

# IMPACT

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**“Even though the Supreme Court affirmed public workers’ right to opt out in 2018, we must continue to fight to make sure those rights are continually upheld. We are so grateful for the Mackinac Center to pursue any action to restore rights to workers.”**

— *Linda Rizzo-Rupon, one of the plaintiffs in Rizzo-Rupon v. International Association of Machinists and Aerospace Workers.*  
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# Overregulated

## The Full Cost of Licensing Laws in Michigan

For decades, Michigan only added to the number of occupations the state mandated licensure for. In 1960, only lawyers, architects, barbers, doctors, other health care professions and a few other workers had to get licensed by the state and meet education and training requirements, pass tests and pay fees. By 2010, more than 20% of the state labor force needed a license to work — affecting a much broader range of occupations.

This system has an enormous cost to the state. Licensing requirements mean fewer jobs, a lower rate of entrepreneurship and less revenue for state coffers. And though the state has been delicensing some occupations and loosening some mandates, there is still a lot of work to be done to improve the situation for Michiganders. This panel discussion will focus on these issues and explore what is being worked on in the state for a path forward.

**Tuesday, March 17, 2020**

11:30 a.m. — Check-in and lunch  
Noon to 1:00 p.m. — Program with Q&A

**Radisson Hotel Lansing at the Capitol**  
111 North Grand Ave, Lansing, MI 48933

Lunch is free, but RSVP is necessary.

**Registration is required by March 13.**

Please register online at **[mackinac.org/events](http://mackinac.org/events)**, **[events@mackinac.org](mailto:events@mackinac.org)** or call **989-698-1905**.

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### Panelists

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**Dr. Alicia Plemmons**

is an assistant professor of economics at Southern Illinois University-Edwardsville. Her current projects are focused on analyzing the relationship between occupational licensure and intranational migration of minority communities and entrepreneurs.



**Alex Muresianu**

is a former Akin Fellow at the Pioneer Institute in Boston, and the author of "How Occupational Licensing Hurts State and Local Tax Revenues: The Public Finance Case for Occupational Licensing Reform."



**Jarrett Skorup**

is the director of marketing and communications at the Mackinac Center for Public Policy. He is the author of the study "This Isn't Working: How Michigan's Licensing Laws Hurt Workers and Consumers."



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# John Rapanos and the Necessary Ingredient for a Property Rights Win

Judy Rapanos remembers the day in 2006 when her husband, John, learned that he had won his anguishing case at the U. S. Supreme Court. Reed Hopper, John's attorney at the Pacific Legal Foundation, called with the good news. The court did not fully vindicate him, but recent reforms by the Trump administration further strengthen the protection of property rights that he fought for.

the government wants me to give him 63 months in prison. Now if that isn't our system gone crazy, I don't know what is. And I am not going to do it."

But the government attempted to overrule the judge. John's case, and fate, went to the Supreme Court, supported by the Mackinac Center's first brief there, written by Patrick Wright.

Even though John won the case, his victory was not complete. Bureaucrats ultimately and cruelly exacted their pound of flesh, trashing his reputation and devastating his finances and health. He passed in 2016, almost precisely a decade after my colleagues and I joined him at the court to support him.

The story doesn't end there. Rules enacted in January by Trump administration regulators rolled back some Obama-era overreach by limiting and specifying the types of "navigable waterway" the federal government can regulate, leaving other waters, wetlands, ditches, puddles, and low spots to state jurisdiction. The president said the old rule "basically took your property from you." The Mackinac Center's Jason Hayes and our friends at State Policy Network advised federal policymakers who crafted the new measures.

These hard-won gains took decades. Favorable politics were necessary. Support from Pacific Legal Foundation, the Mackinac Center and many of our allies was consistent, forceful, and necessary. But the most necessary ingredient was John's resolute refusal to back down, even when the government taunted him with some leniency in exchange for admitting some guilt. At his memorial service I said, "[A]n irresistible force in John met an immovable object in the government. The government budged."

As Detroit News editor Nolan Finley recently wrote, "I wish John Rapanos had lived to see this day." ■



NPR's Nina Totenberg interviews John Rapanos at the Supreme Court. Looking on (l-r) are the Mackinac Center's Joe Lehman, Russ Harding, and Patrick Wright, and John's attorney Reed Hopper.

The case involved a couple hundred acres of Michigan farmland that John owned. We sent the Mackinac Center's environmental policy director, Russ Harding, to visit the property. Russ had headed Gov. John Engler's Department of Environmental Quality and he was able to interest The Detroit News in the story.

The government was persecuting John Rapanos — threatening millions of dollars in fines and years of incarceration — for allegedly violating federal wetlands law. The EPA claimed regulatory control of the property. The reason: It said the land's 80-year-old, government-dug drainage ditches were "navigable waters" of the United States, stretching a term from the Clean Water Act beyond any reasonable interpretation.

U.S. District Court Judge Lawrence Zatkoff was dismayed. "[W]e have," he said, "an American citizen who buys land, pays for it with his own money, and he moves some sand from one end to the other and

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# Déjà Vu: Road Funding Debate Tops the List of Michigan Issues

When Gretchen Whitmer won the election for governor in 2018, residents knew that her first year in office would be about road funding. She ran on a platform of having more money in Lansing for roads, schools and her other priorities. But her first year in office demonstrated that not even governors get everything they want.

Residents had to wait until March before the governor unveiled her budget plan. It included a call to raise fuel taxes by 45 cents a gallon, with 14 cents of the tax going beyond road funding and into her other priorities, like K-12 education and Medicaid.

Mackinac Center scholars, myself included, pointed out that Michigan lawmakers had looked within the state budget and found \$1 billion in extra money for roads over the past eight years — roughly a 50% increase from the end of the Granholm administration. That was in addition to the \$600 million increase in taxes lawmakers approved in 2015.

We also found that road funding was at all-time highs. If Michigan was having a problem in improving its road conditions, then costs need to be looked at just as well as revenue.

And we noted that there is both extra money in the budget generated by the state's growing economy and plenty of areas to cut if our elected officials want

to make roads a higher priority. These included the state's ineffective business subsidies and grants to superfluous local education bureaucracies.

**JAMES HOHMAN**

Republican legislators apparently took our messages to heart because, after trying to work out a budget deal, they passed a budget that made roads a high-profile use for the state's growing revenues. Indeed, lawmakers found 91% of the total amount of state road funding the governor wanted to spend, and did so without raising taxes.

But the governor wanted a tax hike more than extra road revenue. She vetoed a chunk of road funding and transferred some more money away from roads to local transit services and left the transportation budget at 82% of what she first asked for.

Even when legislators and the governor got together to iron out their budget differences at year-end, they weren't able to agree that the state should spend more money on transportation. So, despite the governor's campaign slogan, taxpayers are going to spend less on roads this year.

Legislators and the governor will continue the discussion about road funding, and it will likely be the top fiscal issue of the legislative year. Here is an overview of the options they will consider.

First, either side could bend. The governor could acquiesce to more road funding

without a tax hike, or legislators could go along with the governor and pass one. After all, there is inherent pressure to compromise. Legislators and the governor know that they have to work together in order to pass laws, and there are more issues than road funding to consider. So the current stalemate may break if some lawmakers intensely want to get some other things done.

Alternately, they could decide to borrow to spend more on road repairs. The further along negotiations go without one of the sides bending, the more likely it is that this will happen. The new debt would be used to improve current road conditions at the expense of other spending priorities in the future, plus interest costs.

Finally, if legislators insist that a tax hike is not popular and the governor insists that it is, both sides may be tempted to put the question on the ballot to end the debate.

And in a divided government, public opinion matters. On disputed matters like this road funding debate, lawmakers have to rely on their guts to determine what is popular among the options they are presented. And while the governor has been pressing them to cave on a tax hike, so far, legislators haven't bought it and believe the state can afford to improve road quality without one. ■

James Hohman is the director of fiscal policy at the Mackinac Center.

# Montana Case Could Open Door for School Choice in Michigan

On Jan. 22, we were privileged to watch in person as justices of the U.S. Supreme Court heard oral arguments in *Espinoza v. Montana Department of Revenue*. Kendra Espinoza and her supporters hope that the court will strike down anti-aid amendments (known as Blaine amendments) that exist in most states as impediments to parental choice in education.

Michigan families could benefit from a broad ruling. Our state's constitutional amendment is of much more recent vintage than most, but springs from the same soil of anti-Catholic bigotry. This year marks the golden anniversary of the amendment's adoption, which overreached to deny families even indirect public support to choose any form of private religious schooling.

When voters approved the amendment in 1970, Catholic schools dominated Michigan's private school sector. The campaign literature and public discourse of the time was rife with concern about the political power and prestige of the Catholic church. In fact, the very name chosen by the group backing the restrictive amendment, the Council Against Parochialism, highlighted the driving animus.

Today, half the states have enacted either vouchers, tax credits or education savings accounts to aid eligible students seeking a private education. But not

Ben DeGrow is director of education policy for the Mackinac Center.

Michigan. Nowhere is the need for more educational options greater than in Detroit, an argument the Mackinac Center made in a friend-of-the-court brief for the *Espinoza* case. Five times this past decade, fourth- and eighth-graders in the Detroit district took the National Assessment of Educational Progress in math and reading. Five times they finished last in the nation among large cities. Charter schools, on average, give students a leg up academically, but the desired results for Detroit youths is still well out of reach.

Abolishing our 50-year-old amendment could pave the way for more schools like Detroit Cristo Rey. The Catholic high school exclusively serves low-income students, combining a rigorous college-track curriculum and a corporate work-study program to provide students with both academic and soft skills.

“Without Cristo Rey, I don't think I would have been able to succeed the way that I have,” said Dolores Perales, a southwest Detroit native and the school's 2015 valedictorian. Her mom never reached college, and her dad never finished high school. Perales says her dedicated teachers and other staffers gave her confidence to apply to Michigan State University, where she last year earned a bachelor's degree in environmental science. All three of her younger brothers have attended Cristo Rey, including Christian, a sophomore at Cornell University.

And now other families from across Michigan might find help, thanks to *Espinoza*, a single mother from Montana. In 2015 the Kalispell resident agreed to spearhead an Institute for Justice legal challenge when unelected officials in her state barred families from using tax-credit scholarship funds at religious schools. Their discriminatory action took the vast majority of options off the table, including the Christian school that gave *Espinoza*'s two daughters the safe and academically challenging learning environment they needed.

Holly Wetzel, communications coordinator for the Mackinac Center, Kendra Espinoza of the landmark U.S. Supreme Court case and Ben DeGrow, director of education policy at the Mackinac Center, pose together while attending the oral arguments.



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While waiting outside the Supreme Court the night before to reserve a space in line for the high-profile case, we had a chance to talk with a curious passerby who introduced herself as a retired career public educator. She had taught in low-income areas across the country, including Chicago's South Side and Oakland, California. After we discussed her experiences with her and talked about the case together, she left to find someplace warm.

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She paused, turned back to us and said, "That lady should be able to spend that money at whatever school she wants to."

Espinoza made the same point in a recent interview. "What takes away my right to be able to choose where my kids are educated?" she asked. "If I cannot homeschool them, why do I not have another option? Why would I have to choose the public schools?" ■



Mackinac Center staffers Holly Wetzel, Patrick Wright and Ben DeGrow stand outside the Supreme Court on January 22.



# There May Finally Be Hope for Moving Health Care Policy in the Right Direction

At the close of 2019, the polling firm Hill-Harris conducted a nationwide survey of registered voters and found that health care tops the list of issues they care most about. Of those surveyed, 15% said health care “is the most important issue facing the nation today.” To put that in perspective, national security and terrorism followed at 12%, immigration and the economy each polled at 10%, and climate change came in fourth, at 8%.

In a similar poll from September 2019, Fox News found that 57% of registered voters surveyed would like to see “minor changes” to the Affordable Care Act, while 46% supported eliminating private health insurance plans altogether. These statistics are staggering and could be alarming, if we fail to recognize and consider the opportunities (and responsibilities) for state policymakers in this area. Ever since Obamacare was passed in 2010, the right-of-center response focused on “repeal and replace.” At the state level, the battles often narrowed to building defenses against the perverse incentives Obamacare gives states to extend Medicaid coverage to able-bodied, single adults.

The cause of repeal has faded in Congress. And in states, legislators have increasingly caved to pressures to keep the expanded form of Medicaid and use so-called market-based approaches aimed at controlling costs.

Meanwhile, surveys show that voters across the political spectrum are concerned about

health care access and affordability — and want changes that do some good. The disagreements appear when we talk about solutions, however. Michigan lawmakers who wish to respond to voters’ wishes in this election year have two opportunities to act on the consensus that some changes are necessary.

**Reform Certificate-of-Need laws.** These laws require health care providers to seek permission from a government board before opening or expanding their practices. They must prove to this board that their plans respond to a “community necessity.” Furthermore, they must also present their case before existing competitors, who are given an opportunity to contest the applicant’s plans. Research suggests that these laws reduce access and quality of care and can worsen patient health. Legislators should amend these laws so that patients in our state have the opportunity to receive the best and most affordable care. Repeal would ensure that rural residents — who are the ones most affected by these laws — do not face unnecessary hurdles to obtaining care simply because of where they choose to reside.

**Freeze Medicaid enrollment for able-bodied adults.** “Whatever that bill is, you have to cover it,” former Michigan state budget director John Nixon said of the Medicaid program. In 2010, Michigan was spending \$1.5 billion more than it collected in revenue. Nixon was responsible for fixing this problem, but he was unable to touch

Medicaid — which at that point consumed more than a quarter of the state’s budget. The result? Millions of dollars in spending on other state priorities, predominantly education, got cut. A similar story has played out across the 50 states. In the last three years, two-thirds of the extra revenue an average state collected went to Medicaid and pension liabilities.

Michigan lawmakers anticipated that Medicaid costs may become too burdensome when they expanded Medicaid enrollment by enacting Healthy Michigan about six years ago. So they included trigger language requiring the Legislature to revisit expansion if the projected savings from the program were no longer sufficient to cover the state’s share of its cost. This year, the federal government will stop paying 100% of the cost of expanded enrollment, so Michigan lawmakers must consider how the state will absorb the added costs. One responsible way to do that is to freeze enrollment for new, able-bodied, working-age adults. Keeping access to benefits for those who have already enrolled in the program will ensure they do not experience a disruption of coverage, while regular attrition of current enrollees will slowly rein in costs.

Expect to see these issues to take center stage for lawmakers considering meaningful health care reform in 2020. ■

Lindsay B. Killen is the vice president for strategic outreach and communications at the Mackinac Center.

LINDSAY  
B. KILLEN



# Rizzo-Rupon Case Dismissed, Private Workers Stuck in Union

Following the 2018 Supreme Court decision in *Janus v. AFSCME*, public workers across the country were granted the right to choose whether or not they wanted to pay money to a union. With that decision, however, came several new questions. What about private sector workers? Would unionized airport and railway workers be afforded the same rights that had just been given to their public sector counterparts?

Seeking to answer these questions, the Mackinac Center for Public Policy filed a lawsuit in January 2019. The case, *Rizzo-Rupon v. International Association of Machinists and Aerospace Workers*, was filed on behalf of three United Airline ticket agents who were required to pay money to a union, even if they were not members.

On Dec. 16, 2019, the court released its unsatisfactory decision. Because New Jersey is not currently a right-to-work state, the court decided that the matter could not be determined in New Jersey court, and it dismissed the case.

“We are disappointed by the outcome of this case,” said plaintiff Linda Rizzo-Rupon. “But this is why it is so important that we keep fighting for our rights. Even though the Supreme Court affirmed public workers’ right to opt out in 2018, we must continue to fight to make sure those rights are continually upheld. We are so grateful that the Mackinac Center is fighting to restore rights to workers.”

The Mackinac Center filed for an appeal on Jan. 14, hoping to see a pro-worker freedom decision at the court of appeals. Vice President of Legal Affairs Patrick Wright is optimistic about the future of the case.

“If the government cannot compel their own employees to pay money to a union, why should they be able to compel others’ employees?” Wright asked. ■

## The Mackinac Center Legal Foundation is Protecting and Expanding Workers' Rights

Even though the Supreme Court decision in *Janus v. AFSCME*, which freed public workers across the country from having to pay money to a union, will be two years old in 2020, the fight for worker freedom continues. While public sector workers have unprecedented freedom under *Janus*, private sector employees, lawyers, and others are still trapped into paying money to an organization they may never have wanted to support in the first place. The Mackinac Center Legal Foundation is proud to be at the front of several of these issues, with four cases in progress.

On Oct. 3, 2019, the Mackinac Center Legal Foundation filed a lawsuit on behalf of Michael Thulen, Michael Porter, and Terence Gaudlip, all of New Jersey. All three had been trapped in their union after the *Janus* decision, allowed to opt out only during a



10-day window every year. This narrow window was part of a law enacted by the New Jersey government to circumvent the *Janus* decision before it was handed down. In December, the case was dismissed because none of the plaintiffs had physical proof of being denied an opt-out. The Mackinac Center Legal Foundation is currently looking at the options for an appeal.

Last year the Legal Foundation also filed three additional lawsuits regarding New Jersey’s law, the Workplace Democracy Enhancement Act. Plaintiffs Jody Lutter, Lisa Grega and Michael Kopie all filed separate cases, looking to leave their unions, but were blocked due to the window requirement. These three cases were filed after the Thulen, Porter and Gaudlip case was filed, and all of them are ongoing.

A little closer to home, the Legal Foundation is also continuing to fight for workers’ rights in Michigan. Even though the Great Lakes State has been right-to-work since 2012, not all employees are free to choose how to spend their money. Plaintiff Lucille Taylor, a practicing attorney in the state, has been forced by Michigan law to belong to, and pay money to, the State Bar of Michigan to keep her job. Even though the association’s beliefs do not always align with hers, she had no choice but to be a member. In August, a lawsuit was filed against the state bar with the intent of freeing lawyers within the state and setting a precedent for the nation. ■



# Securing the Blessings of Liberty

## A DONOR SPOTLIGHT OF JAMES & DEBORAH LAWSON

James and Deborah Lawson met as teenagers at Tecumseh High School, and their fairy tale love story continues as one of hard work, sacrifice, prayer, family decisions and success, but most importantly, love.

He called her for a date on June 14, 1968, and they have not been apart for more than a week since that time. In fact, they just celebrated 50 years of marriage on Aug. 16, 2019.

When I asked them about that most tremendous witness of being happily married for 50 years, they remarked that “family completes the aim of our lives.” They both came from very modest, middle-class Michigan families. When they were first married, they set out a goal of amassing a net worth of \$10,000. Both worked very hard and have been very frugal; their children still argue over whether Mom or Dad is more frugal.

To be born in a country with liberties and freedom of expression, contract law, where you really can do anything you put your heart and soul into, are thoughts that resonate with them the most at this stage of their lives. They believe it truly is important to support, protect, and nurture those values and open up opportunities to flourish for those who have not yet taken

or been given the opportunity to fully express themselves.

James started out in education as a high school teacher and coach. His father-in-law owned a fuel oil dealership and encouraged him to join the family business. But he really enjoyed teaching young minds and had no interest in or any experience with the fuel oil industry. Unfortunately, Deb’s mom became ill and her dad needed help, so James committed to help the family business for one year, taking a one-year leave of absence from teaching. In 1978, he started his brand-new career in fuel oil and one year later, found himself running the business. He would stay in the industry for 38 years.

Now that Deb and James have both retired and traveled to over 70 countries, they say, “Just waking up in the United States, you wake up with a silver spoon in your mouth.” Having freedom of religion and the ability to vote and talk freely with people of different opinions are, they say, incredible blessings. Most Americans, they regret, either forget or do not realize they have them.

When asked why they support the Mackinac Center, they said that lively political discussions were always part of their life with their children and friends.

There were always differences of opinion, but the Mackinac Center has been there for over 30 years, providing data-driven, fact-based information.

When they are not traveling the world or back home in Michigan, they enjoy their new home of Naples, Florida. They were certainly attracted to the warm winters and lower cost of living. But they also love Florida for how it welcomes people who have worked very hard to be successful and want to keep as much of their hard-earned money as they can so they can give it to whomever they believe needs it most.

The Lawsons intend to include the Mackinac Center for Public Policy at the top of their estate plan. The reason, they said, is that it is in the forefront of protecting the principles this country was founded on — and those principles are worth preserving for generations to come. With all the success the Lawsons have achieved, James says he has been “very blessed to have married the woman of my dreams and that I live in these United States of America.”

We at the Mackinac Center for Public Policy are blessed to know the Lawsons and count them among our supporters who will preserve the legacy they care so deeply about. ■



# You're Probably a Criminal, but Only the Bureaucrats Really Know

Many people know about the problem of overregulation, with governments consistently adding more rules aimed at controlling a larger portion of our lives. But that's only the tip of the iceberg. A new report published by the Mackinac Center takes aim at one of the most serious consequences of overregulation: Unelected bureaucrats have the power to define criminal behavior.

This happens when the Legislature authorizes a government office or department to write and publish ("promulgate") rules related to a law and then declare that anyone who violates the law or its related rules is guilty of a crime. Since regulators write the rules, this effectively means that they determine what is criminal activity and what is not. This is not how representative government is supposed to work, but it is a common practice with a long history.

There are, however, even more fundamental problems with letting administrative

agencies define criminal behavior. One of those problems develops because many of Michigan's administrative rules are outdated and incomprehensible. The study highlights several that are so outdated and miscategorized that it is impossible to know if they still apply, leaving people unsure of whether their behavior could be deemed illegal.

Other rules are poorly written, being either ill-defined or overly precise. Ill-defined or vague rules make it difficult for residents to know if the rule applies to them and if they satisfy it. These determinations must be left to a regulator, which subjects Michiganders to being made criminally liable to the whims of unelected bureaucrats. Overly precise rules, meanwhile, make compliance virtually impossible and enforcement equally so. Again, the end result is that unelected bureaucrats get to determine which rules really need to be followed and which ones need not be. This undermines the rule of law.

Allowing administrative rules to carry criminal sanctions empowers Michigan's state bureaucracy in other ways. The study explains how state agencies can issue "variances," which are authorized exceptions to certain rules. By issuing variances, regulators determine who gets a pass from following the rules. In some cases, state agencies also adjudicate their own rules, meaning that unelected bureaucrats decide when someone has violated a rule. So much for separation of powers.

Our new study goes into much more detail about this problem and offers several ways to begin remedying this issue. A thorough review of the existing administrative rules is a needed first step; the study unearthed many rules that were incorrectly labeled, outdated or confusing. Lawmakers should review the rules, and after they do so, take back their power to define criminal actions. This is a grave power and should be reserved for elected representatives. ■

Michael Van Beek is the director of research at the Mackinac Center.

# Who is Really Dedicated to Stopping Climate Change?

As free-market advocates, the Mackinac Center's Environmental Policy Initiative thinks that the best way to spend money on environmental issues, like climate change, is for advocates to invest their own resources on solutions they choose. For as the economist Milton Friedman observed, you'll be more careful in spending your own money than in spending someone else's. That is, you'll be far more likely seek out the most effective options at the best price when you have skin in the game.

But we have seen that businesses that seek to profit from government mandates, along with powerful special interests, love to team up with big government and do their part to "halt climate change." They're happy to do so because stopping climate change is "for the greater good," plus the costs are cloaked in green moral superiority and borne by taxpayers and rate payers.

This growing penchant for spending other people's money on environmental issues was the reason we developed the MyClimatePledge.com website. It was a response to the Global Climate Strike, a campaign backed by powerful and well-funded progressive green groups that demanded governments across the planet ban the use of fossil fuels and mandate a transition to "100% renewable energy." We asked climate activists to hold off on their campaign for these expensive and restrictive new regulations that would force people to endure lives powered by a meager and unreliable supply of expensive wind and solar energy. Instead, we said, they should put their own money where their protest signs were.

We told them about research that showed more people would join them in their

climate mitigation plans if they knew that the activists had invested their own dollars in the cause. In other words, a personal investment would be far more effective than just skipping a class and waving a sign for a day. We even provided a sign-up form that would help them publicly commit to planting enough trees to absorb their own greenhouse gas emissions. They could also refuse to ride in a personal automobile for a year and choose to ride a bike instead. We also suggested ways they could reduce their energy consumption, such as changing the settings on their home thermostat to live in a cooler house in the winter and a warmer house in the summer.

But strangely enough, the climate protesters refused to take part! We publicized the website in an op-ed on TheHill.com, and it had several thousand visitors during the weeklong global climate strike. But only 17 people committed to doing something concrete to cut their own emissions.

That limited response tends to prove the truth of Friedman's observation. If you seriously believe that the fate of the world is at stake, you can demonstrate your commitment to saving it by spending a few of your own dollars. If, however, your solution requires that everyone but you opens their wallet, while you can't be bothered to even plant a tree or turn your thermostat down a few degrees, reasonable people are right to question your commitment to solving this latest "existential crisis." ■

Jason Hayes is the director of environmental policy at the Mackinac Center.



JASON  
HAYES

# Mackinac Center Events

## Grover Norquist in Lansing: Tax Cuts, Regulatory Freedom and More



On Dec. 10, the Mackinac Center welcomed Grover Norquist, president of Americans for Tax Reform, to Lansing to participate in a discussion regarding tax cuts and regulatory freedom across the United States. Joining him was Jarrett Skorup, director of marketing and communications at the Mackinac Center, and together they hosted a brief discussion and a question-and-answer session on policy issues facing the country.

## National School Choice Week Celebration in Lansing



Every year, parents, schools and organizations around the country gather to celebrate your right to choose the education option that works best for you. On Jan. 29, Michigan held over 1,700 events around the state, including the featured event at the state capitol in Lansing. Schools from all over the state were represented, including homeschool groups, online schools, charter schools and many more. Decorated in National School Choice Week's signature yellow scarves, students displayed their favorite school projects or gave a demonstration of what their robotics class is working on. To round out the event, Escuela Avancemos Academy performed a ballet to "Waltz of the Flowers" by Tchaikovsky.



# Mackinac in the Media



*Holly Wetzel*  
**Communications Coordinator**

The end of 2019 brought some time to reflect on the year. One area that the Mackinac Center, or more specifically, Michigan Votes, likes to take a look at is how many votes lawmakers have missed. Michigan's 38 senators and 110 representatives set a record in 2019 by missing a combined total of just 768 roll-call votes. Many local news outlets throughout the state, including radio stations such as WSJM and WJIM, used our Missed Votes Report to highlight the voting records of legislators from their area.

Mackinac's work has also gained national attention; the latest example involves Michael LaFaive, senior director of fiscal policy. His research on cigarette taxes and smuggling has been showcased in countless newspapers across the country, most recently the New York Daily News, Seattle Business Magazine, Agora Financial and The Center Square. As LaFaive writes in the New York Daily News, "[T]he reality is that banning goods people want often creates more problems than it solves."

Michiganers are no stranger to ongoing infrastructure debates. While we've all seen our fair share of bad roads and bridges in the state, just how bad are they? Economist and Mackinac Board of Scholars member Chris Douglas sat down with WZZM-TV to discuss his research on the matter. In his research, Douglas found that only a 10% of the state's bridges are in problematic condition. The Mackinac Center's research

on roads was also recently cited in The Oakland Press and The Monroe News.

David Guenther, senior strategist for state affairs, had a piece published in The Hill that discussed the need for reforming county jails. A short time earlier, the Michigan Joint Task Force on Jail and Pretrial Incarceration released its recommendations. Following the release, Guenther was quoted in the White Lake Beacon, Moody on the Market and UP North Live.

The U.S. Supreme Court recently heard oral arguments in Espinoza v. Montana Department of Revenue. This landmark case has the potential to help students across the country have more access to a quality education. Ben DeGrow, director of education policy, wrote op-eds in The Detroit News and The Hill explaining the importance of this case. He shared the story of Christian Perales, a young man who graduated salutatorian from Detroit Cristo Rey, a Catholic high school that serves low-income families. DeGrow's comments were also mentioned in a Detroit News editorial that was later republished by The Associated Press. You can read more about the Espinoza case on page 6. ■

# There's Good Policy on the Agenda in 2020 – But Not Much Time to Move It

Looking back on 2019, the first year of divided government since 2010 treated Michiganders fairly well. We finally have a pathway and a timeline toward significant relief on our auto insurance premiums. We made good progress on criminal justice reform and ended the abusive practice of civil asset forfeiture. And even though it took almost until Christmas to finalize the details, the state budget meets most of the state's essential needs without Gov. Gretchen Whitmer's 45 cent per gallon gasoline tax increase.

**DAVID  
GUENTHNER**

This being an election year, the policy possibilities are more modest. Michigan is very much in play in the November presidential election, and it's unclear which party will control the Michigan House next year. Legislators will want to spend as little time in Lansing as necessary so they can assure their own reelections and help their colleagues in their party's push for the majority.

Realistically, any significant policy legislation must be on the governor's desk before Memorial Day. The month of June and any session days during the summer will be about getting the fiscal year 2021 budget done; once it is finished, they're on the campaign trail until early November. And given divided government, this December's lame-duck session will be nowhere near as busy as 2018's.

The main order of business for any legislature is adopting the state's budget. Last year's budget process did not go smoothly — deadlocked negotiations, line-item vetoes, and intradepartmental transfers, oh my! The hope is that 2020's will be more orderly, but with the governor and legislative leaders having big differences in their preferred overall spending levels as well as more specific priorities, this summer could be testy.

One of the budget-related flashpoints will be Healthy Michigan, our state's version of the national push to add more people to Medicaid. Approximately 670,000 new people have enrolled — almost 50% more than were forecast when the law was passed. As a result, the state is rapidly approaching the costs-exceed-savings trigger that would sunset the program. One thing the state did to try to keep the caseload under control is to impose a work requirement on recipients, which took effect on Jan. 1. The Mackinac Center will vigorously defend both the trigger and the work requirement.

Criminal justice reform will see a lot of activity, especially in the areas of pretrial incarceration and expunging old convictions. We are optimistic that the Legislature will take a look at overcriminalization, by which the state makes people increasingly at risk of becoming criminals, which happens, in part, through overly harsh rules set forth by state agencies.

Finally, corporate welfare will be another major conversation. We have been working with a bipartisan group of legislators on several bills that will increase transparency and accountability for the state's corporate welfare programs. We will also work to wind down the bloated and extremely costly MEGA tax credits.

On the other hand, we will fight efforts to reinstate the misnamed and recently expired "Good Jobs for Michigan" program, which kicks back employee income taxes to politically connected businesses. We will also resist efforts to restore state funding for the ineffective Pure Michigan tourist marketing campaign. ■

## BY THE NUMBERS: THE BUDGET

**\$1.6 billion**

Growth in state spending from the initially passed fiscal year 2018-19 budget to the fiscal year 2019-20 budget.

**0.7%**

Cut in state transportation funding after a year-long dispute over how to increase state transportation funding.

**147**

Number of line-item vetoes made by the governor.

# Learn, Earn, Return

## Lessons for Individuals and Organizations

Among the most loyal and generous of the Mackinac Center's many supporters are Doug and Mary Kapnick of Adrian, Michigan, who have partnered in our work for many years.

Doug has accumulated immense wisdom in his many years as the leader of Kapnick Insurance. When we speak, Doug typically has a pithy and memorable phrase to share.

For example, at our first visit, he shared with me his investment disciplines and philosophy. I lamented that following a similar discipline lead me to sell a small investment at a modest gain, but had I held on, it would have resulted in an immense gain. Doug said, "Jim, no one has ever gone broke by turning a profit."

In 2019, Doug imparted me with this maxim:

"Life divides into thirds: the first third you learn, the second third you earn, the last third you return."

I responded, "I better live long, because I'm in my second third but am still learning!"



**JIM WALKER**

Since that meeting, I've reflected at length on this simple analysis of life's progression, especially how it might apply to not just my own life, but the lifecycle of an organization like the Mackinac Center.

One person may successfully complete all three stages (learning, earning and returning) over a span of several decades before reaching life's end.

But a curious, hardworking, and well-supported organization can stay vital for hundreds of years. It can be continuously renewed and sustained by fresh faces who are learning the craft, industrious individuals who earn and create wealth, and generous partners who return what they have learned and earned back toward the mission!

That's why an organization can have much more impact than a single person ever could: Only by coming together as a group with shared goals can we fully harness the abilities of people in all three phases life.

The Mackinac Center for Public Policy has been advancing freedom and

prosperity with gusto in the great state of Michigan (and nationwide) since 1987.

Many victories have been won along the way. Through each stage of their journey — from the child who writes a letter to a state representative to the couple who remembers the Mackinac Center in their will — our partners have generously invested time, talent, and energy to help build Mackinac into the vital engine for prosperity and freedom that it is today.

In the early days, you helped us learn how to effectively make changes in public policy (it turns out that facts and research alone aren't enough to move legislators to act in the public's best interest).

Today, you ask us to earn your trust and support by working to make Michigan the most free and prosperous state it can be. We welcome that accountability!

As we carry our work forward together, your investments will return policy wins. The results will be a state and nation that are freer, more prosperous, and building on the best America has to offer. ■

Jim Walker is the vice president for advancement at the Mackinac Center.