

# PUBLIC POLICY RECOMMENDATIONS





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## Snapshot of 2024 Top Policy Priorities



#### A sustainable state budget without tax hikes

Policymakers must prioritize how to spend taxpayers' scarce resources. Spending should be limited to public services and infrastructure that benefit us all. Selective tax breaks and subsidies for hand-picked corporations benefit only a few. There is no fiscal justification for raising taxes.



#### Make government more transparent

Michigan is still one of the only states in the country that exempts its legislature and governor from public documents disclosure. Public bodies seem to be getting worse at complying with public record requests in a timely and comprehensive manner. Policymakers have promised this reform for years — 2024 is the time to get it done.



#### Ensure reliable energy

Michigan's decision to transition to less reliable power sources increases electricity costs for businesses and families. It also puts our electrical grid under strain, and there's good reason to be concerned about its future reliability. Policymakers should ensure the system is robust enough to keep the lights on and meet the heating and cooling demands of our homes, schools, churches and businesses.



#### Increase the labor supply

The state's occupational licensing requirements put hurdles in the way of Michiganders trying to earn a living. Licensing restricts the supply of workers, which is especially troublesome in the face of labor shortages. Local zoning rules can also thwart entrepreneurs from starting a business. Policymakers should reduce those burdens and promote a thorough review of other harmful regulations and administrative rules that unnecessarily make earning a living more difficult.



#### Empower parents in public education

State law makes clear that parents have a fundamental right to oversee their children's public school education. Policymakers should make schools more accountable and transparent so that more parents can make the best decisions about how their children are educated.



#### Get smart on crime

Michigan should get smarter on crime. Two steps in this direction for 2024 should be reducing overcriminalization and recidivism. Policymakers should rework criminal statutes to make them easier for citizens to comprehend. Research shows educational programs offered in prisons lessen recidivism rates.



#### Remove regulatory barriers to improving health care

Lessons learned from the COVID-19 pandemic have not been put into practice. Policymakers should relax unnecessary restrictions and licensing requirements on health care professionals such as doctors and nurses. They should also remove the needless and anticompetitive restrictions on expanding health care services.







#### Refuse selective business subsidies

Michigan operates the nation's most expensive and profligate business subsidy programs. Politically favored corporations receive hundreds of millions in cash. Lawmakers authorized \$4.1 billion in 2023, hand-picking a few businesses for large government payments. This is expensive to the state budget, unfair to the businesses that do not receive these benefits and ineffective at improving the economy. Lawmakers should just say "no" to economic development programs.

#### Pass a Sustainable Michigan Budget

Lawmakers spent a lot more than normal over the past few years from Michigan's growing revenue. For fiscal stability, legislators should pass a Sustainable Michigan Budget, where spending does not exceed the annual growth rates of the state population and inflation. This prevents waste and promotes better outcomes for residents.

#### Reject tax increases

Large tax increases may be on policymakers' agenda this year. Legislators already introduced a proposal this session to increase the state cigarette tax rate by 75% and another to authorize a payroll tax to cover extra spending. Michigan already spends too much, and lawmakers ought to reject plans to collect even more in taxes from residents.

### Education



#### **Preserve school choice options**

The number of Michigan families who rely on school choice for their children has grown significantly over the last three decades. About a quarter of all students now enroll in a public school of their own choosing. Policymakers should empower more parents to enroll their children in the school that works best for them. This upholds Michigan law: "It is the natural, fundamental right of parents and legal guardians to determine and direct the care, teaching, and education of their children."

#### Create meaningful school accountability

Providing educational services to students and ensuring their success is no easy task. Myriad factors make it difficult for public schools to succeed with every student. But as tax-funded entities, public schools must be held accountable. The state should set rigorous financial and academic standards for schools. These must be meaningfully and transparently enforced to incentivize schools to improve. Schools that repeatedly fail these standards should no longer be allowed to serve Michigan students and taxpayers.

#### **Ensure equal treatment of public schools**

Michigan's public schools are too often carved into niches, such as rural and urban, district-run and charter, brick-and-mortar and online. Differentiating schools may be useful at times, but for funding purposes, the state should treat public schools equally. They all provide educational services to Michigan students and should receive the same funding and be held to the same standards.

#### **Enhance curriculum transparency**

Increased parental concern about the content taught in classrooms means schools need to operate with even more accountability and transparency. School curricula, course syllabi and staff training materials should be made publicly available on a district's website. State law grants parents the right to "[r]eview the curriculum, textbooks, and teaching materials of the school in ... a reasonable time and place and in a reasonable manner." Schools must make good on that right.

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# Government Transparency



#### **Fix FOIA**

Michigan consistently ranks as one of the worst states for government transparency. Citizens attempting to obtain public records regularly encounter excessive delays, fees and redactions. The state is also one of only a few where the governor and Legislature are exempt from FOIA. Lawmakers should amend FOIA to open all of government to transparency and accountability.

#### Require economic development transparency

Michigan used to disclose exactly how much the state was spending on corporate welfare subsidies. The state detailed every company that received incentives, how much they received, and what they pledged to do with the money. This is no longer the case. The state is spending hundreds of millions of dollars, the details of which are kept secret from the public. Adding to the problem is the fact that lawmakers and other public officials often sign nondisclosure agreements. These agreements prevent lawmakers from discussing deals being considered for corporate welfare, often resulting in those deals being approved with little or no notice to the public. Michigan should not be spending taxpayer dollars to subsidize corporations, but if it chooses to do so, lawmakers should change the law to ensure that these deals are fully transparent to taxpayers footing the bill.

#### Make transparency the default

Michigan's Freedom of Information Act requires people seeking information about how their government operates to submit a request for public records. This makes FOIA reactive, burdening requestors who must file a request, pay a fee and wait weeks for the records. While this can be reasonable for documents that are not created in the ordinary course of business, certain information that is regularly generated and used by governments should be disclosed by default, without the need for a request. Lawmakers should amend FOIA to require some documents like meeting minutes, financial reports and vendor contracts to be published within 30 days of their creation.

# Energy and Environmental



#### **Target affordable electricity**

Michigan's monopoly utilities are required to provide "safe, reliable, and accessible energy services at reasonable rates." Yet residents pay the highest rates in the region for electricity services with almost double the national outage rate. Since electricity competition was restricted in 2008, rates in Michigan have increased by more than 47%. Just-passed energy legislation that mandates net-zero carbon emissions by 2040 will do even more damage, increasing energy costs for the average Michigan household by as much as \$230 per month by 2050. Policymakers, regulators and utilities need to reorient their focus to ensuring Michiganders have access to affordable electricity.

#### Maintain reliable electricity

Michigan recently passed legislation that mandates the state meet net-zero carbon emissions and 100% "clean energy" requirements by 2040. Our modeling shows this plan will have almost no impact on global climate, but it will make electricity in Michigan far less reliable. Operators across the nation are predicting grid instability and blackouts as utilities close reliable, affordable fossil fuel and nuclear plants in order to build expensive, intermittent wind and solar power generation.

#### Let consumers choose the car they drive

Gov. Gretchen Whitmer's net-zero energy plans bleed over into transportation. Both Whitmer and President Biden are imposing unrealistic restrictions on the ability of Americans to operate internal combustion engine vehicles. Both are also lavishing excessive subsidies on the manufacture, purchase, operation and charging of battery-powered vehicles. Government regulators should set basic regulatory targets that are possible to achieve with existing technologies. From there, private industry and markets can find the best ways to meet those targets, and customers can support the technologies they want to use.

#### Keep Line 5 open and build the Line 5 Tunnel

In December 2023, the Michigan Public Service Commission approved the state permits needed to build the Line 5 tunnel project. In its ruling, the commission recognized that Michigan needs the products transported by the Line 5 pipeline. Both the pipeline and the tunnel project, which would relocate the pipeline to a concrete-lined tunnel 100 feet below the bed of the Great Lakes, have been actively supported by an international and bipartisan mix of elected officials, business interests and unions from across the Great Lakes region. But the Whitmer administration has carried out a campaign to shut down the pipeline, and their actions have delayed construction of the tunnel. State policymakers should encourage federal regulators to approve the final permits for this essential upgrade to Michigan's energy infrastructure.

#### **Empower private conservation**

Government is often thought of as the only viable means of conserving the natural environment. But private initiative, free markets and collaborative efforts offer another option. As a means of promoting both the conservation of Michigan's natural environment and improving our economy, the Legislature should promote — or, at the very least, not hinder — privately led efforts at conserving land.

## Regulatory Reform



#### **Reduce occupational licensing burdens**

Occupational licensure is a requirement to get government permission to work legally. It typically requires fees, hours of education and training, degrees and testing. Michigan mandates a license to work for about 180 occupations, or 20% of the total workforce. The state has made good, bipartisan strides on this issue in the last decade, especially when it comes to allowing those with criminal backgrounds or military service to get a license.

But there's more to do. Michigan should join the five other states that regularly review all licensing rules to ensure they still make sense. Lawmakers should also join other states that fully reciprocate licensing; that is, if someone is licensed in one state, they can easily transfer that license to Michigan.

#### Rein in the administrative state

Michigan's regulatory regime is large, complex and powerful. State statute even empowers regulators to define criminal activity — making ordinary citizens criminally liable to the whims of unelected bureaucrats. Michigan needs to rein in the power of the administrative state, and the best place to start is a thorough review of the state's administrative code, to modify or remove regulatory rules that place too much power in the hands of bureaucrats.

### Labor



#### **Restore essential worker protections**

In 2023, lawmakers made a massive unforced error by passing several changes that will hurt workers and Michigan's economy. Chief among these mistakes was the repeal of Michigan's popular right-to-work law, which ensured employees are not forced to support a union with which they do not want to associate. Other changes, such as the return of prevailing wage requirements in public contracts and the expansion of teachers unions' negotiating privileges, threaten to increase government's expenses significantly while lowering workers' ability to hold unions accountable. Michigan's lawmakers should restore these protections so Michigan and its workers can become prosperous.

#### Janus implementation

The U.S. Supreme Court ruling in Janus v. AFSCME found that public employees have First Amendment rights to determine whether to pay a union and that payment to a union cannot be mandated as a condition of employment. Michigan lawmakers should ensure that state and local agencies are complying with this ruling by only withholding dues from paychecks if they have proof of clear and affirmative consent from employees.

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#### Require collective bargaining transparency

Collective bargaining between government employers and unions 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. In addition, workers who have opted out of union membership should have the same access to tentative bargaining agreements, as they are still bound by the terms of these contracts.

## Criminal Justice



#### Smart on crime, but not soft on crime

Reforms to criminal justice policies should be reviewed based on three criteria. First, and most importantly, policies must improve public safety. Any policy that fails to make Michigan communities safer should be rejected regardless of any peripheral benefits claimed. Second, policies should save taxpayer money — either in the short or long term. Last, policies that enhance the ability of ex-offenders to earn their own success through meaningful employment should be prioritized.

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#### Eliminate civil asset forfeiture

Forfeiture enables the government to take ownership of property that law enforcement believes was used in a crime or resulted from criminal activity. For years, this practice was abused, with some police departments padding their budgets by seizing property from people, many of whom were never convicted of a crime. The state has made reforms in this area, but these do not fully protect Michiganders from forfeiture abuse. Policymakers should eliminate civil forfeiture altogether and only allow someone's property to be forfeited after that person has been convicted in court of a crime.

#### Prioritize education and workforce training in prisons

Research published by the Mackinac Center last year showed that inmates who participate in education and workforce training during their incarceration have lower rates of recidivism, higher rates of employment and higher earnings than nonparticipants. This research also found that workforce training had the highest return on investment per state dollars spent, while college education had the highest ROI per participant. Policymakers should expand the availability of education and workforce training in Michigan prisons. Adult basic education and GED programming within the Michigan Department of Corrections should be structured as feeders for postsecondary options. The Michigan Legislature should also authorize "earned time" productivity credits as an incentive for MDOC inmates to participate in and complete these programs that are proven to reduce their likelihood to reoffend.

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#### Reduce overcriminalization and overregulation

Michigan's criminal statutes are scattered throughout our vast laws and number more than 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.

## Elections



#### **Defend Michigan's votes in presidential elections**

Since the American founding, the Electoral College has guaranteed Michigan's votes in a presidential election count regardless of how other states administer their elections. A new movement has arisen, however, to encourage states to nullify this part of the U.S. Constitution through an interstate compact. Sixteen states and the District of Columbia have already joined this compact, effectively handing over 205 presidential electors to the whims of California with its lax election safeguards. Michigan lawmakers should reject any effort to join the National Popular Vote Interstate Compact and instead clarify in the state constitution that the state will award its presidential electors only based on votes cast by Michigan residents.

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## Health Policy

#### Maintain the sustainability of Michigan's Medicaid program

Michigan lawmakers should ensure that the state health department develops a process to review the eligibility of people enrolled in Michigan's Medicaid program. Ineligible enrollees should be removed. This action will protect the safety net and preserve resources for the state's most vulnerable people. Lawmakers should review eligibility regularly. That way, people who have a positive life event that changes their eligibility — like finding a job, getting a pay raise, or moving out of state — leave the program sooner, saving resources for those who truly need Medicaid.

#### **Reform Certificate of Need**

Certificate of Need laws require health care providers to seek permission from a government board before opening or expanding their practices or adding new services and technology to address needs in their communities. Decades of research find that CON laws are associated with reduced access to care, decreased health care quality and higher costs. Michigan legislators should repeal CON requirements for imaging services and for increasing hospital and nursing home bed counts.

#### **Expand scope of practice for health professionals**

Michigan faces a widespread shortage of primary care providers, and state rules on mid-level health care providers make the problem worse. Specifically, scope-of-practice restrictions prohibit licensed health care professionals — including nurses, nurse practitioners, physician assistants, nurse anesthetists and pharmacists — from practicing to the full extent of their education and training. Lawmakers should lessen these restrictions to increase access and reduce the costs of essential health care services. Removing these unnecessary licensing and scope of practice restrictions will relieve stress on the overall system by creating a larger pool of health professionals to treat ailing Michigan residents.

#### **Expand telemedicine access**

Michigan adopted a significant telemedicine expansion in 2020 that permits "store and forward" communication in addition to real-time provision of services. The reform also let Medicaid patients fully benefit from telemedicine's convenience and flexibility by allowing them to use it in their homes and at school or work. To increase access even more, Michigan lawmakers should allow qualified, licensed health professionals from other states to offer remote services within their scope of practice to Michigan residents.



If you have any questions or seek further clarification about these policy recommendations, please contact the experts at their email addresses listed previously. To see an online version, please visit:

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