RECOMMENDATIONS TO REVITALIZE MICHIGAN

WITH

AN INTRODUCTION TO THE OVERTON WINDOW OF POLITICAL POSSIBILITY

MACKINAC CENTER

AN INTRODUCTION TO THE OVERTON WINDOW OF POLITICAL POSSIBILITY

Note: This is an updated version of an essay originally published in April 2010 in an earlier edition of "101 Recommendations to Revitalize Michigan."

The last two years have been a case of policy whiplash in Michigan. A Democratic trifecta quickly undid signature accomplishments of an era of Republican control in Lansing, many of which we recommended in our original "101 Recommendations to Revitalize Michigan." Does that mean those policies have fallen out of favor with voters?

Gov. Snyder and his GOP allies could claim credit for getting many Mackinac Center ideas across the finish line from 2011-2018. They made Michigan a right-to-work state, shored up a collapsing teacher pension system, made income taxes less progressive, enacted an income tax cut trigger, killed film subsidies, dialed back corporate welfare, outlawed so-called prevailing wage laws and project labor agreements (special favors for unions), and finally stopped the cruel union dues-skimming scheme of home health care workers.

Republicans accomplished more than that, but Democrats, led by Gov. Whitmer, undid or severely weakened every single policy named above in less than two years. That's a breakneck pace in the Legislature. More policies are on the chopping block at the time of this writing.

The policies Democrats reversed didn't become unpopular with voters as soon as Democrats took over. For example, our polling shows that public support for right-to-work remains strong, even after repeal. The reversal of right-to-work doesn't blow us back to the days when no one thought Michigan would become a right-to-work state. It just means Democrats took a calculated risk that they can repeal a popular policy and get away with it with voters.



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Democrats skillfully used their trifecta and razor-thin legislative majorities to do all they could, as fast as they could, knowing that if they repeal too many popular policies, or enact too many unpopular ones, they'll be punished at the ballot box.

This is the kind of thing that happens in a battleground state. One side gains policy ground; the other side might quickly retake that same ground. But laws, like victories, are never permanent.

The ideas that can revitalize Michigan's economy are not secrets. Many of them are tried and true. You are holding 101 of them.

So why haven't lawmakers enacted more of them, faster? Because ideas take time to produce changes in policy. Yesterday's ideas that politicians considered politically impossible can become tomorrow's inevitable policy solution.

The migration from mere ideas to law of the land can be described by a model called the Overton Window. This is the term my colleagues and I gave to a theory of change developed by the Mackinac Center's late vice president, Joseph Overton. After Joe died in 2003, I built a presentation around his idea, and I still use it to show how think tanks can shift public policy.

Joe shared his abstract concept with me in the mid-1990s. He observed that any collection of public policies within a policy area, such as education, can be arranged in order from more free to less free (or alternatively, from less government intervention to more). To avoid comparison with the left-right political spectrum, he arranged the policies from bottom (less free) to top (more free).

At any one time, some group of adjacent policies along the freedom spectrum fall into a "window of political possibility." Policies inside the window are politically acceptable, meaning officeholders believe they can support the policies and survive the next election. Policies outside the window, either higher or lower, are politically unacceptable at the moment. If you shift the position or size of the window, you change what is politically possible.

Many believe that politicians move the window, but that's actually rare. In our understanding, politicians typically don't determine what is politically acceptable; more often they react to it and validate it. Generally speaking, policy change follows political change, which itself follows social change. The most durable policy changes are those that are undergirded by strong social movements.

For example, prohibition was a policy change driven by a social movement that did not prove strong enough to sustain the policy. Certain environmental policies that have proven durable are backed by strong social movements that favor those policies — or at least the idea they represent.

When social and political forces bring about change, the window of political possibility shifts up or down the spectrum and can also expand to include more policy options or shrink to include fewer. The window presents a menu of policy choices to politicians: From their point of view, relatively safe choices are inside the window and politically riskier choices (or bolder ones, if you prefer) are outside.

Lawmakers who support policies outside the window are one of two kinds — true leaders who have the rare ability to shift the window by themselves, or politicians who risk electoral defeat because they are perceived as out of touch.

The Overton Window doesn't describe everything, but it describes one big thing: Politicians will rarely support whatever policy they choose whenever they choose; rather, they will do what they feel they can do without risking electoral defeat, given the current political environment shaped by ideas, social movements and societal sensibilities.

That's why it's important for the Mackinac Center and others to educate citizens on the nation's founding principles of limited government and free markets. Public policies rooted in those ideas produced freedom and prosperity unmatched by any other society in history. The same policies can return Michigan to prosperity now. A people animated by our nation's founding principles will shift the window of political possibility toward greater freedom. The politicians will ultimately follow.

I'm proud of the 101 powerful ideas developed by my colleagues and summarized in this pamphlet. I hope you will discuss them with your friends and encourage your elected representatives to consider your views on them.

Joseph G. Lehman

President, Mackinac Center for Public Policy October 2024

101 RECOMMENDATIONS TO REVITALIZE MICHIGAN

Michigan suffered one of the worst recessions any state has ever experienced during the first decade of this century. The state lost about 800,000 jobs, driving the unemployment rate as high as 14%. Incomes dropped by a whopping 20% during this one-state recession, later dubbed Michigan's "Lost Decade."

Policymakers were desperate for ideas to turn the ship around. On cue, the Mackinac Center published "101 Recommendations to Revitalize Michigan" in 2009. The public and politicians wanted more, so we updated and reissued the recommendations twice over the next two years.

During most of the next decade, a growing number of lawmakers who favored these ideas swept into office. Many of these 101 recommendations were enacted into law, in whole or in part. Governor Rick Snyder said at the time: "I ... keep the '101' near my desk and pull them out and see how I'm doing on the list every so often."

The state reduced its tax burden and removed some needless regulatory roadblocks to investing in Michigan and creating jobs. It made some government services more efficient and effective. Policymakers removed some barriers to school choice. The state stopped digging itself deeper in debt and made aggressive plans to right its fiscal ship. Important labor reforms were achieved, most notably the passage of a right-to-work law.

These reforms worked: Michigan turned the corner, and its economy and population started growing again. Nearly all economic indicators were trending in the right direction from 2010 until the state unleashed an unprecedented response to the Covid-19 pandemic in 2020.

Governor Gretchen Whitmer issued one the nation's most severe lockdowns. No state forced a larger share of businesses to close during 2020 than Michigan. The state has, unfortunately, only limped along since the lockdowns, experiencing one of the nation's slowest economic recoveries. And now Whitmer and lawmakers are undoing many of the positive reforms achieved in the last decade — raising taxes and energy costs for families, creating more onerous regulations and wasting billions of taxpayer dollars subsidizing politically favored, handpicked corporations.

Michigan needs new ideas again. That is why the Mackinac Center is updating our top 101 ideas to help policymakers get Michigan back on track. The recommendations cover a wide range of issues, from small to large, from simple to herculean. We hope policymakers will make use of these ideas and get Michigan growing again.

This report is a compendium of work authored by Mackinac Center policy analysts and compiled by Vice President for Marketing and Communications Jarrett Skorup. The brief recommendations inevitably omit some nuance and detail. These are provided more fully in the online articles cited with each recommendation.

CATEGORIES OF REFORM

The recommendations are organized into four categories.

Ease of Doing Business recommendations eliminate pointless red tape, cut needless licensing requirements and make it less burdensome to start, run and expand a business in Michigan. These reforms will attract private investment, create jobs and expand services to underserved areas.

Costs of Living recommendations focus on reducing living expenses for Michigan households. These reforms will decrease prices for consumers by introducing competitive pressure to overregulated services and professions. Other reforms loosen state restrictions on the supply of essential goods and services like housing, electricity and medical care.

Quality of Life reforms address mostly noneconomic factors that impact Michigan residents' freedom to live a fulfilling life. They include broadly shared values such as educational opportunity, government accountability and civil rights protections.

Better Government recommendations target waste and inefficiencies in government. These reforms eliminate wasteful spending and improve public services to deliver more bang for the taxpayers' buck. Others strengthen democratic principles, such as increasing the authority of voters' elected representatives and checking the power of unelected bureaucrats.

TOP 12 RECOMMENDATIONS

The following 12 policy reforms are important enough to get their own section. These recommendations appear in the full list of 101, but we put them at the top because they would do the most to boost the state's economic productivity and improve the average quality of life in Michigan.

- Make Michigan a right-to-work state again. More than 100,000 people are forced to join or pay unions against their will, which is a violation of their rights and bad economic policy. » mackinac.org/s2023-03
- 2 Eliminate all select subsidies, incentives, corporate welfare and industry-specific tax favors. » mackinac.org/29635

- Pass education opportunity scholarships, where the full foundation allowance follows students to the school of their choice public schools, private schools, trade schools, community colleges, homeschooling, private tutors, online education or some combination of these and more.
- 4 Create a competitive electricity market to drive down rates and boost reliability for homeowners and businesses.
 - » mackinac.org/26407

» mackinac.org/29638

- Require all significant rules and regulations proposed by state agencies be approved by the Legislature.
 - » mackinac.org/13795
- 6 Pass a Sustainable Michigan Budget by capping spending increases at the rate of inflation plus population growth.
 - » mackinac.org/31834
- **7** Cut the state income tax back below 4% and set it on a path to roll back to zero to match high-growth states like Tennessee, Texas, Florida and Washington.
 - » mackinac.org/29632
- **8** Eliminate pork spending. All targeted spending should go through the normal legislative process and be independently evaluated against other projects and services.
 - » michcapcon.com/31554
- Regularly review each of the 180-plus occupational licensing laws that are on the books and ensure jobs are being licensed only when that regulation directly improves public health and safety. » mackinac.org/31270
- Eliminate Certificate of Need laws to allow medical facilities to open and expand their services and care.
 - » mackinac.org/29642
- 11 Scrap the "three-tier" system for alcohol control, which severely limits competition for manufacturers, distributors and retailers. » mackinac.org/28135
- **12** Place guardrails on gubernatorial and administrative emergency powers by curtailing unilateral authority.
 - » mackinac.org/30058

EASE OF DOING BUSINESS

Economic Opportunity

Cut the state income tax back below 4% and set it on a path to roll back to zero to match high-growth states like Tennessee, Texas, Florida and Washington.

» mackinac.org/29632

- Regularly review each of the 180-plus occupational licensing laws that are on the books and ensure jobs are being licensed only when that regulation directly improves public health and safety. » mackinac.org/31270
- Eliminate Certificate of Need laws to allow medical facilities to open and expand their services and care.

 » mackinac.org/29642
- Scrap the "three-tier" system for alcohol control,
 which severely limits competition for manufacturers, distributors and retailers. » mackinac.org/28135
- Eliminate licenses required to sell flowers, plants and other agricultural goods. » mackinac.org/29913
- Right-size arbitrary licensing requirements by ensuring mandatory training hours make sense.

» mackinac.org/26395

Get rid of the archaic "post and hold" law that results in legal price collusion for alcohol products.

» mackinac.org/17363

Expand the scope of practice for nurses, physician assistants and other medical professions so they can use their full training and capabilities. » mackinac.org/29643

Energy

- Create a competitive electricity market to drive down
 rates and boost reliability for homeowners and businesses.
 mackinac.org/26407
- Repeal the state's renewable portfolio standard and replace it with a "reliable portfolio standard."
 - » mackinac.org/24287

- Repeal Michigan's energy mandate laws no specific type of energy source should be required, whether wind, solar, natural gas, oil, coal, nuclear or other.
 - » mackinac.org/31143
- Clear the regulatory path for constructing the concrete tunnel to protect Line 5, which supplies Michigan with crucial energy resources such as propane for home heating. » mackinac.org/30362
- Repeal the ban on directional drilling for oil and natural gas under the Great Lakes, as Canada allows.
 - » mackinac.org/9712
- Prohibit public utilities from billing ratepayers for electric vehicle charging stations and to finance giving rebates to EV owners. Private companies will build enough charging stations, based on demand. » mackinac.org/26237
- Remove the 90% carbon capture requirement for natural gas to be considered a "clean fuel." » mackinac.org/31200

Labor

- Make Michigan a right-to-work state again. More than 100,000 people are forced to join or pay unions against their will, which is a violation of their rights and bad economic policy. » mackinac.org/s2023-03
- Allow workers to opt out of unions and unions to opt out of representing nonmembers. » mackinac.org/20702
- Protect the private data of public employees from labor unions. » mackinac.org/30829
- Require that union elections be conducted by secret ballot. » mackinac.org/26966

Taxes

- Allow full expensing of the costs of business equipment.

 » mackinac.org/30435
- 21 End mandatory paid leave policies. » mackinac.org/31516
- Allow local governments to change from property taxes to land value taxes. » mackinac.org/31346

COST OF LIVING

Essentials

Eliminate exclusive monopoly territories to beer and wine wholesalers. Manufacturers should be allowed to deliver

- their own products to retailers if they wish, and retailers should be free to accept delivery from companies big or small, distant or nearby. » mackinac.org/28083
- Let pharmacists provide more medical services, like vaccinations and diagnostic testing.
 - » mackinac.org/30812
- 25 Expand telehealth across state lines, allowing competition from remote providers. » mackinac.org/30732
- Encourage competition in the health care sector by eliminating cronyism that benefits large hospitals.
 - » mackinac.org/28632
- Streamline broadband internet, clear government obstacles and foster private competition.
 - » mackinac.org/29222
- Focus government broadband funds on unserved
 areas and low-income residents in a technologically
 neutral way. » mackinac.org/32099

Housing

- Extend the property tax Principal Residence Exemption to include rental properties, reducing taxes on homes owned and rented out. » michcapcon.com/31878
- Pass statewide zoning reform that eliminates minimum home sizes, parking spot requirements, setback limits, aesthetic similarities and other mandates not based on public safety. This is similar to what red and blue states like Montana and California have done.
 - » mackinac.org/31705
- Encourage municipalities to set up a one-stop-shop
 permitting office and strict statutory deadlines to approve
 projects. » mackinac.org/31257

- Review all licensing, regulatory and permitting rules related to housing. Encourage cities to put in place an expedited approval and inspection process for preapproved home plans. » michcapcon.com/31427
- Pass a statewide short-term rental law that prevents cities from banning rental properties while allowing them to be regulated for potential safety issues.

» mackinac.org/24047

Taxes

Make Michigan the Midwest state with the lowest income tax rate (below Indiana's 3.05%).

» mackinac.org/30766

Make all budget increases above inflation go toward rolling back the income tax or paying down Michigan's state and local pension obligations. » mackinac.org/pension

QUALITY OF LIFE

Transportation

- 36 Fix roads faster than they fall apart.
 - » mackinac.org/24047
- Replace tax financing with user fee financing for roads by rightsizing the gas tax and registration fees while piloting other options like mileage-based fees.
 - » michcapcon.com/29916
- 38 Change transit funding to encourage better outcomes and efficient services. » mackinac.org/30823

Health & Safety

- 39 Empower and promote private methods of conserving land and natural resources. » mackinac.org/s2020-04
- Refocus alcohol control on protecting public health at rather than enriching industry participants.
 - » mackinac.org/28083

- Substantially change police collective bargaining rules by banning negotiations over hiding misconduct, mandatory
- 41 binding arbitration and preferential treatment to officers. These advantages are not available to other citizens or public employees. » mackinac.org/31040
- End civil asset forfeiture, or at least require a criminal conviction prior to transferring property or money to the government. » mackinac.org/30597
- Expand prison education programs to reduce recidivism and save taxpayer funds. » mackinac.org/s2024-02
- Provide earned-time incentives to inmates who
 successfully complete college or training programs.

 » mackinac.org/30933
- Permit nurse practitioners to provide more services to
 patients, a key way to expand medical services into rural
 and other underserved areas. » mackinac.org/31475

Education & Job Training

Pass education opportunity scholarships, where the full foundation allowance follows students to the school of their choice — public schools, private schools, trade schools, community colleges, homeschooling, private tutors, online education or some combination of these and more. » mackinac.org/29638

- 47 Audit and streamline Michigan's workforce development programs. » mackinac.org/s2019-05
- Consolidate and require performance outcomes from Michigan's job training programs » mackinac.org/29152
- Put in place real performance metrics for public 49 universities and community colleges to receive taxpayer funds. » michcapcon.com/32002
- Set and enforce rigorous financial and academic standards on all K-12 public schools. » mackinac.org/26230
- Require public schools to be transparent to parents about the content of their curriculum. » mackinac.org/29762
- 52 End Michigan's educational credentialism targets.

 » mackinac.org/25616

- Make it easier to open daycares and schools by easing zoning restrictions. » mackinac.org/31198
- Privatize the state's universities, allowing them to become independent nonprofit organizations.
 - » mackinac.org/29777
- Review higher education scholarship programs and eliminate those that are ineffective. » mackinac.org/31641
- Eliminate community college programs that do not show at least a 50% completion rate. » mackinac.org/31158

BETTER GOVERNMENT Democratic Principles

Require all significant rules and regulations proposed by state agencies be approved by the Legislature.

» mackinac.org/13795

- Eliminate any criminal penalties for administrative rules.

 » mackinac.org/26969
- Require all agency regulations be signed by the governor before they can take effect. Make the governor own the agencies' rules. » mackinac.org/15099
- Enforce the law that prevents government entities from using taxpayer resources to advocate for political issues.

 » michcapcon.com/22002
- 61 Center union policy on voluntary association rather than coercion. » mackinac.org/s2014-07
- Reestablish the "public benefit" legal doctrine to reduce unfair and ineffective corporate subsidies.
 - » mackinac.org/26098

Limited Government

- Place guardrails on gubernatorial and administrative emergency powers by curtailing unilateral authority. » mackinac.org/30058
- Require the state and local governments to compensate property owners for "regulatory takings," which lower a property's value by restricting the owner's use and enjoyment of the property. » mackinac.org/7446

Establish that "operational memorandums," guidelines and other documents generated by any state agency do
not bind a regulated entity unless they are promulgated as rules under the state Administrative Procedures Act.

» mackinac.org/7808

Ban lobbying, directly or indirectly, by public entities.

» mackinac.com/13473

Prohibit private businesses that receive direct government subsidies or are protected from competition by government rules to donate money to political candidates or causes. » michcapcon.com/18542

Require all regulations to be reviewed and re-approved on a regular schedule. » mackinac.org/30840

Implement the U.S. Supreme Court's 2018 Janus decision and protect public employees' First Amendment rights
 by requiring government employers to get permission annually before deducting dues or fees from employees' paychecks. » mackinac.org/28318

Review all regulatory programs to determine if the state should continue to administer them or return the responsibility to the federal government.

» mackinac.org/13806

- 71 Prevent governors from unilaterally borrowing money for roads. » michcapcon.com/28050
- Prevent municipalities from establishing governmentowned broadband networks. » mackinac.org/26067

Transparency

- Make corporate subsidies transparent and accountable
 with strong performance targets directly tied to data.

 mackinac.org/31730
- 74 Let taxpayers know how much public money big companies are getting. » mackinac.org/29968
- Expand the Freedom of Information Act to all public 75 employees and tighten up the exemptions to the law. » mackinac.org/31882
- 76 Expand FOIA to cover gubernatorial and legislative offices. » mackinac.org/31715

- Create a state body to regulate, streamline and enforce
 FOIA and require that public bodies make their FOIA responses publicly available. » mackinac.org/31377
- 78 Make union bargaining open to the public.

 » mackinac.org/26417
- Prohibit state officials from signing nondisclosure agreements about business subsidies.

» mackinac.org/29439

- 80 End nondisclosure agreements for subsidized business deals. » mackinac.org/31370
- Require fiscal notes for any proposed regulations that estimate the total cost of regulatory enforcement to state and local governments, businesses and individuals, making the true expense transparent to voters and policymakers. » mackinac.org/13801
- Protect the privacy and freedom of association of donors
 who contribute to nonprofit or charitable organizations.
 Transparency is for government; privacy is for people.

 » mackinac.org/26131

Spending

- Establish a fair field by eliminating all select subsidies,
 incentives, corporate welfare and industry-specific favors.

 » mackinac.org/29635
- Pass a Sustainable Michigan Budget by capping spending increases at the rate of inflation plus population growth.

 » mackinac.org/31834
- Eliminate pork spending. All targeted spending should go through the normal legislative process and be fairly and independently evaluated against other projects and services. » michcapcon.com/31554
- Prohibit mandatory collective bargaining for government employees, as President Franklin Delano Roosevelt advocated and is the case in other states.
 - » mackinac.org/16083
- 87 Ensure that stormwater assessments are subject to voter approval. » mackinac.org/25562

End the home health care dues skim scheme. The SEIU captures "dues" from Medicare payments meant to support disabled and elderly individuals.

» mackinac.org/32400

Reserve Medicaid for the truly needy.

» mackinac.org/31029

- 90 End union release time. » mackinac.org/23130
- 91 End union pension spiking. » mackinac.org/23130
- Prevent local governments from underfunding retirement benefits. » mackinac.org/26837
- End state "green" subsidies, such as electric vehicle tax credits and other discriminatory tax preferences.

» mackinac.org/31152

- Repeal subsidies, special tax treatments, and government mandates for all forms of energy and transportation charging infrastructure. » mackinac.org/31143
- 95 Use student-weighted and performance-based budgeting for universities. » mackinac.org/30093
- Eliminate the disparity in the compensation and cost of public and private sector employees.

» mackinac.org/14521

End taxpayer-funded tourism advertising.

» mackinac.org/30805

- 98 Enter into an interstate compact to eliminate corporate welfare. » mackinac.org/s2019-04
- 99 Eliminate direct taxpayer assistance to people who have high incomes. » mackinac.org/30751
- Reestablish competitive wages on publicly funded construction projects by eliminating the "prevailing wage" law which mandates arbitrary wage restrictions.

» mackinac.org/31741

- Prevent the state and local municipalities from subsidizing professional sport stadiums and venues.
 - » michcapcon.com/16448

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The Mackinac Center for Public Policy is dedicated to improving the understanding of economic and political principles among residents, 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. More information about the Mackinac Center and its work can be found at www.mackinac.org.

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