

# PUBLIC POLICY RECOMMENDATIONS





To see an online version, please visit:

mackinac.org/policy2021

# Table of Contents

- 1 Snapshot of 2021 Top Policy Priorities
- Fiscal
- Labor
- Education
- Health Care
- Environmental
- Criminal Justice
- Government Transparency
- Regulatory Reform

# Snapshot of 2021 Top Policy Priorities



#### Fiscally Responsible State Government

Policymakers must properly prioritize how to spend taxpayers' scarce resources. Our focus in 2021 will be towards this end — making sure state resources go towards purposes that benefit us all. The state should avoid taking on new debt or raising taxes.



#### **Protecting Worker Freedom**

All workers in Michigan finally have the freedom to disassociate themselves from a union, if they choose. Our priority in 2021 is to protect these rights of workers and to make unions even more transparent and responsive to the needs of workers.



#### More Choice and Flexibility in Schooling

The COVID-19 pandemic demonstrated the dire need for more flexible learning options for students. Technology makes it possible for Michigan students to learn from virtually anywhere and from virtually any source. State law and rules are still rooted in a the one-size-fits-all, brick-and-mortar approach to schooling and stand in the way of needed innovation. We'll aim in 2021 to promote policies that give more options to more parents, better match students' interests with their opportunities and put more competitive pressure on schools to improve.



#### Reforming Health Care

Health care costs continue to soar, and government policies often contribute to the problem. In 2021, we will focus on containing these costs, with policies to put guard rails on the state's expensive programs and inject more competition in the system to better serve consumers. The state should also learn from its experience with COVID-19 and build more flexibility for health care providers and professionals.



### Affordable Energy and Responsible Environmental Protection

While state bureaucrats and the monopoly utilities seem fine with ever-increasing electricity rates, we know that these costs are killing businesses and making Michigan less competitive with its neighbors. In 2021, we'll push for responsible energy policies that put Michiganders first by helping reduce the cost of electricity for all consumers.



#### **Criminal Justice**

A lot has been accomplished in this area lately, but more reforms are still needed. In 2021, we'll promote reforms to reduce overcriminalization, reduce costs in the criminal justice system and make it easier for the public to hold law enforcement accountable.



#### Government Transparency & Privacy Protection

Michigan is still one of the only states in the country that exempts its Legislature and governor from public documents disclosure. We'll work to change that in 2021, as well as work for a policy to protect the privacy of donors to nonprofit organizations.



#### Overregulation

Michigan is overregulated, and this costs Michiganders opportunities and jobs. In no place is this more clear than occupational licensing, the rules that put needless hurdles in the way of aspiring entrepreneurs and workers and raise costs for consumers. We'll work to reduce those burdens and promote a thorough review of other harmful regulations and administrative rules.

Fiscal





#### **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 do not work and are, on balance, harmful to Michigan's overall business climate. Lawmakers should reject calls to hand out more taxpayer money to select businesses and industries, and instead redirect economic development funds to higher priorities. Michigan should also join a compact with other states to abstain from offering corporate handouts to entice employers to relocate.

#### **Recover From Pandemic Without Raising Taxes**

As the state economy continues to replace the jobs lost during the early part of the COVID-19 pandemic, some government spending interests have wanted to raise taxes to replace any of the state's potential revenue losses. The federal government has already provided much more money to the state budget through its relief efforts than the state has lost in revenue, and state tax revenue is expected to continue to grow, despite the pandemic. Lawmakers should continue to pass balanced budgets without reaching further into the pockets of residents.

#### No Further Road Debt

Paying for road repairs through debt financing can increase funds available now, but only at the expense of the future, plus interest. The state had been paying down its road debts and this has made more money available today to pay for road repair. The state should resist calls to borrow more for road repairs and rely on current revenue for this purpose.

#### **Reform Michigan's Liquor Control Code System**

The current law and related rules read in parts as if they were written to protect special interests from competition and even drive business to them. A proper alcohol control code can help protect the health and safety of the Michigan public without lavishing favors on crony capitalists. Policymakers should start reforming the code by repealing the archaic and anticompetitive "post and hold" rules for beer and wine.

## Labor



#### **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 reform any state policies that may be out of compliance with the court's expressed intent in Janus. Government employers may only withhold dues from paychecks if they have proof of clear and affirmative consent from employees that they want to waive their First Amendment rights. Lawmakers should require state agencies to ensure that they have proof of affirmative consent to withdraw union dues from employee paychecks.

#### **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.

∂ mackinac.org/8301

## Education



#### **Unleash Flex Learning for Students in Upper Grades**

Middle and high school students across Michigan, and especially those in rural areas or from low-income families, could benefit from greater access to a robust variety of credit-earning courses and other learning opportunities. The state should allow students in grades seven and above to opt into a Flex Learning program. While remaining enrolled in a home district, a Flex Learning student should have access to foundation allowance funds to "purchase" any online, dual enrollment, or other academic courses, career training or apprenticeship program that is operated by or set up in partnership with a Michigan district, charter school, community college or public university. Funds should also pay for other education-related services, including internet access and transportation, as well as incentives for students who meet graduation requirements early.

#### **Clear the Way for Pod Learning**

Mass disruptions to in-person classroom instruction have led many families to educate their children in so-called learning pods. This kind of permissionless innovation, birthed out of necessity, represents another type of education option that should be widely available to those who want it. In order to make learning pods widely accessible, Michigan lawmakers first will need to revise an array of existing state regulations, both in and beyond the school code. Further, the Legislature should provide tax write-offs for expenses and donations made on behalf of low-income students to participate in pod learning.

#### **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 access 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.

(Continued)

#### **Provide Scholarships to Help Struggling Readers**

The COVID-19 pandemic disrupted educational routines and set back learning for many students, especially the most vulnerable. Michigan should direct a portion of dollars to families of students who are struggling readers and need extra tutoring and support. Modeled after a Florida law, this would enhance efforts to meet the important goals set forth in the state's 2016 early literacy law.

#### **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.

### Health Care



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

During the early stages of the pandemic, Congress passed relief bills that increased the federal government's share of Medicaid costs. But the money came with strings attached, including a requirement that states cannot remove Medicaid recipients even if they are no longer eligible for benefits. This requirement puts taxpayers on the hook for potentially thousands of ineligible enrollees and crowds out funding for those who rely on the program and other state priorities — like education and infrastructure. Michigan lawmakers should ensure that the state health department develops a process to review the eligibility of those enrolled during the pandemic so ineligible enrollees can be removed once the federal emergency is ended. This action will protect the safety net and preserve resources for the state's most vulnerable people.

Additionally, lawmakers should review eligibility more regularly. That way, people who have a 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 and 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. More immediately, lawmakers should automatically suspend CON laws during a public health emergency, so health professionals can better respond to urgent needs of patients and communities.

#### **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. More urgently, lawmakers should suspend scope of practice and licensing requirements restricting access to high

quality health professionals both in- and out-of-state during public health emergencies. 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 expand telemedicine's impact to allow qualified, licensed health professionals from other states to offer remote services within their scope of practice to Michigan residents.

### Environmental



### Prevent Closure of Line 5 and Encourage the Construction of the Line 5 Tunnel

Michigan's elected officials should recognize that helping to move the permitting and construction of the Line 5 tunnel forward as quickly as possible encourages and speeds along the removal of the existing pipeline from the waters of the Great Lakes. However, Gov. Gretchen Whitmer's administration has worked to close the existing pipeline and stall the construction of the tunnel. These policies only serves to extend the presence of the pipelines in the water, restrict access to affordable and reliable energy, stick Michigan residents with the bills for ongoing litigation of this case and do serious damage to Michigan's reputation as a reliable partner with business.

#### Maintain Affordable, Reliable Electricity for Michiganders

Michigan law requires that most 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." But Michigan residents currently receive relatively unreliable electric service at rates that are above the national average. Plus, Michigan's two biggest utilities have committed to compounding these price and reliability challenges with "netzero CO2 emission" commitments that require the closure of reliable, affordable electricity generation. The Michigan Public Service Commission is charged with ensuring that each utility maintains a diverse mix of reliable, affordable generation resources, but they have failed ratepayers by approving utility plans to close reliable and affordable generation plants. Elected and appointed officials in government should renew their commitment to "safe, reliable, and accessible energy services at reasonable rates for Michigan's residents."

#### **Promote a Reliable Energy Standard**

Public Acts 295 of 2008 and 342 of 2016 mandate that a minimum of 15% of electricity produced by utilities must be sourced from renewable sources, such as wind and solar, by the year 2021. However, as the U.S. Department of Energy has noted, as solar penetration goes beyond 5% in an energy market, the likelihood that it will provide reliable power at peak demand drops off rapidly. Compounding this problem is the fact that solar energy, which is the primary source that both of the state's large public utilities plan to build for the foreseeable future, has a capacity factor as low as 8% during Michigan's cloudy and dark winter months.

All of Michigan's utilities have publicly committed to switching their generation fleets to rely on far more than the mandated 15% renewable requirements. Therefore, the state's legislators should feel comfortable rescinding the renewable energy standard. They can then adopt a reliable energy standard that requires any new electricity generation source be fully dispatchable. That is, ratepayers can rely on new electricity sources being constructed in the state to be available when they are needed, instead of only when the wind is blowing or the sun is shining.

#### **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 the state's economy, the Legislature should promote — or, at the very least, not hinder — efforts that encourage conservation efforts on private land and that use private dollars.

# Criminal Justice



#### **Reduce Overcriminalization and Overregulation**

Michigan's criminal statutes are scattered throughout our vast 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.

#### **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 supplement revenue for 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

#### **Reform Police Disciplinary Processes**

Our law enforcement officers have an extremely important and difficult job, and we as citizens give them extensive authority — including the use of deadly force when necessary — to carry it out. We should expect appropriate sanctions against officers who abuse that authority, but union contracts too often skew the disciplinary processes to impede those sanctions. Legislators should lengthen the time limits on the filing of misconduct complaints following an incident and the length of an investigation into alleged officer misconduct and ensure that misconduct findings remain permanently in an officer's personnel. They should also require officers and their union representatives to pay at least half the costs of the misconduct investigation, including the costs of paid leave, legal fees and the cost of judgments and settlements. Ideally, legislators should remove disciplinary processes as a subject of collective bargaining.

# Government Transparency



#### **Subject the 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, but both the Legislature and governor should be subject to Michigan's Freedom of Information Act.

#### **Donor Privacy**

There is no compelling government interest for state or local agencies to obtain the personal information of supporters of 501(c)(3), nonprofit organizations. Exposing this information can create weaponized data that political activists can use to harass, bully and menace those who hold different views and support different causes. Unfortunately, several states and a growing number of municipalities across the country are seeking to undermine Americans' constitutional freedoms of speech and assembly through forced disclosure laws and ordinances. Michigan state leaders should reject this trend and instead adopt legislation that prohibits state and local government agencies from obtaining personal information of the supporters of these important nonprofit organizations, which serve the varied interests of millions of Michiganders.

#### **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.

(Continued)

#### **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.

#### **Defend Michigan's Votes in Presidential Elections**

Since the American founding, the Electoral College has guaranteed that states like Michigan have a voice in presidential elections. Michigan's votes 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 and, through an interstate compact, subvert the Electoral College in favor of a national popular vote. Fifteen states have already joined this compact, effectively handing over 141 presidential electors to the whims of California with its lax election processes.

The Electoral College exists so that every state and every voter within each state has a say, not just California and the East Coast. Michigan policymakers should reject any effort to join the National Popular Vote Interstate Compact. Instead, they should clarify in the state constitution that Michigan will award its presidential electors only based on votes cast by Michigan residents.

# Regulatory Reform



#### **Reduce Occupational Licensing Burdens**

Many 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. The state should also continue eliminating licenses and regulations that do not make sense. 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.

#### **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.



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:

mackinac.org/policy2021



The Mackinac Center for Public Policy is dedicated to improving the understanding of economic and political principles among citizens, public officials, policymakers and opinion leaders. The Center has emerged as one of the largest and most prolific of the more than 50 state-based, free-market "think tanks" in America. Additional information about the Mackinac Center and its publications can be found at mackinac.org.

Additional copies of this report are available for order from the Mackinac Center.

For more information, call 989-631-0900, or see our website, mackinac.org.