which read "Taken From A Local Drug Dealer" on the sides, on eBay for \$14,800.

Ellison said the biggest obstacle in the Ostipow's case has been the

department's lack of documentation of the property it seized.

Lee McGrath, the legislative counsel for the Institute for Justice, said this case is an example of policing for profit.

"This case illustrates what happens when police and prosecutors benefit financially from confiscatory policies," he said.

McGrath praised reforms the Michigan Legislature made to forfeiture laws last year but noted lawmakers should continue to improve the state's laws.

"Those changes will improve reporting, but it's essential the legislature continues," he said. "Legislators in Lansing and city council members must take back their control of funding and setting priorities. It's wrong when sheriffs and police officers control both the sword and the purse, and this case illustrates the bad incentives of policing for profit."

A 2015 study by the Institute for Justice gave Michigan a grade of D- for its civil asset forfeiture laws, noting as much as 100 percent of forfeited property can go into law enforcement coffers even without a conviction.

"Despite modest reforms approved in October 2015 that raised the standard of proof required to forfeit property, Michigan's laws still earn a D-, largely because the state's large profit incentive

remains intact," according to the study titled "Policing for Profit."

Since 2001, law enforcement in Michigan has forfeited at least \$270 million in assets related to drug crimes. It is not known how much has been taken in total because there was no requirement to report the information.

Last year Gov. Rick Snyder signed a package of seven bills reforming civil asset forfeiture laws. These laws required law enforcement to disclose civil asset forfeitures and better document seizures. The laws also increased the burden of proof for civil asset forfeitures from preponderance of evidence to clear and convincing evidence.

Rep. Peter Lucido, R-Shelby Township, said he doesn't think anybody should profit from criminal activity, and until it's been proven that criminal activity occurred, no property should be forfeited. "That's just simple due process," he said.

"There are better regulations that we have now put through on civil asset forfeiture reform as it relates to accounting for the property seized," he said.

Lucido sponsored House Bill 4505, one of the bills signed into law last year. That law moved the burden of proof. He also sponsored House Bill 4629 in May 2015, which would repeal bond requirements in contesting civil asset forfeitures. The

bill has passed the House and a Senate committee and is awaiting a vote in the full Senate.

"You want the playing field to be fair, and the only way you're going to make it fair is to stop taking the people's property," Lucido said. "There is no logic and reason that people should be taking people's property — nothing — until after there's been a conviction or there's been a lawsuit filed."

"There's too much gamesmanship with the way they're doing it now," added Lucido, who's also a criminal defense attorney.

"When police have a pecuniary interest in the property rights of others there will be overreaching on behalf of the police," he said.

In 10 other states, law enforcement is not able to forfeit (take ownership) of someone's property until that person has been convicted of a crime. Two states, New Mexico and Nebraska, have completely eliminated civil forfeiture. In those states, property can only be taken and turned over to the state after a conviction in criminal court and a decision by that court that assets were directly gained from illegal activity. ■

*The original version of this story was posted online on Sept. 13, 2016 and is available at [MichCapCon.com/22779](http://MichCapCon.com/22779).*

## SANCTUARY CAMPUS

from Page Five

to low-income students. It must create and/or dramatically increase funding for community centers for people of color and marginalized students."

While the statement says that the university invests in corporations that violate human rights, it does not name any specific organizations.

"Students of color should not be forced to contribute to their own oppression by paying their tuition dollars that, in turn, is used to invest in corporations that violate the human rights of people of color," the statement says.

In addition to demanding more financial aid for illegal immigrant students, the statement says the university needs to "provide legal services, attempt to claim jurisdiction, and identify undocumented students as international students."

During the protests, students chanted "Hey Hey, Ho Ho, these racists folks have got to go" and "no justice, no peace," among other things. Similar protests occurred nationally, partly inspired by the Cosecha immigrant resistance movement, which Students4Justice linked to in its demands.

"If we are not prepared to resist, a Trump Presidency could devastate many of our communities," Cosecha's website says. "All students must unite

to expose and actively resist Trump's enforcement regime."

University spokesman Rick Fitzgerald pointed to a statement issued by university officials and student leaders.

"We do not seek to suppress political speech or ongoing debate of key issues. Rather, we are asking everyone to reject hate and bigotry and to provide personal support for one another. People of widely varying ideologies have expressed this idea, and we are confident that it represents the ideals of the vast majority of our community."

Fitzgerald did not say if university officials will meet with the participants in Students4Justice to discuss their demands.

A petition circulated earlier this week and signed by hundreds of students rejected previous campus protests and vigils and anti-Trump comments made by university President Mark Schlissel the day after the election, The College Fix reported.

Michigan's law school also deleted an event from its website that provided Play-Doh and coloring books to law students coping with the election results. ■

*The original version of this story was posted online on Nov. 17, 2016 and is available at [MichCapCon.com/23008](http://MichCapCon.com/23008).*

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## Tuition Up 3.9 Percent, But U-M Finds \$85 Million More For 'Diversity'

BY DEREK DRAPLIN

Officials at the University of Michigan announced last week that the school will spend an additional \$85 million over the next five years to promote diversity and inclusivity on its campuses. According to an online announcement by Jeremy Allen of the university's public affairs office, the university currently spends \$40 million each year to promote diversity.

According to the 43-page strategic plan, the additional \$17 million a year will pay for a three-part campaign that will "create an inclusive and equitable campus." It will also help "recruit, retain and develop a diverse university community," and

"support innovation and inclusive scholarship and teaching."

The plan also says the university is committed to "increasing diversity, which is expressed in myriad forms, including race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origins, religious commitments, age, disability status and political perspective."

Roughly \$31 million of the new spending will be paid from the university's general fund, most of which comes from tuition and fees paid by students and appropriations granted by state lawmakers.

The rest will come from private donors, returns on

university investments proceeds and other sources, according to U-M officials.

Earlier this year university officials increased tuition by 3.9 percent for in-state undergraduates at the Ann Arbor campus. This is more than double the rate of inflation, as well as the rate of increase lawmakers granted in appropriations for the Ann Arbor campus. When the Flint and Dearborn campuses are included, U-M will receive \$355.9 million in state appropriations for the current fiscal year, more than any other state university.

The university's increased diversity spending will pay for new programs and surveys.

More money will be spent, for example, on resources dealing with "bias-related incidents," including a bias-reporting hotline. "These efforts," the plan says, "will offer critical support for all students involved in crisis, bias-related incidents or situations related to a challenging campus climate."

The plan will also use measurements and reports to track the programs, and existing diversity projects will continue, such as scholarships and a new \$10 million Trotter Multicultural Center.

In developing the initiative, officials collected input at over 200 events and activities over the last year. One example cited in the report described graduate students concerned by "regular

experiences of microaggressions, discrimination, and incivility in academic and social settings from student peers, faculty and staff."

A "microaggression" refers to an intentional or unintentional slight a non-minority person makes to a minority person which displays the offending person's inherent bias.

The plan will also create a new full-time administrative position — titled a vice provost for equity and inclusion and chief diversity officer (VPEI-CDO) — which "will serve as a leadership voice on diversity, equity and inclusion for the entire university." The person who holds that position will also implement the plan.

See "\$85 Million," Page 14

## Pure Michigan Spent \$295 Million and Even Hotels Only Got Scraps Back

BY DEREK DRAPLIN

Since 2006 this state has spent \$295 million on an advertising campaign called Pure Michigan that is intended to draw tourism dollars here from other states. But a new study shows that state-funded efforts to promote tourism are mostly a blunder.

The marketing scheme is widely recognized thanks to its homey TV commercials showing picturesque Michigan locations and narrated by film and television star Tim Allen.

Michigan's Legislature appropriated \$34 million to the program for the current year, \$1 million more than last year. Pure Michigan is managed by the Michigan Economic Development Corporation, which is the state's economic development agency.

The study's authors, Michael D. LaFaive, director of fiscal policy at the Mackinac Center for Public Policy, and Dr. Michael Hicks, a Ball State University professor and Mackinac Center board of scholars member, analyzed decades of tourism promotion data from almost every state to determine whether such programs have had an economic payoff.

"After analyzing 39 years' worth of tourism promotion data from 48 states, we believe the answer is a resounding no," the authors said.

LaFaive and Hicks conclusion is that no more taxpayer dollars should be spent on Pure Michigan.

The authors created a national statistical model to determine whether and how much effect tourism promotion spending had on the industries that typically benefit from more visitors — lodging, arts, amusements and recreation.

LaFaive and Hicks wrote that, "...for every \$1 million in additional spending by a state on tourism promotion, there was an associated increase of \$20,000 in additional economic activity shared by the entire accommodations industry in that state." That's a negative 98 percent return on investment.

Although their statistical model was built with data from around the nation, when it came to spending on these ads, "Michigan did not differentiate itself from the average," according to the study.

The Michigan Legislature authorized spending an additional \$1 million on the program this fiscal year, up from \$33 million last year. "Our study suggests that

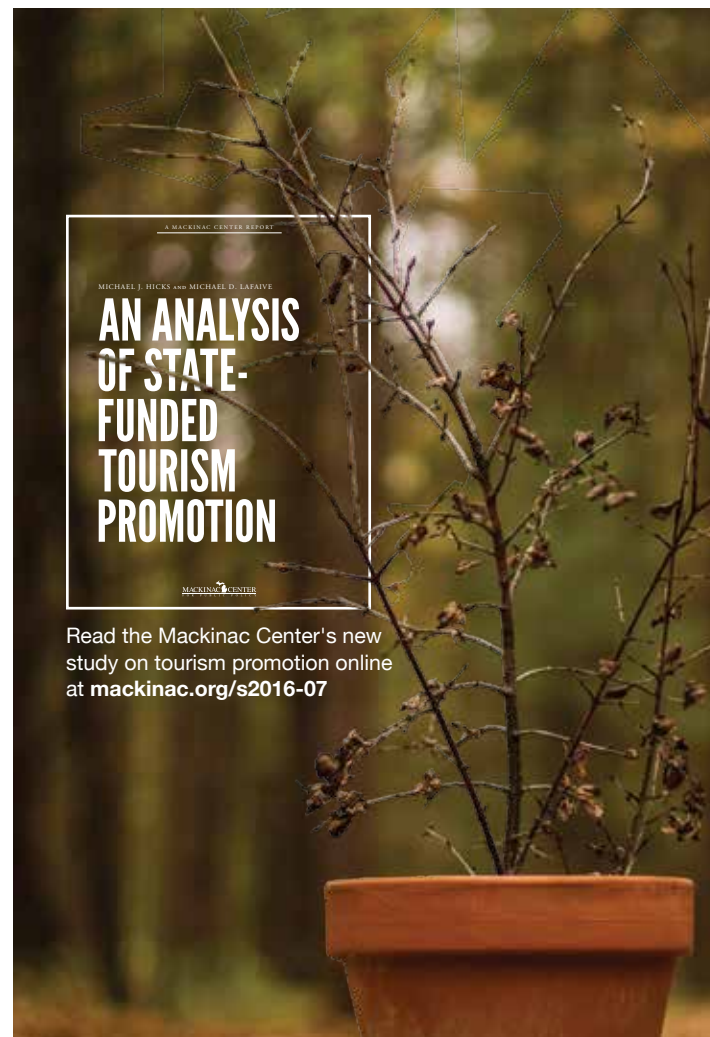
will only result in an increase in economic activity of \$20k shared by all hotels and motels in Michigan," LaFaive said in an email.

For arts and crafts industries, the study's model projects that in an average state, "for every \$1 million increase in state tourism promotion, artists shared less than an additional \$35,000."

Despite these miniscule returns even to the industries most directly benefitted by the spending, MEDC has claimed that Pure Michigan is successful, recently boasting that in 2015 every dollar spent on it yielded a jump of \$7.67 in state tax revenue.

But LaFaive and Hicks dispute the MEDC's methods for determining whether the spending is cost-effective, saying they're "steeped in secrecy." The estimates were created by a consulting firm that has been the beneficiary of successive no-bid contracts from the MEDC. Yet the firm refuses to meet basic transparency requirements that would allow independent investigators to check its work. ■

*The original version of this story was posted online on Nov. 1, 2016 and is available at [MichCapCon.com/22925](http://MichCapCon.com/22925).*



Read the Mackinac Center's new study on tourism promotion online at [mackinac.org/s2016-07](http://mackinac.org/s2016-07)

## MUSCLE CAR

from Page Four

Ellison disputes this, saying that the Nova was operable — its engine was working and the vehicle could be driven — although it was missing seats that were being reupholstered when the department seized the car.

“There are a lot of questions surrounding what Sheriff Federspiel and those under

his command did or did not do with the Ostipows' property — property that took a lifetime of hard work to obtain and a few hours for the deputies to improperly seize,” Ellison said. “One of those questions is the mileage discrepancy with the restored 1965 Nova.”

On his radio interview, Federspiel also said the department would release a

formal statement and a timeline detailing events involving the Ostipows' case. Emails asking for the statement and timeline were not returned.

In a response to the complaint filed with the federal court, Federspiel and 10 other unnamed sheriff's deputies denied nearly every accusation.

“We expect the federal lawsuit will

force the sheriff to admit his department's cavalier attitude to the Ostipows and many others who have been wrongfully treated by questionable use of the civil forfeiture statute,” Ellison added. ■

*The original version of this story was posted online on Oct. 5, 2016 and is available at MichCapCon.com/22838.*

## HOMECOMING

from Page One

The parent provided a copy of a form from the school.

The form, which the school sent to parents, stated that guests had to bring a current picture ID to be admitted to the dance.

It also stated, “Guests from online schools or guests who are homeschooled will need to submit a letter of good standing on school letterhead, including contact information, from a school official/administrator from an accredited program of study.”

There are two accreditation programs in the state, but participation is voluntary.

“The question of bringing guests to the dance comes up every year,” said Wayne-Westland Community Schools spokeswoman Jenny Johnson in an email. “We refer students to the dance contract for the guidelines. Those guidelines do not preclude homeschooled students from attending our dances as a guest. Our student's safety and welfare is always a primary concern to us. Our practice is to validate who is coming through our doors to ensure the safety of all students.”

According to the Michigan Department of Education, any reporting to the state by the homeschool parent is voluntary, as is accreditation. The state

only requires reporting for homeschool students if the student is requesting special education services from the local public school or intermediate school district. Nonpublic schools are not required to be accredited.

Braun called the district's policy “absurd.”

“In an era where a boy can self-identify as a girl and get access to anything the school has to offer, we are going to limit a homeschooler on the basis of accreditation to spend an evening with a friend,” she said.

Ben DeGrow, the director of education policy at the Mackinac Center for Public Policy, said in the eyes

of Michigan law, homeschools function as private schools.

“Private schools don't have to jump through the hoops of accreditation, and it makes no sense for families educating their kids at home to do so,” DeGrow said in an email. “By saying they only want ‘accredited’ homeschool students at their social functions, the district essentially is saying no homeschoolers whatsoever. Do they have the same rule prohibiting private school kids from attending, too?” ■

*The original version of this story was posted online on Sept. 29, 2016 and is available at MichCapCon.com/22830.*

## ROTTING CHERRIES

from Page Six

into the country,” he said. “So what I want to do is either eliminate or at least suspend the program which causes us to dump some of our cherries so we can compete with them with all of our cherries — and they're going to have to compete on price and quality with us — without one arm tied behind our back.”

Baylen Linnekin, a law professor at George Mason University who has written on the market order for Reason.com, said the Cherry Board should be eliminated.

“The cherry board — as with similar USDA creations that hurt competition, artificially raise prices for consumers, and promote food waste — needs to be eliminated forthwith. Let farmers and consumers and the free market decide

how many cherries should be produced each year,” Linnekin said.

But Jeremy Nagel, the spokesman for the Michigan Farm Bureau, said the marketing order garners support from growers and processors.

“Among the hundreds of cherry growers in our membership, some of them support the marketing order and some of them probably don't,” he said. “That said, the marketing order as it exists today enjoys a comfortable majority of support among the growers and processors who regularly reaffirm its existence.”

It's not just farmers like Santucci who are unhappy about the marketing order. Bill Sherman, the CEO of Burnette Foods, said the marketing order keeps his business from expanding.

“We want to expand our business and we can't under these conditions,” he said

in an interview with the Mackinac Center. “We can't sell the cherries produced on the farm that my mother and father bought almost 60 years ago.”

The Elk Rapids food supplier filed a federal lawsuit in 2011 against the USDA — which oversees the Cherry Board — challenging the marketing order and asking to be exempted from its regulations.

Burnette Foods has thousands of cherry pie filling cans stocked in its warehouse that can't be sold because of the marketing order. Since the company cans its cherries instead of freezing them, the shelf life of its pie filling is only one year. Because of this, the company has to import cherries for its pie fillings, according to a report by Bridge magazine.

“If you're in Michigan and market tart cherries, you basically have no choice but to follow the board's orders even if they

make no sense for you or your customers,” Linnekin said, “and even if following the board's mandates creates tons of food waste.”

“They're not seeking to eliminate the board,” Linnekin said of Burnette's lawsuit. “Rather, Burnette simply seeks an exemption from the board's rules. So even if their lawsuit against the USDA is successful — as it should be — the cherry board would largely continue in a business-as-usual manner.”

Sherman added: “Hopefully some reasonableness will prevail and we can stop the destruction of the crop, they will recognize that imports are a serious problem, and we can all live happily ever after.” ■

*The original version of this story was posted online on Sept. 29, 2016 and is available at MichCapCon.com/22820.*

# State Gave Biofuel Company Millions for Unbuilt Plant

BY TOM GANTERT

A renewable energy company founded by a pair of Ivy League professors took millions in state and federal dollars to deliver a biofuel plant in the Upper Peninsula that was never built. The company's intellectual property rights were then sold for an undisclosed sum to a private Canadian company.

Back in 2008, New Hampshire's Mascoma Corporation was pegged by then-Gov. Jennifer Granholm as the type of company that was going to reinvent Michigan's economy. President Barack Obama even mentioned the company by name in a 2008 speech.

But instead, the company burned through its government subsidies before its intellectual property was sold to private companies.

Mascoma Corporation raised \$96 million in private financing and was awarded as much as \$120 million in state and federal funding to produce a biofuel plant that would take wood and turn it into fuel. After years of delays, the plant planned for Kinross Township in Chippewa County in the Upper Peninsula was never built. The state of Michigan said just \$6.4 million of the \$20 million it gave the company was recovered. The U.S. Department of Energy would only say that not all of the money it gave Mascoma was lost. When asked for specifics of the federal grants, the department said it wouldn't release that information until it



Dartmouth College professor Lee Lynd is a founder of Mascoma Corporation.

was requested in a Freedom of Information Act request.

"It really is outrageous," said Rachel Smolker, co-director of Biofuelwatch, a watchdog organization that covers bioenergy. "The whole thing kind of stinks."

University professors Lee Lynd and Charles Wyman, who co-founded Mascoma in 2005, didn't respond to emails seeking comment. Lynd is a professor at Dartmouth College and Wyman is a professor at the University of California-Riverside. Wyman formerly worked at Dartmouth.

Mascoma Corporation was founded in summer 2005 at a time when gas prices were just starting what would be an unprecedented meteoric rise. For the first time in U.S. history, gas prices averaged more than \$2 a gallon in that year.

In 2008, it was approved for millions in government grants and subsidies to build a biodiesel plant in the Upper Peninsula. Media stories in 2008 and

2009 trumpeted the plant as a beginning to diversify Michigan's jobs while curing the country's addiction to oil.

According to an investigation of Mascoma by Biofuelwatch, Mascoma's government grants were awarded to build a commercial-scale cellulosic ethanol refinery.

"Mascoma announced and then abandoned a series of such plants in Tennessee, Minnesota, Michigan and Alberta, but nonetheless spent grant funding that had been earmarked for them," Biofuelwatch's 2016 report stated.

Biofuelwatch claimed that Dartmouth Professor Lee Lynd used his contacts at the college as well as his position with the BioEnergy Science Center to make it easier to land federal grants for Mascoma. Lynd currently is listed on the management team of the BioEnergy Science Center, which is funded by the U.S. Department of Energy, which also gave money to Mascoma.

Biofuelwatch also claimed that the state of Michigan didn't do its due diligence in researching the company before awarding its \$20 million subsidy.

Almuth Ernsting, co-director of Biofuelwatch, pointed to the timeline of the start of Mascoma's biomass-to-ethanol pilot plant in Rome, New York, and when Michigan awarded \$20 million to Mascoma to start the Michigan plant.

Mascoma opened its pilot plant in New York in June 2008. Just three months later, the state of Michigan had already approved its \$20 million grant.

"The purpose of a demonstration (pilot) plant, as the name says, is to demonstrate that a technology works (though laboratory-stage and pilot plant-scale demonstrations often precede even that stage)," Ernsting said in an email. "Granting public funds for commercially scaling up the use a technology that has not actually been demonstrated seems highly dubious."

Emily Guerrant, spokeswoman for the Michigan Economic Development Corporation, said the \$20 million grant was used to "promote the development, acceleration and sustainability of energy excellence sectors in Michigan."

"This wasn't a traditional business development grant and wasn't meant to be a job-creating initiative," Guerrant said in an email. "Rather, the program was intended to be an innovative approach to growing companies that engaged in

renewable energy technologies and implications. Specifically, Mascoma was developing cellulosic fuel production facility that used non-food biomass to convert woodchips into fuel."

The plant was pitched to the media as a jobs producer by Granholm, however.

In fact, Granholm touted Mascoma's ability to be a job-creator in a 2008 email she sent to John Podesta, a top aide to President-elect Barack Obama, in her pitch to be selected for cabinet position of secretary of energy.

"This company and their partners will create jobs in Michigan as they develop the next generation of cellulosic ethanol that will reduce our dependence on foreign oil and make fuel more affordable for our families," Granholm said in a news article she attached to her email to Podesta.

Lynd did give an interview in 2014 with the Valley News, a local New Hampshire newspaper, after he had sold off his company's intellectual property.

"Businesses are a journey and they take unexpected turns," Lynd was quoted in the article. "Was this the end point that was in my mind at the beginning? No. Mascoma's business is somewhat different now than what had been in my mind at the beginning. ... Something of value was created." ■

*The original version of this story was posted online on Nov. 8, 2016 and is available at [MichCapCon.com/22939](http://MichCapCon.com/22939).*

# Teacher Pay Flat at Insolvent Detroit Schools, But Union President's Pay Doubles

BY TOM GANTERT

While teachers in the Detroit school district were working without a pay raise and their employer needed a state bailout to avoid bankruptcy, the president of their union saw her pay nearly double in just two years.

Ivy Bailey, president of the Detroit Federation of Teachers, was collecting a salary of \$70,176 in 2013-14. By 2015-16, Bailey was getting \$134,705, according to documents provided by the state of Michigan. Bailey's salary raises were confirmed by the state's Office of Retirement Services.

The average teacher salary in the Detroit school district was \$63,716 in 2014-15, the most recent year for which salary information is available.

Bailey didn't respond to an email seeking comment on her compensation.

Bailey is the interim president

of the Detroit Federation of Teachers. She took over for former President Steve Conn, who was dismissed for misconduct by the union's executive board.

It's unclear if the union reimburses the Detroit district for any of Bailey's public school

salary. That has been the practice for the last three presidents of the state's largest teachers union, with the effect of boosting these individuals' state pensions. ■

*The original version of this story was posted online on Nov. 22, 2016 and is available at [MichCapCon.com/23020](http://MichCapCon.com/23020).*

# WikiLeaks: Granholm's Obama Job Application Oversold Clean Energy Jobs

BY TOM GANTERT

The leaked WikiLeaks emails released recently offer insight into former Michigan Gov. Jennifer Granholm's belief that she could reinvent the state's economy.

One leaked Granholm email dated Nov. 8, 2008, was sent to John Podesta, head of President-elect Barack Obama's transition team. Midway through her second and final term as governor, Granholm was applying for the position of U.S. Secretary of Energy. She wrote: "As we briefly discussed, in Michigan I have focused like a laser on replacing our dwindling manufacturing jobs with clean tech and renewable energy jobs."

Now, eight years after Granholm was passed over for the position, hindsight shows how ill-founded her confidence

was that clean energy jobs could replace traditional manufacturing jobs.

Granholm's email was sent in 2008, before the full force of the Great Recession had hit. But Michigan was already hemorrhaging manufacturing jobs and had been for some time.

The state had 732,300 manufacturing jobs in January 2003 when Granholm took office. By November 2008, there were just 540,300 manufacturing jobs left. The state had seen a 26 percent drop in manufacturing jobs, a loss of 192,000 jobs.

Today, eight years on, there is some employment data available for the clean energy industry suggesting how ineffective it has been as a jobs producer.

It's not easy to track just how many jobs are created by "clean energy." The government doesn't have precise reporting classifications.

For example, the U.S. Bureau of Labor Statistic (BLS) classified "wind turbines manufacturing" along with 14 other titles such as "gas turbines manufacturing," "steam turbines manufacturing" and "water turbines manufacturing."

Those 14 job classifications produced a total of 89 jobs in Michigan in 2015, of which some were probably "wind turbines manufacturing."

Battery manufacturing jobs were not disclosed by the BLS until 2011. In 2015, there were 918 battery manufacturing jobs in the state.

Other clean energy industries?

Under BLS rules, the agency could release data for jobs in wind electric power generation for 2014, though not other years. In 2014, it produced 16 jobs.

Information on solar electric power generation could not be disclosed, also due

to agency rules. The BLS generally doesn't disclose job numbers that are so small they may reveal protected information about a specific company. A company, for example, may be the only one producing jobs in that field.

The clean energy jobs are just a tiny fraction of the approximately 200,000 new jobs created and 200,000 existing jobs shed in the state in any given three-month span. (In recent years the number of jobs created has exceeded the number that disappears each quarter.)

But none of the data from the BLS in 2015 supports the theory that clean energy was the way to reinvigorate Michigan employment. ■

*The original version of this story was posted online on Oct. 22, 2016 and is available at MichCapCon.com/22903.*

# How Michigan Stands in the Way of Poor People Getting Medical Care

BY JARRETT SKORUP AND CHANTAL LOVELL

BRADENTON, Fla. — The true miracle in Lisa Ayala's life came not when she received a new heart valve, but when her mother spotted a flier for a temporary free medical clinic that would soon arrive in her area.

Since being discharged from the hospital, Ayala's life had been threatened by a tooth infection that doctors warned could turn into sepsis and kill her if left untreated. While the solution — especially considering the stakes — seems simple, seeing a dentist was anything but easy for Lisa. She doesn't have dental insurance or the means to pay for dental care out-of-pocket. So she waited and hoped the infection didn't spread to her vulnerable heart.

While dropping Ayala's 17-month-old son off at day care, Lisa's mother, Donna Souza, saw a flier for a Remote Area Medical (RAM) clinic coming to Bradenton, Florida. The visiting clinic promised free medical, dental and vision treatment for anyone in need — no questions asked and no documentation or insurance required.

The down-and-out mom's luck was finally turning around.

By 3 a.m. on the first day of the three-day-long event, the pair was in line, waiting for a ticket ensuring Ayala would see a dentist.

Eight hours later, as her daughter was being treated for the infection, Souza was ecstatic.

"You guys are going to save my daughter's life," she said while keeping busy filling a grocery bag with fresh produce offered free to patients. Souza's day was made even better when she learned that she, like hundreds of others in need, could receive an eye exam and free glasses.

"I'm so thankful," Souza said. "I had brain surgery a few years ago and I knew it affected my eyesight but I didn't realize how bad it was. ... I feel like a kid at Christmas! I'm so excited about [the new glasses]."

Souza and her daughter weren't alone. Nearly 1,000 people were served at this clinic, many spending the night or waiting hours outside buildings at the community college that hosted the service, all for a chance at care.

In 2015, RAM clinics served over 28,000 people — providing more than \$9 million worth of services — all without any taxpayer money. They're made possible by hundreds of volunteers and donors who want to make health care accessible to those most in need.

"People just need a helping hand," said Jeff Eastman, the CEO of RAM. "This is just neighbors helping neighbors."

Volunteers — including medical professionals who sometimes close their own practices for weekends at a time — often travel from other states on their own dime to help. At the Bradenton clinic, they arrived well before sunrise and began seeing patients at 6 a.m.

The clinics currently operate in a handful of states but RAM's organizers want to expand its reach to other areas, including Detroit.

Founder Stan Brock said it's often not a lack of manpower or funds keeping RAM out of new states, but regulatory hurdles.

In many states, including Michigan, it is illegal for people in certain occupations to work without being licensed by the state. If RAM wants to provide free dental, vision and medical services in Detroit, the obstacles are high. Michigan law makes it a felony for unlicensed practitioners to provide care in this state with few exceptions. This is true even if a person is licensed somewhere else and wants to provide the service for free.

Eastman says each event costs about \$80,000 to put on, and he's proud of the strong donor base his organization has built. Eighty-five cents of every dollar donated goes directly to patients and RAM has doctors, dentists and nurses who want to help.

Due to regulatory hurdles, RAM currently operates mostly in just a few states, with events planned for Florida, California, Tennessee, West Virginia and New York. While it has a good network of health professionals who want to help, navigating state laws is complex.

"We would love to do a clinic in Detroit," Eastman said. "But it's a big struggle."

Detroit is an area with many needs. The city has one of the lowest insurance rates



The clinic line outside before the doors opened.



The waiting room.



Volunteer dentists working on patients.

## MOUNTAIN RANGES

from Page One

authorizes will ultimately be settled by the U.S. Supreme Court. It accuses the federal agencies of playing word games to get around laws in place that restrict their oversight.

The EPA has referred questions to the Department of Justice. The DOJ refuses to comment because the interpretation of the new rule is being challenged in court.

The rule would allow puddles, tire ruts and standing water to be labeled “disturbed wetlands” and regulated under the Clean Water Act. The Senate

committee report states the rule would allow EPA to get around legal limits to its authority over ditches, draws, low areas, or other wet areas by simply calling them a “regulated tributary” or “wetland.”

The report concludes that if the EPA and Corps interpretations were allowed, “most if not all plowing” would be considered a “discharge of a pollutant” and require a federal permit.

The Corps is a federal agency overseeing America’s waterways, and states on its website that “environmental sustainability” is a “guiding principle.”

Jason Hayes, the director of environmental policy at the Mackinac

Center for Public Policy, said the 1977 amendments to the Clean Water Act specifically exempted plowing as a “normal farming activity.”

“The Corps even tries to argue that these newly created small mountain ranges hamper the growth and development of wetland plant species, apparently ignoring the fact that farmlands are managed to produce crops, not cattails,” Hayes said in an email. “No reasonable regulation of the nation’s farmland can demand farmers produce crops without moving dirt, or expect farmers to produce wetland plant species instead of corn or wheat.”

Daren Bakst, a research fellow in agricultural policy at The Heritage Foundation, said it is not surprising that the EPA and Army Corps claim furrowing can create small mountain ranges.

“Does kicking a pebble next to water create a mini-meteor? Is a puddle a mini-ocean? Who knows?” Bakst wrote in an email. “The moral of the story is furrows will mean what they want them to mean until the courts stop them. Of course, Congress should have been stopping this nonsense a long time ago.” ■

*The original version of this story was posted online on Oct. 14, 2016 and is available at MichCapCon.com/22880.*

## FOR the RECORD

### Granholt Touted Failed Companies in Bid for Federal Energy Job

The latest batch of WikiLeaks emails included a leaked 2008 dispatch from then Michigan Gov. Jennifer Granholm promoting herself as a candidate for President Barack Obama’s secretary of energy. Granholm would have had to resign as governor midway through her final term had she landed the job.

Granholm attached a 12,000-word document describing what she considered her qualifications in an email to John Podesta, who was heading President Obama’s transition team. The list of accomplishments was heavy on corporate welfare programs Granholm had championed.

In one section of her pitch, the Democratic former governor wrote extensively about three companies that benefited from the programs. Two of those companies turned out to be flops — Mascoma Corporation and United Solar Ovonic.

Mascoma was awarded \$26 million from the U.S. Department of Energy and \$23.5 million from the state of Michigan to convert biomass into ethanol. In 2008, the company pledged that by the end of 2012 it would employ 70 people in a facility to be built in Kinross Township in Chippewa County.

“Michigan is proud to partner with Mascoma as part of our commitment

to lead the nation in alternative energy production,” Granholm quoted herself in the leaked email.

Except, it never happened, according to Kinross Township Clerk Sheila Gaines.

The plant was never built. In 2014, Mascoma sold its intellectual property rights to a private Canadian company called Lallemand.

United Solar Ovonic, a manufacturer of flexible thin-film modules, was approved for a \$17.3 million state tax credit in 2008, to be paid out over 20 years.

“United Solar Ovonic is a great example of the type of investment needed to ensure Michigan’s economic success in the 21st century,” Granholm quoted herself in the attachment.

Granholm said the company would create 700 jobs. Instead, it went out of business in 2012 after filing for Chapter 11 bankruptcy.

The person who won out over Granholm for the federal cabinet post — Steven Chu — presided over huge taxpayer losses in boondoggles like Solyndra.

Solyndra was a solar panel manufacturer from California that went bankrupt in 2011 despite \$535 million in federal loan guarantees. ■

### Cost of Federal Employees Who Said They'd Quit Under Trump: \$65 Billion

Back when the idea of Donald Trump becoming president was not taken seriously, the media picked up on a poll done in February that found that 1 in 4 federal employees would quit if Trump went on to win the election.

Many Trump voters might not object to that outcome, but it’s unlikely: The federal employees who said they’d quit make on average \$120,000-plus a year if the cost of benefits is included.

The free-market Cato Institute tracks federal employee salaries and benefits and has posted the information on a website called DownsizingGovernment.org.

There are 2.1 million civilian federal employees — people who don’t wear a military uniform. If 25 percent of them quit that would mean 525,000 fewer people on the federal payroll.

The average total compensation for federal employees (salary plus benefits) was \$123,160 in 2015. So if 525,000 of them quit their jobs the federal government would reduce its annual spending by \$64.7 billion.

Looking at just wages and not benefits, the average salary for a federal civilian worker was \$86,365 in 2015. By comparison, the average salary of a private sector worker in the U.S. that year was \$58,726.

Many people assume that government workers earn less than their private sector counterparts, said Chris Edwards, editor of DownsizingGovernment.org.

“It used to be that government employees were paid less than private sector employees but that has changed dramatically in the last few decades,” Edwards said. ■



## \$85 MILLION

from Page Nine

University President Mark Schlissel has nominated Robert Sellers to be the university's first chief diversity officer. Sellers currently serves as vice provost for diversity, equity and academic affairs.

Sellers, who as a U-M student in the late 1980s was a member of the progressive group United Coalition Against Racism (UCAR), was paid nearly \$350,000 in his current position in 2014-15, the same year the position was created. The new position will be an additional responsibility for Sellers, U-M Spokesman Rick Fitzgerald said in an email.

Sellers' new salary cannot be confirmed until the appointment is approved by the Board of Regents on Oct. 20, Fitzgerald added.

When Sellers was a graduate student in 1987, UCAR protested the university's choice of CBS journalist and alumnus Mike Wallace to be a commencement speaker, based on claims that he made racist statements.

Ashley Thorne, the executive director of the National Association of Scholars, which promotes liberal arts education and academic freedom, condemned the new diversity initiative.

"This is a poor choice of stewardship by the University of Michigan of the tax dollars and tuition entrusted to it by the citizens of Michigan. It appears to be an attempt to appease protesters rather than an effort to unite the campus around the shared purpose of the pursuit of knowledge," she said.

"The plan represents an endeavor to put the entire university under the umbrella of a one-sided ideology, so

as to exclude the voice of anyone who disagrees. That's exclusion, not inclusion," Thorne added. "Promoting diversity based on membership in identity groups leads to racial preferences, which in turn fuel the fire of racial resentment rather than quelling it. The University of Michigan should use Michigan taxpayers' money to educate students, not to coerce its employees to conform to the diversity doctrine."

The new initiative was spurred, in part, by campus protests in 2014. Black student movements and the #BBUM campaign (Being Black at Michigan) sought to address what they called a lack of ethnic diversity on campus by threatening "physical action" and issuing a list of demands for the university.

The announcement of the initiative follows a report two weeks ago of a new online student portal that allows students

to report their preferred gender pronouns so faculty and staff can use these them when addressing each student.

The University Record, a publication for faculty and staff, quoted Schlissel on the new diversity position: "The future of our great university will be determined by how well we embrace the values of diversity, equity and inclusion. To live up to our full potential as a university, everyone must have the opportunity to contribute and to benefit, and our community can be complete only when all members feel welcome."

Schlissel continued, "Our dedication to academic excellence for the public good is inseparable from our commitment to diversity, equity and inclusion. We cannot be excellent without being diverse in the broadest sense of that word." ■

*The original version of this story was posted online on Oct. 10, 2016 and is available at MichCapCon.com/22869.*

## STANDS IN THE WAY

from Page Twelve

in the nation and even those who receive care are often limited by what federal insurance allows or where it is accepted.

Other states offer up a model for Michigan.

"The states where it is most successful are the ones where the nonprofit is responsible for checking the licensing," Eastman said.

Tennessee, for example, passed a law that allows for medical professionals to provide free services as long as they are licensed somewhere. That makes it easy for groups like RAM to hold clinics and get enough volunteers. Even if a dentist who wants to help informs them just a few days ahead of time, the group can check the license through a national database. It's no surprise that RAM's clinics are concentrated in just a few states — those in which it is easy, and legal, to operate.

Brock, who founded RAM in the 1980s, said Tennessee changed its law in the 1990s. For the clinics there, more than half of the medical providers are from out of state.

"They pay their own way," Brock said. "They get nothing from us or the government."

This would be impossible in Michigan. Detroit borders Canada and is near Ohio but if doctors or dentists wanted to make the short drive to help in the Motor City, state law would prevent it.

To patients like Jamie Ogline, little of that matters. She is 30 years old, works as a server and can't afford to purchase insurance for her two children, let alone for herself.

She said that to families like hers that are struggling to get by, whether a doctor comes from Michigan or her home state of Florida doesn't matter. What matters is that she's able to get a pair of glasses that enable her to keep her job and that her children can have their teeth cleaned so they can avoid cavities.

"This is saving me and my kids," Ogline, who had to split her visit to the clinic into two days to accommodate her work schedule, said. "I heard about (the RAM clinic) and I just couldn't believe it because it's all free and it doesn't matter if you have insurance."

In addition to having their immediate health, dental and vision needs met, patients were offered flu shots and other immunizations, fed, given information on local services and nonprofits in their area, and allowed to fill a grocery bag with fresh produce as they left. RAM also offered a veterinary clinic to provide treatment, vaccines, spay and neutering procedures, nail clippings and other services to dogs and cats whose owners are unable to afford such care.

In the states which make using outside volunteers illegal, RAM is forced to rely only on local professionals for its mission. But that means fewer people getting service. Eastman said it is often much

easier to get someone to travel and help than do so in their own backyard.

Some states allow for the governor or health department to issue a waiver to regulations. Others provide temporary permits or licenses. But too many are like Michigan, with overbearing rules making it all but impossible to easily provide care.

RAM will continue on, doing its best to serve those who need it most. All its people care about is the end result: What is it like for the person getting served? None of the people in Bradenton who went in for care were worried about the bureaucratic hoops the good Samaritans had to jump through — only if a tooth stopped hurting or if they could see with new glasses.

The clinic in Florida began on Nov. 11 — three days after a hotly contested presidential election in the biggest swing state of them all. But nobody talked about politicians or debated how much help the government should be giving.

A few days after the clinic, Souza said her daughter had experienced an unbelievable recovery since having her tooth infection treated and being prescribed antibiotics. For the first time in years, she was able to get on a bicycle and ride around the block. And for the first time in months, she was able to hold her 17-month-old baby.

"This is amazing," Souza said. "It has been life-changing." ■

*The original version of this story was posted online on Nov. 19, 2016 and is available at MichCapCon.com/23016.*



Opticians performed eye exams and gave out free glasses.



RAM clinics cost about \$80,000 with most equipment trucked in.



Patients grabbed a bag of donated fruits and vegetables on the way out.

## RESIDENTS IN REVOLT

from Page One

“There’s a huge problem up here with the Forest Service gone wild,” he said. Heinz added he has driven down many of the trails in question on his side-by-side and there’s no valid reason to close them.

“These people get emotional about a mud puddle because they want to turn it into a wetland,” said Heinz, who attended a Sept. 28 town hall where the plan was discussed with the Forest Service.

Sen. Tom Casperson, R-Escanaba, doesn’t buy the argument the Forest Service wants to shut down the roads to cut costs, another rationale the agency has cited.

“They’re not listening to the citizens,” he said. “This is an internal policy and I would challenge anybody to come up and

take a look at what they’re talking about shutting down and you’ll shake your head because they’ve done no maintenance to these roads.”

Casperson and Rep. Ed McBroom, R-Vulcan, penned a letter to the Forest Service’s District Ranger Joanne Sanfilippo and Matt Dickinson, National Environmental Policy Act coordinator for the forest, on Oct. 5 asking them to abandon the Camp Cooks project.

The two said that instead of reducing public access and use of the public land, the Forest Service should work with local communities “to improve access, management and use of these lands where it makes sense.”

Casperson’s office said it has yet to get a response from the Forest Service.

“We urge the USFS to abandon this proposed project and work with these local units of government, users and

organizations to determine how this public land can further enhance the local communities,” the letter continued. The office said it was “asking the agency to start over and involve the locals at step one of any discussions regarding change of use or management of the forest.”

Sanfilippo did not respond to a request for comment. Another town hall meeting is scheduled for Oct. 18.

Jason Hayes, director of environmental policy for the Mackinac Center for Public Policy, said that while the Forest Service likely had good intentions, the plan should be stopped since the community was left out of the planning process.

“Growing opposition to the Camp Cooks Integrated Resource Management Project is evidence that the U.S. Forest Service brought a completed plan to the people of Nahma Township with the expectation that they would simply agree

without comment, and the process could proceed uninterrupted,” he said. “It is clear, however, that stakeholders in the area feel they have been excluded from the planning process and are demanding their rightful say — as taxpayers and residents — in the management of the Hiawatha National Forest.”

Hayes added, “While it may seem like a setback initially, the USFS needs to halt the current, failed process. They can then move forward with a concerted effort to work with local governments, local communities, and user and recreation groups. By doing that, they will gain the support of stakeholders and help to ensure the long-term success of the final plan.” ■

*The original version of this story was posted online on Oct. 21, 2016 and is available at [MichCapCon.com/22897](http://MichCapCon.com/22897).*

## Obamacare in Michigan: 32 Percent More Than Projected Take Medicaid Expansion

BY DEREK DRAPLIN

Higher-than-projected enrollments following Michigan’s adoption of the Obamacare Medicaid expansion could cost state taxpayers as much as \$380 million a year if current trends continue over the next five years.

A new study by the Foundation for Government Accountability reports that 630,609 have enrolled for the expansion here as of October 2016 — 32 percent higher than originally projected in 2013. When Gov. Rick Snyder was urging legislative Republicans to adopt this optional component of the federal health care law the administration projected enrollment of 477,000.

According to the Michigan House Fiscal Agency, Michigan’s share of the Medicaid expansion costs are projected to be \$130 million in the current fiscal

year, and increasing to \$380 million annually in 2021. Until this fiscal year, the feds had picked up the full cost except for some administrative expenses.

The study, titled “Expansion Enrollment is Shattering Projections,” says that Michigan’s Medicaid enrollment spike is part of a national trend. Of the 24 states (including Michigan) that expanded their Medicaid programs, the data shows that 11.5 million able-bodied adults have enrolled under relaxed standards for eligibility, 110 percent more than the 5.5 million projection.

Gov. Snyder dubbed the expansion the “Healthy Michigan Plan,” and signed it into law in September 2013.

Nic Horton, an author of the study and a senior research fellow at the Florida-based FGA, attributed the enrollment numbers to able-bodied adults enrolling and taking advantage of welfare.

Speaking of Michigan, Horton said, “Obviously the state’s projections were way off. In the first year, they enrolled more able-bodied adults than the state said would ever even be eligible. But the bigger story here is that they’re trapping more and more adults in welfare and diverting more resources away from the truly vulnerable.”

“When you offer something to people for free, they’re going to take it,” he continued. “This is a program where the state, along with the federal government, has told able-bodied Michiganders that all they have to do is stay unemployed, quit their job, or reduce their hours in order to get ‘free’ health care,” Horton explained. “If they were working before, perhaps just to keep insurance through their employer, now they can quit and enroll in Obamacare expansion.”

“It’s saddling taxpayers with even more of a burden than promised and it’s taking even more resources away from truly needy Michiganders,” Horton said. “Thankfully, Congress is set to repeal the law entirely.”

Republican President-elect Donald Trump promised during his campaign to dismantle Obamacare, something the Republican-majority U.S. Congress is on board with.

The Washington, D.C.-based Juniper Research Group argues that more than half a million people with disabilities are “still on waiting lists to receive services, because Obamacare encourages states to expand Medicaid coverage to able-bodied adults.” ■

*The original version of this story was posted online on Nov. 21, 2016 and is available at [MichCapCon.com/23018](http://MichCapCon.com/23018).*



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# IM JUST A BILL

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

*Senate Bill 1153*

**Give cash subsidies to Dan Gilbert and other developers**

Introduced by Sen. Jim Stamas (R)

To authorize a new way of giving up to \$250 million worth of state subsidies each year to certain developers and business owners selected by state or local political appointees. This would use the device of “abating” employee income tax withholding requirements to give virtual cash subsidies to select business owners. Reportedly the bills are intended to deliver subsidies to Detroit developer Dan Gilbert and up to 14 others around the state.

*Senate Bill 1061*

**Give cash subsidies to smaller developers and business owners too**

Introduced by Sen. Kenneth Horn (R)

To authorize a new way of giving state subsidies to certain developers and business owners selected by political appointees on local brownfield authority boards. This would use the device of “abating” a particular firm’s income tax withholding to give its owner virtual cash subsidies — and reduce state revenue available for other purposes — similar to the Dan Gilbert subsidies described above.

*House Bill 4637*

**Regulate Uber, Lyft, etc.; preempt local bans**

Introduced by Rep. Tim Kelly (R)

To establish a regulatory framework to enable “transportation network companies” like Uber and Lyft to operate, including a preemption on local government restrictions, regulations or bans. Taxis and limousines would henceforth be subject to the same state rules. The companies would need a state permit, pay state fees for three years and carry specified liability insurance. Passengers would be covered by insurance similar to provisions for taxis but with higher liability limits. The companies would be responsible for driver background check and vehicles inspections that meet specified standards. The cars would have to bear signs, with ride requestors given specified information and options. Street hailing and the use of cab stands by the network company vehicles would be prohibited.

*Senate Bill 1085*

**Give certain companies subsidies for hiring non-resident**

Introduced by Sen. Dale W. Zorn (R)

To expand the definition of “new job” that makes selected businesses eligible to collect certain state “21st Century Jobs Fund” subsidies, so a firm located in a border county could get a subsidy or tax break for hiring a person who does not live in Michigan.

*Senate Bill 627*

**Authorize “public-private partnerships” with broad powers**

Introduced by Sen. Mike Kowall (R)

To give state and local government agencies the power to enter into joint operating arrangements with a particular business for purposes of building a transportation project or health care (hospital) or laboratory facilities. These operations could be ones solicited by a private developer, and would benefit from the government partner’s tax exemptions and its power to impose property tax levies, borrow, take private property using eminent domain, levy tolls and user fees and more. Among (many) other things this would authorize new toll roads or toll lanes. The government agency involved could choose the private sector actor without necessarily having to accept the lowest bid.

*House Bill 5851*

**Limit Tax Increment Finance Authorities; require transparency**

Introduced by Rep. Lee Chatfield (R)

To establish new revenue limits and reporting and transparency requirements for downtown development authorities. The bill is part of a package that applies these new standards to different types of “TIF” authorities that have the power to skim local property taxes to support their own projects and subsidies.