Whitmer affirms that nuclear energy is clean energy PAGE 8







The lesson of 9/11: Zero is the most dangerous number in government

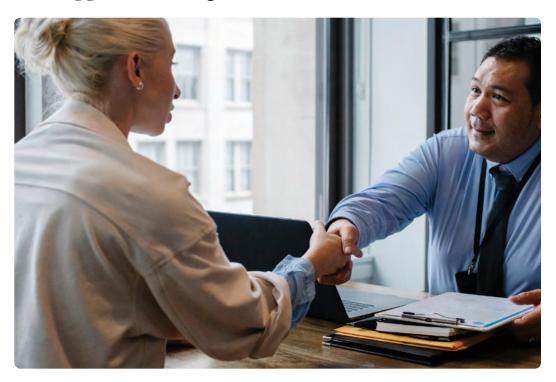
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# After getting \$100M from Michigan to create 3,000 jobs, Ford announces 3,000 layoffs

Ford says a significant percentage of the job cuts will happen in Michigan



#### BY JAMES DAVID DICKSON

Two months after Michigan lawmakers gave Ford Motor Co. \$100 million with the expectation it would create 3,030 new jobs in making electric vehicles, Ford announced 3,000 upcoming layoffs — and many of the affected will be in Michigan.

Last month, Bloomberg News reported that Ford had planned 8,000 layoffs, which the company never confirmed. These 3,000 job losses could be the end of the pain, or just the beginning.

A Ford spokesman, Mark Truby, told the Detroit Free Press, "The majority of our employee base is in Michigan so therefore a significant percentage of the job cuts are in Michigan."

So much for the hope, expressed by State Sen. Adam Hollier, D-Detroit, that the layoffs would mostly affect people outside of Michigan. Hollier was among the lawmakers to vote yes on the \$100 million payment.

Since the money was pulled from a larger pile of money that had already been appropriated, only the state House and Senate appropriations committees — representing only about one-third of Michigan lawmakers — had a say.

State Sen. Jim Runestad, R-White Lake, was among the three senators to vote no, in a losing effort.

After the vote, Runestad questioned how Ford could hire with one hand and fire with the other.

That, apparently, is Ford's plan.

To keep the \$100 million incentive and not have it clawed back by the Michigan Economic Development Corporation, Ford would need to hire 3,030 people, adding to the 22,190 factory workers it employed in Michigan at the time of the agreement.

The "net jobs" number in official documents refers to factory jobs, not all jobs, meaning Ford is within its rights to take taxpayer money to hire blue-collar workers, while laying off their white-collar counterparts.

So now we know: The next time Ford comes to lawmakers asking for taxpayer money for a project — and there will be a next time — our representatives must close such loopholes.

Any standard involving job growth should use net change from all current jobs, with no distinction between blue and white collars.

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# NEWS BITES

# **MEET THE STAFF**



James David Dickson is the managing editor of Michigan Capitol Confidential. He may be reached at Dickson@mackinac.org



**Jamie A. Hope** is Assistant Managing Editor for Michigan Capitol Confidential. She may be reached at Hope@mackinac.org







# Have gun, will audit: With 87K new IRS agents, how many will be armed?

When one hears of plans for 87,000 new IRS agents anticipated in the new spending plan working its way through Congress, it's easy to think of rows and rows of desks staffed by bean counters. And there will be some of those.

But how many of the 87,000 new IRS agents will be of the gun-toting variety? A recent job posting from the agency raises that question. The spending bill hasn't been passed into law, so details are few. But the announcement suggests what some of those new employees may do.

The posting is for IRS criminal investigation special agents. These are not the people who will review your tax forms. They are armed law enforcement officers who will be dispatched to the homes and businesses of alleged lawbreakers.

In 2021, the IRS criminal investigations unit initiated 1,372 investigations into alleged tax crimes, for which 633 people were sentenced, according to the IRS annual report. The IRS investigated another 1,209 potential crimes not involving taxes, such as money laundering, for which 635 people were sentenced.

All of those numbers are likely to go up if the criminal investigations team in the IRS gets even a fraction of the 87,000 new agents.

Among the major duties of the job, according to the posting:

Maintain a level of fitness necessary to effectively respond to life-threatening situations on the job.

Carry a firearm and be willing to use deadly force, if necessary.

Be willing and able to participate in arrests, execution of search warrants, and other dangerous assignments.

President Joe Biden and his administration have argued that the new IRS employees will target the rich and wealthy.

But the Joint Committee on Taxation, a congressional committee, found that as much as 57% of the funds to be raised by the new enforcement push will come from people making \$50,000 per year, or less.

# Sen. Stabenow slams Big Pharma, Big Oil, but takes their donations

Sen. Debbie Stabenow, D-Michigan, tweeted on Aug. 5 that corporate price gouging is hurting Americans in the wallet.

But they did have some politicians on their side, she said. "Democrats are standing up to Big Pharma and Big Oil to lower costs for Americans."

What she didn't share is that she has received campaign donations from Big Pharma and Big Oil throughout her congressional career.

Stabenow was first elected to the U.S. Senate in 2002. Before that, she served in the U.S. House of Representatives and the Michigan Legislature.

Stabenow received \$9,000 in campaign contributions from the oil and gas industry during her first term as senator, according to opensecrets.org. She received \$3,650 from pharmaceutical manufacturers the same year and a total of \$13,150 from what OpenSecrets calls "pharmaceuticals/health" interests the same year.

The senator received a total of \$99,506 in contributions from oil and gas interests since entering Congress. She received \$463,503 from pharmaceutical/health interests and \$117,201 coming from pharmaceutical manufacturers.

This is not the first time Stabenow's declarations do not align with her actions.

Michigan Capitol Confidential reported in February that the senator tweeted her opposition to Canada storing spent nuclear fuel near the Great Lakes. She said it was dangerous and made no sense.

But Stabenow voted against a plan to remove spent nuclear fuel from the Great Lakes in 2002. The question then involved an underground storage site in Nevada, where the fuel could have been moved. Her fellow Michigan Democratic Senator, the late Carl Levin, supported the proposal.

Stabenow's office did not immediately respond to a request for comment.



# Letter: Gov. Whitmer followed the political science on COVID-19

Since June 2021, Whitmer has embraced a limited-government approach to COVID

#### BY JOHN SITKIEWICZ

Should the poll data hold, most everyone working in Michigan political media will attribute Gov. Gretchen Whitmer's reelection to the hot-button issue of abortion.

But I'd argue Whitmer all but guaranteed herself a second term back in June 2021, when she freed Michigan from the COVID-19 scourge by ending all public health orders.

Everything since has been a sideshow.

In one sweeping move, Michigan's embattled governor chose freedom over fear, began championing personal responsibility, and co-opted the wisdom of limited government.

Inspired by the science of internal campaign polling, Whitmer tossed mask

mandates, social distancing advisories, and hard capacity limits that stifled small business operators into the dustbin of history.

In addition to that, a host of Whitmer's publicly held positions magically managed to change, seemingly overnight.

Adults in the state were again deemed capable of assessing their own personal health risks. Small businesses were once again entrusted to operate without extraordinary virus-related health measures. The concept of herd immunity — a naturally occurring phenomena provided courtesy of Mother Nature — was no longer dismissed as a conspiracy theory.

Was Whitmer's conservative approach to COVID-19 only enacted to ensure her political survival? Yes. Will it work? Probably.

The governor's advisers seem to have guessed right, that once a sense of normality was returned to the state, the people of Michigan would have very short memories about the pandemic. Michigan Republicans have done little to remind the public.

With that, COVID-19 was effectively taken off the table as an electoral issue some 15 months ago.

From a pure political standpoint, the brilliance of that maneuver cannot be overstated. It paved the way for Whitmer — and only Whitmer — to have any chance at politically benefiting from anything having to do with the pandemic.

She who destroyed small businesses up and down the state could now be portrayed as their savior.

Quite similarly, every single school return to in-classroom learning anywhere in Michigan could also be co-opted by Whitmer. In reality, Whitmer deferred reopening decisions to individual school districts themselves, rather than draw ire from teacher union bosses.

Whitmer walked away from the pandemic last June, and left Republicans little to work with. ■

John Sitkiewicz is a Michigan freelance writer and commentator.

The original version of this story was posted online on Sep. 16, 2022 and is available at MichCapCon.com/30187.

# Letter: Triple-dippers are draining governments in Michigan

### BY DAVID JAYE

The triple dippers program allows some public employees to triple dip, which is: to "retire" and start receiving their pensions and salaries at the same time to do the same job, while not paying 3% of their salary into the taxpayer-funded pension program, like every other public employee. (Former state senator takes a lick at triple dippers, May 6)

At the end of a five- or six-year term, the "public servant" will receive a pension cash bonus payout. Triple dippers cash out unused vacation, personal and sick leave at their final highest salary, not the salary when the unused days were earned, which artificially spikes their final year's pay, on which pensions are based.

Triple dippers collect all pay increases, insurance benefits, bonuses and promotions during these five years then collect a

taxpayer-paid pension and health benefits for life when they retire for the second time. Some triple dippers retire permanently, others continue working. Triple dippers are enrolled in the "Deferred Retirement Option Program."

In Macomb County, 183 retired politicians and public employees are taking \$13.4 million in salaries and \$32.4 million in pension payments at the same time, to do the same job they'd been doing. This puts stress on public coffers.

Many triple dippers are non-core mission employees, including cooks, janitors, cashiers, 25 secretaries and a part-time van driver. See the full report on triple dippers in Macomb County. The highest cash bonus payout in Macomb County is \$503,672, and 150 triple dippers take over \$100,000. Some triple dippers are taking overtime more than 70% of their posted salary.

Taxpayers pay 43 Michigan State Police officers over \$300,000, and seven more than \$400,000, not to retire. Michigan State Police officers and secretaries get a full pension after 25 years in law enforcement, even if they are under age 50.

Michigan State Police Col. Kriste Kibbey Etue retired with a \$502,000 pension bonus and a \$91,920 annual pension. No private company allows such abuses.

Michigan State Police and the Sterling Heights police refuse to release the names of their police triple dippers.

Excessive taxpayer-paid pension cash bonuses are "golden handcuffs," incentivizing senior officers who are burned out physically and mentally, who want to retire, to keep working. This denies younger, healthier, and better-educated officers opportunities to be promoted.

Instead of fattening the paycheck of

overpaid, over-the-hill politicians and bureaucrats, we should replace triple dippers with young, freshly educated, and trained employees at entry-level salaries, saving approximately 40%, which could be spent on roads, seniors, veterans, and tax cuts.

Pressure your Macomb County officials and candidates for State Legislature and governor to outlaw triple dipping, require payment of 3% of salary into the pension program, and mandate that public employees who are convicted of felonies or misdemeanors of stealing from taxpayers shall lose taxpayer-paid pensions.

David Jaye is a former Michigan lawmaker and a researcher at tripledippers.org.

The original version of this story was posted online on July 29, 2022 and is available at MichCapCon.com/30053.

# Letter: Michigan does not need extended term limits

Nor should government service result in a lifetime gravy train of taxpayer-funded benefits

#### BY JULIE HUFF

Re James David Dickson's July 17 column, "How Michigan can have term limits and lifetime service":

Dickson wants to establish term limits, by lengthening House and Senate terms? He sounds like a politician, and I mean that derisively.

There are as many 'oldies' as 'newbies' who are led around by lobbyists, and he should know this. He expects us to believe it's just the wide-eyed uninitiated that can't stand up to the pressure of powerful lobbyists wielding money and favors? We have a Congress that sits and rules like lifetime monarchs for a lifetime, beholden not to our Constitution or the will of the people, but to some lobby or pet project. Or by creating administrative positions that pass policy the public never voted on, to ensure their agenda is carried out, all on the taxpayers' backs.

But Dickson's answer is give them more time and plus let them run again after a wholesome, cleansing term off. Two years off before you can latch back on to the soft teat of the govt or lobbies. One term off at your cabin on the lake will make you see how it really is for the constituency? That's laughable. Won't they be incentivized to curry favor to sustain them while they're out of office? Or to secure support for their inevitable campaign again?

As far as I'm concerned, every lawmaker should already be filing financial disclosure on their income, assets, liabilities, gifts from lobbyists, positions held in certain organizations and agreements on future employment. We should see any conflicts of interest immediately.

Our legislators are among the top-paid in the nation — 4th from the top. Why? How is Michigan any better than 25 years ago?

The state is aging, can't attract young talent, and can't get business here. Our education is near the bottom and truly lamentable, and our power grid is at risk.

Dickson writes that "Michigan needs active-minded citizenship. Picking new leaders helps." Really? Picking new leaders helps? Picking new leaders is essential to stop the development of the ruling elite.

Stop lowering the bar. "We don't have time to hunt up their record" is as bad as lawmakers saying, "I didn't have time to read the law before I pass it." (Which should be illegal, by the way.) Why can't we look up their record? Of course we can!

Here's what I and most Michigan residents want to see: When a lawmaker is done, working a job that pays average, they're done. We thank them for their service as they return fully to private life.

No lobbying, no running again, just

spread your passion and vision grassroots style. Limit the lobby power and money, and craft and pass genuine finance reform. Enact the laws that are already on the books. Eliminate the endless red tape and special interest laws. Get that done. Let the lawmakers do what they always promise us, to work for our good, to vote on and pass or kill bills.

I'm mad. So is everyone I know. Giving lawmakers even more time is like Gretchen Whitmer giving the schools even more money.

We want to see a return on our investment. Policies like this are what drive people out of our state, but Dickson wants to extend the terms. What a horrifying prospect.

Julie Huff, Ira Township.

The original version of this story was posted online on July 22, 2022 and is available at MichCapCon.com/30015.

# Michigan Public Service Commission: Power grid unreliable, distribution plans insufficient

Commission warns that Michigan's grid is not prepared for the rise of EVs

#### BY JAMES DAVID DICKSON

"A core focus of distribution planning is on reliability, and current approaches to distribution planning, the Commission finds, are insufficient to address issues impacting the reliability of utility service to customers—whether current issues or those forecasted for the future. Put bluntly, Michigan's distribution reliability is inadequate, and current plans for improvements are insufficient."

So wrote the Michigan Public Service Commission last week, in an 83-page report offering feedback on the September 2021 distribution plans offered by DTE Energy, Consumers Energy, and Indiana & Michigan Power Company.

"It is also clear," the commission wrote, "that Michigan utility distribution grids are not as well positioned as necessary for the growth of (electric vehicles) and other DERs (distributed energy resources)."



The commission's message to the utility companies: Go back to the drawing board, and present new plans, plans that account for the system's unreliability and the insufficiency of current efforts. That word, "insufficient," appears 10 times in the commission's report. "Reliability" appears 128 times. "Safe" appears 27 times.

DTE, Consumers and I & M's new plans are due Sept. 29, 2023, while the

plans from Alpena Power Company and Northern States Power Company are due Sept. 30, 2024.

The commission's report reads:

Of paramount concern are continuing issues dealing with the safety and reliability of the system, including multiple fatalities within the month of August resulting from contact with downed wires as well as frequent and sustained outages stemming from storm events.

The report continues: "These are not new issues nor is progress in addressing them sufficient."

Jason Hayes, environmental policy director for the Mackinac Center, has sounded the alarm that Michigan's grid is both expensive and unreliable. Not only for the future, but in the current day.

The original version of this story was posted online on Sep. 13, 2022 and is available at MichCapCon.com/30161.



#### BY JAMES DAVID DICKSON

If Kelly Rickabus, age 60, had owned a gym in Oxford Township rather than the Village of Oxford, she would probably still be in business right now.

"We feel very much like the government forced us to fail by shutting us down and then left us, and didn't help us," Rickabus told Michigan Capitol Confidential. "And we have reached out to everyone from the president all the way to our local government. We've tried every avenue we can think of, and the doors just keep shutting in our face."

When the COVID-19 pandemic hit and Gov. Gretchen Whitmer's lockdown orders went out, gyms were on the list of "non-essential" businesses. Police in the village were going to enforce the governor's orders, and Rickabus owned an Anytime Fitness franchise there.

In the township, the police agency is the Oakland County Sheriff's Office. Its leader, Sheriff Michael Bouchard, said early on in the pandemic that there wouldn't be arrests for violating lockdown orders in territories his agency patrolled.

In the Village of Oxford, enforcement was the plan. But it never came to that, village Police Chief Michael Solwold told Michigan Capitol Confidential. The agency did not write a single COVID enforcement ticket in 2020. To this, he attributes community compliance.

And for that compliance, Rickabus credits an early message from village police: If your business is open during the shutdowns, we will eventually write tickets and send cases to the prosecutor's office. Solwold didn't recall that conversation specifically, but said that's the message police would have conveyed.

"My attitude is, 'Help me help you avoid a violation," Solwold told CapCon. "We never had to go that route, thankfully. Nobody really wanted to go that route."

"We don't make the laws," Solwold added. "We enforce them. If my village manager or my governor or whoever's in charge comes down and says, 'Hey, you need to do this,' well, then we're going to do it. But we're going to do it my way."

His way, Solwold said, was not to write tickets. Not right away. And as it turns out, not at all.

As Rickabus sees it, however, compliance in the village was rooted in fear — a fear that wouldn't exist in the absence of shutdown order and the stated threat of its enforcement. Setting up shop on the wrong side of the village line proved costly to her business.

Ted Rickabus, Kelly's husband, also 60, wrote in The Detroit News, "Six months went by and none of my creditors provided any relief. Not (Anytime Fitness), nor the landlord, nor the power company, nor any other creditors. They all demanded their money."

By the time the business did reopen, it had lost most of its members, and much of its staff. He was forced to sell.

Kelly Rickabus argues that Michigan gyms should have been enlisted as part of the solution during COVID, not treated as a problem and forced to shut down.

"We should have been deemed essential," Rickabus said of gyms, in a pandemic where the obese and the elderly were especially hard hit.

Roughly one in three Michigan businesses

— 32% — reported facing a government-

mandated closure in 2020 due to COVID-19. It was by far the highest total in America. The national average was about 19%.

Some of those businesses never recovered. The Rickabus family eventually left Oakland County for the Big Rapids area. Rather than settling into retirement with a revenue-generating business, the former gym owners pay the bills by buying and selling furniture, and working odd jobs, Kelly said.

"It's really hard, at our age, to start over," Rickabus said. "Nobody wants to hire us."

Rickabus admits that the family is probably a GoFundMe campaign away from clearing its debts, including a \$150,000 injurydisaster loan from the U.S. Small Business Administration. But she won't do it.

"I'm not a charity case," Rickabus said. "I work hard for my money; I've been working since I was 14. It was my choice to buy the gym. And for me to say 'Give me some of your money, to make up for my choices,' it wouldn't feel right." •

The original version of this story was posted online on Aug. 21, 2022 and is available at MichCapCon.com/30104.

# You want unity in Michigan? Find it on the debate stage

Transparency demands a battle of ideas in a public forum, not dueling campaign rallies



#### BY JAMES DAVID DICKSON

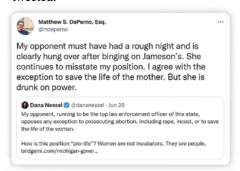
An important moment in Michigan politics took place in June, but nobody knew it at the time.

We thought the June 25 Twitter spat between incumbent Dana Nessel, a Democrat, and Republican challenger Matt DePerno, was an appetizer. The first taste of a lively debate between polaropposite candidates.

On a Saturday morning, June 25, at 7:34 a.m., Nessel tweeted:



An hour later, at 8:31 a.m., DePerno tweeted:



If that's how heated things got on a Saturday morning Twitter exchange, imagine Nessel and DePerno on the debate stage. Michigan might get the fight over its future it deserves.

But we will be left to imagine, as Nessel announced last week that she wouldn't debate DePerno. She said DePerno is "not a serious candidate."

DePerno has recently called Nessel the "Groomer General," and sells bumper stickers that say "Lock Whitmer and Nessel up." It appears he did not sign the civility pledge.

Nessel might not view DePerno as a serious candidate, but he is seriously on the ballot. He could win.

The less-worthy Nessel believes DePerno to be, the greater the public service she would do in exposing that in an open forum.

To argue the public interest in a public forum is the lawyerly thing to do.

Perhaps Michigan election law needs to be rewritten so that these debates are standard and not done out of the kindness of incumbents' hearts. If a candidate can be kicked off the ballot for filing incorrect campaign finance documents, why not for refusal to debate?

We could learn things about DePerno, and about Nessel, on live TV with cameras rolling, that we will not learn with a series of dueling campaign rallies. The debate stage cannot be simulated in the metaverse, replaced with Zoom out of an abundance of caution, or walked away from with a huffy statement.

Nessel's refusal to debate is part of a disturbing trend in Michigan.

Last year, in Detroit's municipal election, Mayor Mike Duggan refused to debate opponent Anthony Adams, a fellow Democrat.

Duggan said Adams was not a serious candidate, adding that debating him would give a platform to hate speech.

Just last year, in an 80% Black city, Detroit's white mayor said that a Black challenger would preach hate, not debate. Somehow, rather than challenge Duggan on the point, the Detroit media responded with a collective shrug.

If Anthony Adams is dangerous, and Matt DePerno is dangerous, who isn't?

And isn't it convenient that the list of people Nessel and Duggan view as too dangerous to debate includes the person who'd appear opposite them on the ballot?

In Official Michigan, incumbents increasingly view debates as optional. Why? And why is this their choice to make?

How is this transparent? How does it serve the public?

Scrutiny is part of the job for public officials. Increasingly, it's a part they're eager to opt out of.

The Lansing media can't be counted on to call this out; its more likely to explain it. State law must do what social custom cannot, and give the public the debate it deserves.

Maybe it won't happen this year. But Michigan's new normal is worrying. There Should Be A Law requiring debates.

Someday, the candidate who was Too Dangerous to Debate will win. Then we will have in office someone who is dangerous, with a mandate. With all the advantages of incumbency.

What if the public could have seen their true character on the debate stage? The temper, or the logical leaps, or the willingness to demonize? Wouldn't it be better to learn those things on the debate stage, and not when the person is in office, speaking from the bully pulpit?

Let's do this right. Let's do this debate on stage. Lights and cameras. Nessel. DePerno. Duggan, too, if he runs again in 2025.

Let's avoid a national headline that will bring great shame: "In Michigan, Twitter Beef Replaces AG Debate." ■

The original version of this story was posted online on Sep. 4, 2022 and is available at MichCapCon.com/30134.

# California's energy struggles could be Michigan's future

Wanting an energy transition is one thing; enacting it before you're ready is quite another.

BY JAMES DAVID DICKSON

California's energy struggles are a cautionary tale for Michigan.

First, California issued a rule banning the sales of new gas-powered vehicles by 2035. The press spread the headline far and wide, as a symbol of progress.

Then, as so-called extreme heat brought higher demand for energy, the state turned around and punished electric vehicle owners.

Facing the possibility of blackouts over Labor Day weekend, the operator of California's electric grid is requesting voluntary energy conservation. Public officials are asking Californians to avoid charging their electric vehicles, to the extent possible.

But it's not just big-energy items they're asking the public to cut back on. There are also small household items, the things a normal energy grid should not struggle with: stoves, ovens, dishwashers, washing machines and dryers. California's grid operator took to Twitter on Wednesday to make that request.

If California's energy grid can't handle common home appliances in 2022, and it can't spare enough to charge the electric vehicles it has now, how will it handle the predicted growth of EVs in 2035? Why does the state issue new rules long before it knows that this transition is feasible, or affordable? Or that the grid will be ready?

Michigan, too, recently had its energy struggles. At the peak of some very minor storms and winds, about 380,000 DTE Energy customers in Southeast Michigan were without power.

If Michigan's shaky energy grid can't handle thimblefuls of rain, or the blowing wind, how will it be able to accommodate a future where many homes will have EV charging ports? Will its leaders have the discipline to wait until the infrastructure is ready?

Or will they seek headlines, transition prematurely to green energy, and ask the people of Michigan to unplug their toasters?

The original version of this story was posted online on Sep. 5, 2022 and is available at MichCapCon.com/30131.

# **Confused about crypto?**

# Michigan government is here to help, with proposed 16-member commission

#### BY TIM CAVANAUGH

Michigan's government could soon have an elite team of experts working to disambiguate the world of cryptocurrencies and blockchain technologies.

Senate Bill 880, sponsored by Democratic Sen. Jim Ananich of Flint and Republican Sen. Mike Shirkey of Clarklake, would create a blockchain and cryptocurrency commission to study these baffling technologies before submitting a pair of reports to the Michigan Legislature.

The members of the commission would include five industry representatives appointed by the governor, two individuals appointed by House leadership, two individuals appointed by Senate leadership, four more appointed by relevant House and Senate committees, the state budget director, the state treasurer, and the attorney general.

The commission is to study a broad range of questions, including:

- Potential use of blockchain, a decentralized database technology, in government services such as marijuana registries and delivery of records;
- The use of cryptocurrencies such as Bitcoin for legal tender purposes;
- The potential for these virtual currencies to "mitigate the deflation of fiat currency";
- Inclusion of crypto in state accounts;
- Payment of fees in crypto;
- How Michigan government can "foster an expansion of blockchain technology and the cryptocurrency industry in this state."

The material rewards of service will be modest. Commission members will not be compensated for their work (not even in Dogecoin), though they can get reimbursed for reasonable expenses. The appointing officials will have the power to remove any members who bring scandal to the commission through malfeasance, dereliction of duty, or other misconduct.

The mission of the 16-member group? To deliver one report on cryptocurrency and another on blockchain to each of the two chambers of the Legislature by December 1 of this year.



The bill passed the Senate by a vote of 28-10 in June, and it is now with the House Financial Services Committee.

Majority Leader Shirkey and Minority Leader Ananich did not respond to email and phone requests for comment from Michigan Capitol Confidential. Republican Sen. Ken Horn of Frankenmuth, who is also backing the legislation, referred CapCon's questions to the bill's sponsors, though he told MLive recently, "It could be the currency of the future and we're not quite sure yet, so we didn't want to be left behind."

Many have indeed been left behind by these popular but little-understood technologies. Crypto markets were roiled this year by rapid declines in valuation, as well as lingering questions over how these currencies – which are not pegged to any real-world assets – differ in practice from the Linden Dollars once offered in the Second Life universe, World of Warcraft gold, or Sim City SIMoleons.

"An ongoing debate about the viability of the token market is centered on whether tokens are used purely for speculation, or have actual utility on their underlying platforms," two University of Michigan business professors noted in a recent study.

Co-author Andrew Wu, an assistant professor of technology and operations and finance, told CapCon the recent troubles of the crypto industry reflect widespread disappointment as early promises about the technology's potential for retail transactions, investing, and lending have failed to pan out.

"The excitement about using these technologies for real-world transactions has died down," said Wu, who also runs the university's FinTech Initiative. "This year the whole blockchain-based system blew up, but it caused very little damage in the broader economy, because it is not really connected to the real world."

The market has also seen a rash of scams and bankruptcies, Wu said. Though these are genuine regulatory concerns, he is skeptical of efforts to regulate the technology itself, or even to make extensive use of it in private retail or public services.

"Do you need a 16-person commission to study that?" he said. "Probably not. But

the state could look at some of the products using these technologies, to say, 'This is not a bank; we're not going to let Michigan people invest in it."

Though regulation of crypto as a potential currency is a federal concern, Wu said, consumer protection is one area in which a state government could prove useful. He pointed to the examples of New York, which issues a "BitLicense" while strictly regulating exchanges of crypto for legal tender, and Texas, whose State Securities Board is investigating two failed crypto companies.

"Consumer protection would be a good use," Wu said. "I don't see much macro application because crypto doesn't have much connection to the real world."

Celsius Network, one of the companies being probed by Texas and other states, allegedly implied that its digital currency was fungible, like money. The network's advertising suggested its crypto investment product was "a high-yield, low-risk savings account," according to one former customer.

"The number one thing we need right now is disclosure," Wu said. "Both the federal government and the states should force some disclosure rules. State regulators could help inform consumers. A lotta people don't know what they're doing."

The technologies do appear to be far more talked about than understood.

More than 46 million Americans intend to purchase cryptocurrency for the first time, according to a June Motley Fool survey, while 145 million Americans own or have invested in crypto.

Yet 98% of respondents flunked a Crypto Literacy Survey administered in November by YouGov to residents of the United States, Mexico, and Brazil.

Two-thirds of current crypto owners reported that "the concepts around cryptocurrency are needlessly complex," in a NerdWallet poll published in June, while more than a third admitted they do not understand how crypto works. NerdWallet's survey also found a much lower total number of current and prospective cryptocurrency owners than did Motley Fool's survey.

The original version of this story was posted online on Sep. 13, 2022 and is available at MichCapCon.com/30159.

# Whitmer affirms that nuclear energy is clean energy

In a letter to U.S. Energy Secretary Jennifer Granholm, Whitmer describes Palisades nuclear plant as good business and good for the environment

BY JAMES DAVID DICKSON

Gov. Gretchen Whitmer wrote a letter Friday in support of Holtec International's efforts to revive the Palisades nuclear plant, and seeking federal funds to get it back running.

"We have a path forward," Whitmer wrote, in her letter to U.S. Energy Secretary and former Michigan Gov. Jennifer Granholm, Whitmer argues the nuclear plant is not only good for business, but that it will "help fight climate change." Whitmer is seeking federal funds through the Civil Nuclear Credit program.

Whitmer's letter quotes another letter from Granholm in May, which described the Civil Nuclear Credit as an effort to "help avoid premature retirements of reactors across the country due to financial hardship, preserve thousands of good-paying clean energy jobs to sustain local economies, and protect our supply of carbon-free electricity generation."

The Civil Nuclear Credit says, "The nation's current fleet of nuclear power plants is vital to achieving the nation's goals of a carbon pollution-free electricity sector by 2035 and net-zero emissions economy-wide by 2050."

Whitmer, too, describes nuclear energy as clean energy. She wrote:

With your support, Holtec plans to repower and reopen the Palisades, a union plant in Southwest Michigan that employs 600 workers making an average of \$117,845, supports over 1,100 regional jobs, generates \$363 million in annual regional



economic development, and produces more than 800 megawatts of reliable, clean power. Keeping Palisades open is critical for Michigan's competitiveness and future economic development opportunities.

Jason Hayes, director of environmental policy at the Mackinac Center, warned that blackouts could follow. Palisades provided 6.5% of Michigan's electricity and 15% of its clean energy, Hayes found. In May, in the pages of The Wall Street Journal, Hayes wrote:

Decades of mandates and subsidies mean Michigan has a quickly growing supply of solar panels and more than 1,500 wind turbines. Yet combined, they still can't produce as much electricity as the Palisades plant alone. There is no economically viable path to ramp up wind or solar production to

replace the lost power, much less meet the state's rising energy demands.

Palisades was de-fueled on June 10, according to Holtec International. As recently as July, it appeared the nuclear plant would be torn down.

Whitmer's letter to Granholm is an admission of reality.

Whitmer wrote: "I will do everything I can to keep this plant open, protect jobs, increase Michigan's competitiveness, lower costs, and expand clean energy production."

Civil Nuclear Credit applications were due on Sept. 6, according to the U.S. Department of Energy. No decision on grants has been announced.

The original version of this story was posted online on Sep. 12, 2022 and is available at MichCapCon.com/30160.

# Whitmer touts education policy she rejected last year

Student catch-up initiative similar to vetoed 2021 Republican plan

BY JAMIE A. HOPE

Gov. Gretchen Whitmer appears to have changed her mind about a plan for mitigating COVID-related learning loss in K-12 students, but with a significant restriction.

Whitmer had vetoed, in July 2021, a bill produced by legislative Republicans to channel \$155 million of the state's \$6 billion share of federal COVID-19 relief dollars into reading scholarships. The funds would have helped elementary students who are behind due to school shutdowns during the pandemic.

The governor tweeted on Sept. 8, however, "Our kids always come first. To help get them back on track, I proposed offering tutors for all 1.4 million Michigan students. Let's get it done." Whitmer was referring to her own student recovery proposal, called the MI Kids Back on Track tutoring plan, released May 23.

Whitmer's recovery proposal is similar to the Republican plan she vetoed, which would have provided parents \$1,000 grants for elementary-age students with low reading test scores. Parents would have had the autonomy to choose which tutoring services were best for their students. They could have used the money for private tutoring, after-school programs, books, or instructional materials.

Whitmer did not explain her veto, and legislative Democrats did not join in an effort override it. Since then, evidence has grown that the COVID lockdowns hurt student performance. The National Assessment of Education Progress reported recently that Michigan went backward in math and reading scores.

Republicans reintroduced their proposal in February, this time with a plan to give \$1,500 grants to students. But House Bill 5859 went down to defeat in a June vote in the Michigan House, with all Democrats and five Republicans voting against it.

The governor, who faces a reelection vote in November, is now promoting her own plan

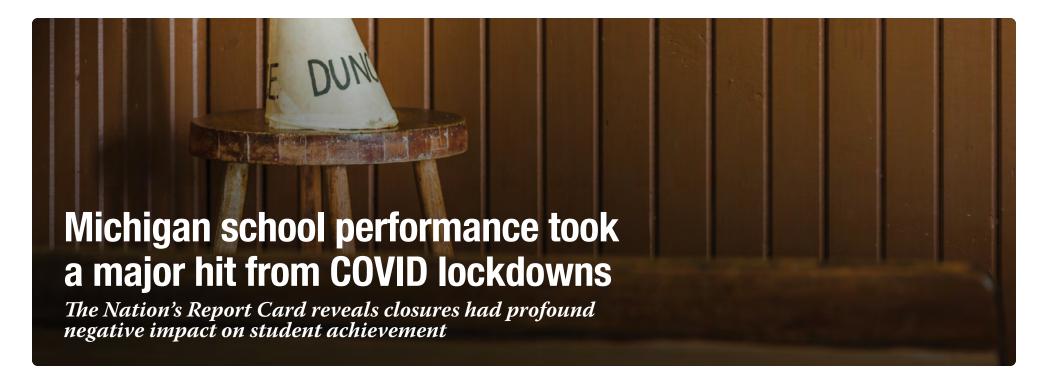
to get students on track. The major difference between her plan and the Republican bill she vetoed is that her \$280 million proposal does not give parents the latitude to choose what is best for their children.

The governor's proposal puts those same schools that shut down during COVID-19 — many of which showed consistently low scores and poor academic outcomes even before the governor's lockdown orders — in charge of a student's recovery. The proposal calls for tutoring for all subjects and grades. An announcement about it from the Michigan Department of Education links to volunteermichigan.org. It notes that tutoring would be available during and after the school day.

Whitmer did not respond to a request for comment.

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The original version of this story was posted online on Sep. 14, 2022 and is available at MichCapCon.com/30163.



BY JAMIE A. HOPE

School shutdowns during the COVID-19 pandemic had a profound negative impact on students' academic proficiency, according to a new national report, and the plunge in scores has strong implications for Michigan.

The latest report on the National Assessment of Educational Progress was released Thursday. The document, also known as the Nation's Report Card, showed a steep drop in student attainment between 2020 and 2022.

Although nationwide math and reading scores had been declining gradually between 2012 and 2020, the slide accelerated sharply during the COVID panic. Reading scores dropped five points during the two-year period, while math scores went down seven points.

Lower-achieving students experienced greater declines in scores, but no student group showed an increase. The NEAP's Midwest grouping, which includes Michigan and eleven other states, declined more than the national average — down seven points in reading and nine points in math.

One Michigan lawmaker used the news to criticize Republicans.

"Expect the MI GOP to use low national test scores, which are out today, to bludgeon Dems for keeping kids safe during COVID. They can't, however, hide from the fact that they looved online learning (they

call it "value schooling"—because it's cheaper!)...until they didn't," tweeted Sen. Dayna Polehanki, D-Livonia.

But in Michigan it was Democratic elected leaders, along with teacher union officials, who led the move to shut down classrooms during the pandemic.

Gov. Gretchen Whitmer issued an executive order in March 2020 mandating all schools close, citing the pandemic. She announced the next month that all schools would close for the remainder of the year and pushed to keep school doors locked.

When former President Donald Trump announced that all schools should work to open in fall 2020 so that students would not fall behind, the blowback from Michigan educators was immediate.

Paula Herbart, president of the Michigan Education Association, wrote that school employees were "Angry because they hear national 'leaders' like President Donald Trump and Education Secretary Betsy DeVos demand that schools reopen regardless of the science, falsely claiming kids don't get sick and 'are virtually immune' to the coronavirus."

Herbart threatened a lawsuit said a lack of funding kept schools from reopening.

When Nikolai Vitti, superintendent of the Detroit Public Schools Community District, warned of academic and mental health consequences students would face if classrooms remained closed, the Detroit Federation of Teachers threatened an illegal strike. The union stated that teachers should not return to the classroom until Whitmer's final post-pandemic phase plan was in place. That phase would have kept school buildings closed until the number of infected individuals was close to zero. If the district had followed through with this plan, students still would not be back to inperson learning.

It was not until January 2021 that Whitmer agreed to a plan to reopen schools — in March of that year. Whitmer also vetoed a budget proposal that would have used \$155 million of the state's \$6 billion in COVID-19 federal relief funds to provide parents with \$1,000 for tutoring, aimed at preventing learning loss, according to the Mackinac Center's education policy expert.

The closures disproportionately harmed minority students. Nationwide, Black students saw the steepest declines — six points in reading and 13 points in math. In Michigan, the districts with more Black students also were the ones that fought to stay closed for prolonged periods of time, even as other districts reopened.

Flint Community Schools remained shut longer than all other districts during the pandemic. It was given \$156 million in federal COVID aid, by far the most of any district in the state, but it remained closed to in-person learning.

As previously reported by Michigan Capitol Confidential, the school district had less than six months of in-person learning since March 2020, as of January.

Its doors remained shut completely until March 22, 2021. The district uses a balanced calendar, and it closed schools again in August 2021 because it was late in installing air conditioning.

Flint schools were closed again after the Oxford school shooting over "an abundance of caution" and again, with officials citing teacher burnout.

Sinking graduation rates appear to be a consequence of the shutdowns in Flint. In 2019 the graduation rate was 64.8%, with 19.8% of students dropping out of school. The graduation dropped to 52.33% in 2020 while the dropout rate increased to 25.58%. By 2021, only 46% of students graduated; however, dropouts decreased to 21.8%.

The Detroit graduation rate in 2019 was 75.84%, with a dropout rate of 11.71%. Most students were still in school but not on pace to graduate on time.

In 2020 the graduation rate decreased to 72.45% while the dropout rate increased to 13.23%. The district saw a substantial decline in 2021 to a graduation rate of 64.53%, a drop of almost 8 percentage points. The dropout rate once again increased, going to 14.45%.

The Flint and Detroit school districts, as well as the Detroit Federation of Teachers, did not respond to requests for comment.

The original version of this story was posted online on Sep. 2, 2022 and is available at MichCapCon.com/30133.

# Whitmer, Granholm push for EVs and a slimmer auto industry

## U.S. energy secretary and former governor Jennifer Granholm supports a ban on the sale of gas vehicles

BY JAMIE A. HOPE

Former Gov. Jennifer Granholm supports California's ban on the sale of new gaspowered vehicles by 2035.

Current Gov. Gretchen Whitmer is pushing for Michigan to transition to electric vehicles.

But neither is discussing the job losses that will likely accompany the transition to EVs.

Granholm, currently the U.S. secretary of energy, made her comments in an interview last week with Fox 11 Los Angeles anchorman Elex Michaelson. Ford Motor Co. announced plans in August to lay off 3,000 employees, mostly in Michigan. The announcement came just two months after Michigan lawmakers gave the company \$100 million in exchange for a pledge to create 3,030 EV jobs.

Michigan, in effect, traded white-collar jobs for blue-collar jobs. Ford says the job cuts are part of its transition to electric vehicles, which will require more resources.

Marketplace.org reports other automakers will follow suit, as workers who create electric vehicles will need a different set of skills than those who work on cars with internal combustion engines.

"While retraining assembly workers should be easier, electric powertrains have far, far fewer parts than internal combustion engines, and electric vehicle production can get by with a smaller workforce," Timothy Johnson, a Duke University professor, told The Street.

Granholm cheered the American Jobs Plan, a federal initiative to increase spending on green technologies, in June 2021. She said, "The American Jobs Plan would put the country on the path to owning the global clean energy market, creating millions of well-paying jobs, lifting families into the middle class, and raising standards of living in the process."

Granholm tried to do the same in Michigan when she was governor. The state sent hundreds of millions of taxpayer dollars to green energy companies that later went bankrupt or out of business. Most were not required to return the money.

Whitmer has also been an advocate of new electric vehicle technologies. "In Michigan, we're taking steps to get more electric vehicles on our roads and produce the charging infrastructure needed to support them," Whitmer tweeted Sept. 22, 2021.

Business Insider projects a potential 40% reduction in jobs in the auto industry due to the shift to producing electric vehicles.

Whether electric vehicles are a green energy technology is up for debate. EVs carry environmental trade-offs, as well as moral ones. They rely on minerals that are often mined in a way that causes environmental damage in developing nations.

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

The original version of this story was posted online on Sep. 9, 2022 and is available at MichCapCon.com/30138.



# Michigan Capitol Confidential keeps watch over government

### Mackinac Center experts and attorneys are CapCon's unfair advantage

BY JAMIE A. HOPE

Take a popular topic reported in the news, and chances are that most news sites in Michigan will take the same angles, with minor variations. The news source will often give you superficial information or seek out experts who will take the view they want readers to see.

Michigan Capitol Confidential is not what James Dickson, managing editor of our news site, calls "a repeater."

We do not parrot information other news sites offer. When you click on our site, you will see unique news and views.

CapCon is the news site of one of the top think tanks in the nation, the Mackinac Center for Public Policy. Scholars at the University of Pennsylvania ranked it in the top 5% of 2,203 think tanks in the nation in 2021.

The Mackinac Center is a nonpartisan organization, focused on public policy

in Michigan. It has spearheaded and won numerous public policy and legal initiatives, including successfully suing Gov. Gretchen Whitmer over her lockdown orders.

One reason for its success is that it employs some of the brightest minds in public policy. Their areas of expertise are health care, education, environment, and fiscal policy. Our experts are often recognized on national platforms such as The Wall Street Journal.

For example, Michael Van Beek, our director of research, found that there are 30 emergency powers laws on the books in Michigan.

Because the information Van Beek uncovered was so valuable, legislators are actively working to repeal or amend those laws to ensure they are not used as they were during the COVID-19 pandemic, when the governor shut lawmakers out of the decision-making process. As a result of CapCon's direct access to the Mackinac

Center, the findings were originally reported here.

Another example of CapCon's work is our look at the heavy hand of Michigan Attorney General Dana Nessel during the pandemic.

In one Freedom of Information Act request, we asked for emails from the attorney general's office about a restaurant owner, Marlena Pavlos Hackney, who was arrested even though the arrest violated COVID-19 court guidelines.

We found that Nessel grossly abused her power when she told her staff to ask Michigan State Police round up Hackney before she had a chance to appear on the Fox News Channel, where she could tell her story to a national audience.

Were it not for our FOIA, nobody would have ever have known that the state's highest-ranking law enforcement official tried to silence a citizen.

We not only provide unique angles, we have the support of the Mackinac Center Legal Foundation, which can back us up when governments try to hide information that belongs to the public.

One offender is the University of Michigan, which violated FOIA law and refused to divulge information requested by Mackinac Center.

The Mackinac Center Legal Foundation sued, and U-M lost. CapCon reported when the university refused to divulge the salaries and bonuses it paid to employees. We were there to follow up when the university lost in court and was forced to hand over the information.

Our goals are to be an effective watchdog of government and equip readers with the tools they need to also hold their local, state, and on occasion, federal government accountable.

The original version of this story was posted online on Sep. 10, 2022 and is available at MichCapCon.com/30156.



#### BY JAMES DAVID DICKSON

On 9/11, we wanted America's attackers punished. Instead, we got a Global War on Terror.

The mastermind of the attack, Osama bin Laden, was killed by U.S. forces a decade later, on a tip — not on one of America's many battlefields in Afghanistan and Iraq. The war in Afghanistan would continue for another decade.

Fear is a bad basis for public policy. Fear makes us say yes without reading the fine print. Fear leads us to speak those fateful words: Someone Should Do Something.

Whenever that call goes out, "Do Something," there is a politician in a flag pin standing ready. Be careful what you ask for. You'll get more of it than you could have ever imagined.

That's how one tragic September day led to 20 years of war. That's how an historic intelligence failure led to an ever-larger surveillance state, rather than an upbraiding of it. That's how so-called temporary security measures led to permanent security theater at the airport.

All of it operates on a false premise: The more power the state has, the safer the people will be.

It's ridiculous, years later, when you say it out loud: By order of the governor, a global virus was defeated.

Yet to read news coverage in Michigan in 2020, one could have gotten the impression that COVID could be beaten, if only Gov. Gretchen Whitmer pulled the proper levers of government. This thought was something between settled science and conventional wisdom back then.

People accepted lockdowns on this basis. Some people even asked for them. And Whitmer was happy to answer the call.

But why did we, the people, ever believe it possible?

Because we've been buying similar claims from the government for a century.

COVID Zero — the idea that a certain set of behaviors could rid us of a respiratory virus — has an older brother in Toward Zero Deaths, in the driving world. Their eldest brothers are twins: Zero Tolerance

for school violence, after Columbine, and Terror Zero, after 9/11.

Their grandfather is Alcohol Zero, or Prohibition. Their father is the War on Drugs.

Zero carbon is up next. The Zero Carbon ideal, and not any actual scarcity of energy, is leading to energy crises in California and Europe right now. Green energy is not nearly ready for primetime. True believers push forward anyway, regardless of the consequences.

Zero does not mean zero. Zero only gives the government more power in your life.

Should we install ignition interlock in cars, to prevent drunk driving? Should we ban backpacks at schools, to prevent school shootings? Should we ban people from using their own boats, or buying seed, to prevent the spread of a virus?

These things only make sense if you believe government is capable of the extraordinary. It isn't. These are just people. They could make your life worse, sure. But when have they ever made them better?

For COVID Zero, we accepted the idea that state government should make lists of

essential and non-essential jobs. For the sake of a virus, people's livelihoods were deemed non-essential.

Zero Tolerance for weapons allowed schools to criminalize and exclude students who had made an honest mistake, rather than educating them. Troubled kids were viewed as a liability to the school system, not the duty of the school system. How many lives were set on a different course, because Zero was the rule?

Prohibition gave money and cachet to the American mobster. The War on Drugs empowered the cartels.

Zero Terror was a costly failure. The second America left, the Taliban returned to power in Afghanistan, and with a cache of weapons left behind by the U.S. military.

The next time you are afraid, don't just ask what your government will do. Ask how it will know when to stop.

Beware the word zero — it's the most dangerous number in government. ■

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Managing Editor: James David Dickson Designer: Dixon Anderson

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# Michigan votes.org

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

#### House Bill 6363

# Revise state rules on prisoner phone access

Introduced by Rep. Tenisha Yancey (D)

To prohibit the state or local governments from imposing a surcharge on prisoner phone calls and other communication services. The bill would require the state corrections department to provide communication services to prisoners at no cost; have at least one phone for every 10 prisoners in a facility; let prisoners use "communication services" (phone, email, texts and video) for at least than 120 minutes each day, and more. Similar provisions would apply to juveniles in state custody, to whom communications services would have to be provided at no charge.

#### House Bill 5938

# Revise restrictions on casino interest campaign contributions

Introduced by Rep. Ryan Berman (R)

To repeal a law restricting certain campaign finance contributions from casino and gambling interests.

#### House Bill 6348

# Ban naming government buildings after a corporation or business

Introduced by Rep. Yousef Rabhi (D)

To ban naming a state building or other state property after a corporation or other 'business entity.

#### House Bill 6366

# Impose birth control pill insurance mandate

Introduced by Rep. Julie Rogers (D)

To impose a new insurance mandate that would require health insurance policies sold in Michigan to include coverage that would pay for a 12-month supply of prescription contraceptives, and the medical services and appointments required to obtain this.

#### House Bill 5956

### Let courts keep imposing building and personnel operations costs on defendants

Introduced by Rep. Sarah Lightner (R)

To extend until October 1, 2025 a law that permits courts to impose any costs on guilty defendants that are reasonably related to the actual costs of operating the court, including building maintenance expenses, court employee benefit expenses and more, and do so without tying those expenses to the particular case.

#### House Bill 6351

# Immunize owner of properly stored firearm from another's misuse

Introduced by Rep. Jim Ellison (D)

To establish that a legal gun owner is not liable for property damage or injury to another person caused by an 'unauthorized user' if the gun was stored or secured properly as defined in detail by the bill.

#### House Bill 6349

### Mandate parking garages accept cash

Introduced by Rep. Yousef Rabhi (D)

To define 'refusing to accept cash at parking garages and lots' as an 'unfair trade practice' subject to penalty under a state Consumer Protection Act.

#### Senate Bill 1146

### Mandate industrial facility "vegetative buffers"

Introduced by Sen. Stephanie Chang (D)

To mandate that owners of industrial facilities subject to air quality emissions permit mandates install "vegetative buffers," and also mandate that offer to purchase any dwellings within 500 feet.

#### House Bill 6356

# Require prosecutors, state to track incarcerated informant tips

Introduced by Rep. Steven Johnson (R)

To require county prosecutor offices to track and maintain a record of testimony or information they receive from in-custody informants against a defendant's interest, including any benefits offered in exchange. This record would be sent to the state Attorney General to create a statewide record of this information.