

# POLICY RECOMMENDATIONS

2019





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# Fiscal Policy



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## End Corporate Welfare

Programs that offer targeted subsidies and tax incentives to specific employers are supposed to create jobs and improve the economy, but they generally don't work and are, on balance, harmful to Michigan's overall business climate. Lawmakers should reject calls to hand out more taxpayer money, and instead redirect economic development funds to road repairs and demand repayment when companies fail to meet their contract benchmarks. Michigan should also join a compact with other states to abstain from offering corporate handouts to entice employers to relocate.

[mackinac.org/26232](https://mackinac.org/26232)

## Prioritize Road Funding

Lawmakers set their spending priorities in the budget, and there is renewed and justified demand to make roads a higher priority. There are plenty of areas where the state can save money from ineffective programs, duplicative spending and unnecessary expenses. Legislators should fix the roads without digging deeper into taxpayers' pockets.

[mackinac.org/21360](https://mackinac.org/21360)

## Pay-As-You-Go Road Funding

Paying for road repairs through debt financing can increase funds available now, but only at the expense of the future, plus interest. The state has been paying down its road debts and this has made more money available today to pay for road repair. The state should rely on a pay-as-you-go approach to pay for road repairs.

[mackinac.org/25483](https://mackinac.org/25483)

## Reform Michigan's Liquor Control Code System

The current code and related rules read in parts as if it were written to protect special interests from competition and even drive business to them. A proper alcohol control code can protect the health and safety of the Michigan public without lavishing favors on crony capitalists.

[mackinac.org/1933](https://mackinac.org/1933)

# Labor Policy



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## Protect Right-to-Work

Private and public sector workers are enjoying the benefits of Michigan's right-to-work law. Since the law's passage in 2012, Michigan average wages have increased 15 percent, per-capita income growth exceeded the national average and about 430,000 more Michiganders are employed. Union membership must never again be a condition of employment anywhere in Michigan, and no Michigan worker should be compelled to pay union dues or agency fees to an organization with which they choose not to associate. The Michigan Legislature should stand resolutely in support of worker opportunity and freedom.

[mackinac.org/archives/2019/021519WE-RightToWork.pdf](https://mackinac.org/archives/2019/021519WE-RightToWork.pdf)

## Require Collective Bargaining Transparency

Collective bargaining determines how taxpayer money will be spent. Therefore, contract negotiations between public sector unions and government entities should be subject to open meetings and freedom of information laws so that these decisions are fully transparent to the public.

[mackinac.org/8301](https://mackinac.org/8301)

## End Financial Disclosure Loophole for Public Sector Unions

Federal law requires Michigan's private sector unions to disclose certain information every year, including union officer and employee salaries, membership totals, and itemized expenditures and receipts above certain thresholds. This information is all made publicly available. Public sector unions should be held to the same transparency standards as private sector unions. Michigan should require its public sector unions to disclose the same information for the benefit of union members and taxpayers who are the source of this spending.

[mackinac.org/S2015-04](https://mackinac.org/S2015-04)

# Education Policy



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## Preserve Charter School Laws

Public charter schools operate with the same testing and reporting requirements as their district school counterparts. Charter schools tend to get better results for less funding. Authorizing agencies provide an added layer of accountability that has closed persistently underperforming charters, something that the state has never done for other public schools. The goal of education policy should be to promote opportunities and results for students, and not punish schools for unrelated reasons, such as their management structure.

[🔗 mackinac.org/24390](https://mackinac.org/24390)

## Preserve Funding for Cyber Schools and Shared Time

The state's foundation allowance provides a floor of funding for each student enrolled in public schools. Cyber schools already receive significantly fewer overall dollars per pupil than other schools, because they do not collect as much from sources outside the foundation allowance. Students in shared-time programs bring in fewer dollars due to their part-time status. Basic formula funding for these students should be preserved to help ensure families have equal access to different viable learning options.

[🔗 mackinac.org/24390](https://mackinac.org/24390)

## Do Not Expand Government Pre-K

Attempts to expand government-funded preschool services hold little promise of boosting educational achievement. According to the limited number of high-quality research studies on large-scale government programs, the benefits for students typically fade away while leading to other negative outcomes related to discipline. And since nearly all low-income families already qualify for taxpayer-supported pre-k programs, expanding these programs further will simply result in wealth transfer from taxpayers to higher-income families, who may already be paying for preschool on their own.

[🔗 mackinac.org/18334](https://mackinac.org/18334)

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## Create Student Transportation Scholarship Pilot Program

Many low-income families need more mobility to access educational choices, particularly in urban environments. A pilot program of student transportation scholarships would help expand the reach of needy families to find effective learning options their students can get to and from regularly. These scholarship funds should give parents broad latitude to find the most suitable school transportation options, including ride-sharing and public transit, and come from current school aid or other state dollars rather than require additional tax revenues.

[mackinac.org/26007](https://mackinac.org/26007)

## Unleash Innovative School Districts

Many school districts that seek to create innovative programs to meet the needs of different student populations face problems with auditors and bureaucrats. Legislation that creates zones of innovation would give districts that opt in more space to operate outside the standard education model without clashing with the Michigan Department of Education. With innovative status, districts could try different student-based programming and assessments, and share best practices and results with other districts.

[🔗 mackinac.org/25886](https://mackinac.org/25886)

## Reform ISDs

Michigan's 56 intermediate school district bureaucracies should be held to greater standards of public accountability and transparency, and local districts should have more latitude in their arrangement with them. School districts should be allowed to shop around for services, rather than be compelled to receive the ones provided by their local ISD. Further, all ISD boards should be elected by voters at large to promote greater accountability. Finally, given their prominent role in funding and overseeing services for students with disabilities, ISDs should be required to post online their formal plans for delivering special education programs and services.

[🔗 mackinac.org/23774](https://mackinac.org/23774)

# Criminal Justice Policy



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## Eliminate Civil Asset Forfeiture

Even with recent improvements, Michigan still fails to protect the property and due-process rights of its residents. Michiganders can still have their property seized and forfeited to government without ever being convicted of or even charged with a crime. Law enforcement agencies should only be able to forfeit someone's property to the government after they have been convicted of a crime.

[mackinac.org/forfeiture](https://mackinac.org/forfeiture)

## Reduce Overcriminalization and Overregulation

Michigan's criminal statutes are scattered throughout our laws and number in excess of 3,100 — that's more than eight times the number of crimes contained in the American Law Institute's Model Penal Code. There are thousands more administrative regulations, many of which carry criminal penalties. The sheer quantity ought to make "ignorance of the law" a very reasonable excuse, especially when it provides for up to 90 days in jail for things like failing to put your name on your ice fishing shanty. The Legislature and executive branch should overhaul Michigan's criminal laws so that its citizens have a penal code that is modern, organized, intuitive and comprehensible.

[mackinac.org/23839](https://mackinac.org/23839)

## Institute Clean Slate Law

State law provides that people who have committed one or two minor offenses, if they have been law-abiding for many years, may apply to have the records of these offenses sealed — that is, removed from the public record but still available to law enforcement and the courts. Research from the University of Michigan shows that those who have earned the privilege of such a "clean slate" enjoy higher employment rates and wages. However, more than 95 percent of individuals eligible for record sealing in Michigan have not completed the process, likely because they lack the significant amount of time and money it takes to do so. Automating the process so that records are sealed automatically would be a fair way of ensuring that all rehabilitated offenders can actually access the privilege they've earned, regardless of their income.

[mackinac.org/24021](https://mackinac.org/24021)

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## Raise The Age for Prosecuting Adults

Michigan is one of only four states where children under the age of 18 are prosecuted as and imprisoned with adults. Seventeen-year-olds do not have access to juvenile justice administered in family court, which is designed to provide accountability and rehabilitation by providing youth-focused programs and services. Rather, this cohort's cases are handled in adult criminal court, giving their parents no legal standing to participate and leaving the youths with a criminal record which will impact their education and employment prospects for the rest of their lives. Finally, if incarcerated, youths in prison are at a very high risk of self-harm, suicide and assault by other inmates. Michigan should raise the age of adult criminal liability so that all the privileges and responsibilities of adulthood attach at 18, and so that as many youths as possible have access to the type of justice that is most likely to put them back on the right track.

[🔗 mackinac.org/24412](https://mackinac.org/24412)

## Reform Court Fines and Fees System

Judges and sheriffs face increasing pressure from local governments to self-fund their courts, jails and programs, or even to produce revenue for cash-strapped counties and municipalities. As a result, police charge booking fees, jails charge housing fees, and judges charge court costs — among a plethora of other penal fines and administrative fees at practically every stage of the criminal justice system. Michigan's judges have said that this practice violates their neutrality, and policy experts point out that extracting money from indigent defendants is counterproductive to rehabilitation and simply unsustainable for fundamental institutions that require reliable funding.

[🔗 mackinac.org/25701](https://mackinac.org/25701)

# Energy and Environmental Policies



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## Maintain Affordable, Reliable Electricity for Michiganders

The majority of Michigan residents must rely on regulated utilities for their electricity needs. As part of the protection those utilities receive from competitive pressure, they are required to provide “safe, reliable, and accessible energy services at reasonable rates for Michigan’s residents.” But Michigan residents currently receive relatively unreliable electric service at rates that are above the national average. In 2018, the two largest utilities signed an agreement with California-based environmental activist Tom Steyer that commits them to closing much of the state’s reliable electricity generation and to move heavily toward less reliable and more expensive options. The Michigan Public Service Commission should ensure that each utility maintains a diverse mix of reliable, affordable generation resources to protect residents from further unnecessary rate increases and decreases in reliability.

[mackinac.org/26118](https://mackinac.org/26118)

## Empower Private Conservation

Many citizens think of government as the only viable source of conservation efforts, but much can and should be done through private initiative, free markets and collaboration. As a means of promoting both conservation of Michigan’s natural environment and Michigan’s economy, the Legislature should promote efforts that encourage conservation efforts on private land and that use private dollars.

[mackinac.org/26118](https://mackinac.org/26118)

## Prevent Closure of Line 5 Before Mackinac Tunnel Opens

The Line 5 bill — Public Act 359 of 2018 — directly addresses the need for energy supply while also protecting Michigan’s water resources and environmental values. Additionally, it does this at no cost to the state of Michigan, as Enbridge has agreed to pay for the construction of the tunnel and then turn it over to the state. Michigan’s elected officials should recognize that helping to move the permitting and construction of the tunnel forward as quickly as possible ensures the existing pipeline is removed from the waters of the Great Lakes. Coordinated efforts to stall the construction of the tunnel will prolong the presence of the pipelines in the water, restrict access to affordable and reliable energy, and damage Michigan’s reputation as a reliable partner with business.

[mackinac.org/23696](https://mackinac.org/23696)

# Government Transparency



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## Subject Legislature and Governor to Open Records

Lawmakers should follow the example of 48 other states and pass legislation that applies state open records laws to all areas of state government. Some exceptions to personal information and correspondence with constituents may need to apply.

[mackinac.org/22104](https://mackinac.org/22104)

## Apply K-12 Education Transparency Standard to Other Government Entities

Beginning in 2011, every K-12 public school district in Michigan, conventional and charter, has had to feature a transparency icon on the home page of its website. This links to a page which has budgets, personnel expenditures, current collective bargaining agreements, public lobbying expenses, health care information and more. This same transparency should be applied to other public entities like community colleges and municipalities.

[mackinac.org/13929](https://mackinac.org/13929)

## Require Economic Development Transparency

Michigan used to list exactly how much the state was spending on corporate welfare deals. Every company, how much they received in taxpayer incentives, and what they pledged to do with the money was listed. This is no longer the case and the state is spending hundreds of millions of dollars which is kept secret from the public.

[mackinac.org/25443](https://mackinac.org/25443)

## Create Electric Bill Transparency

Michigan residents should be able to quickly and easily understand what their monthly utility rates are covering. But our utility bills are currently a confusing array of charges and surcharges. For this reason, any legislated action targeting utilities, and thereby affecting regulated utility rates, should be shown as a line item on consumer utility bills.

# Health Care



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## Defend Medicaid Work Requirements

Last year, Gov. Rick Snyder passed a bill to implement work or community engagement requirements for able-bodied adults receiving benefits through the Healthy Michigan Medicaid-expansion program. Individuals covered under these new requirements may be eligible for a number of exemptions based on socioeconomic circumstances and must self-report their fulfillment of the requirements to the Department of Health and Human Services. The House Fiscal Agency projects these changes to result in taxpayer savings of between \$7 million and \$22 million annually. Work requirements enrich the lives of able-bodied adults who have more incentives to find work and become increasingly self-sufficient, while protecting the children, elderly and disabled individuals Medicaid was originally intended for.

[mackinac.org/24270](https://mackinac.org/24270)

## Reform Certificate-of-Need

CON laws require health care providers to seek permission from a government board before opening or expanding their practices. Not only must providers prove to this board that their plans are a “community necessity”, they must also substantiate their plans before existing competitors, who are invited to challenge new providers’ efforts to enter or enlarge their presence in the healthcare marketplace. Yet mounting research suggests these laws negatively affect patients. Michigan legislators should amend these laws to prevent existing competitors from challenging CON requests and lower the financial thresholds so that acquisition and expansion costs beneath a certain amount can be pursued without CON requirements. In addition, lawmakers should repeal CON requirements for imaging services (MRI, CT and PET, for example) and expansions for increasing hospital bed counts.

[mackinac.org/V2015-22](https://mackinac.org/V2015-22)

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## Expand Short-Term, Limited-Duration Health Plans

Short-term, limited-duration health plans, or STPs, are an increasingly appealing option of affordable health coverage for those seeking relief from unaffordable insurance premiums and high costs of exchange plans. These plans offer patients the opportunity to shop for temporary, often mandate-light coverage options that suit their individual needs. The Trump administration recently issued new guidance expanding the versatility of STPs, permitting state lawmakers to reform state regulations to make these plans available longer and more widely to patients. Michigan legislators should ensure that state insurance regulations comply with the new federal guidance, increasing the duration of coverage for STPs from three months up to 12 months, and allow such plans to be renewed for up to three years, maximizing their flexibility to the fullest extent allowed by the new federal guidance.

[🔗 mackinac.org/25549](https://mackinac.org/25549)

## Expand Nursing Scope of Practice

Michigan faces a widespread shortage of primary health care providers, and state rules on midlevel health care providers have held up a valuable solution to this problem. Nurse practitioners and physician assistants offer competent care in more locations and at a lower cost than physicians, but these professionals are limited by protectionist restrictions known as “scope of practice” rules. Policymakers should loosen these restrictions to make health care services easier to obtain and afford.

[🔗 mackinac.org/22319](https://mackinac.org/22319)

# Economic Regulation



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## Reform Auto Insurance

Michigan is the only state in the country that requires all drivers to purchase an unlimited amount of personal injury protection. Michigan legislators should allow motorists to choose a level of coverage that better meets their needs. Additionally, Michigan should also require health care providers to use a fee schedule for services resulting from automobile accident injuries. Lastly, lawmakers should reinforce Michigan's no-fault law by clarifying the requirements and standards for suing at-fault drivers.

[mackinac.org/23982](https://mackinac.org/23982)

## Reduce Occupational Licensing Burdens

Most Michigan occupational licenses are unobtainable by former offenders, even if their offense was not in any way related to the occupation they seek to be licensed in. Recidivism rates are reduced when former offenders are legally employed, and Michigan should make it easier for former offenders to find work. Michigan should join the five other states that have initiated a review process to regularly evaluate the necessity and propriety of all state occupational licenses. Finally, Michigan should look for opportunities to conform its licensure requirements and promote license reciprocity with other states so that new Michiganders can join our workforce more quickly.

[mackinac.org/licensure](https://mackinac.org/licensure)



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