

MICHIGAN CAPITOL CONFIDENTIAL

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Mackinac Center
for Public Policy

A review of the votes and proposals of the Michigan Legislature — Vol. 1, No. 1 — September/October 2007

COMPETITIVE BIDDING CRASHES IN STATE HOUSE

School cost-savings amendment defeated

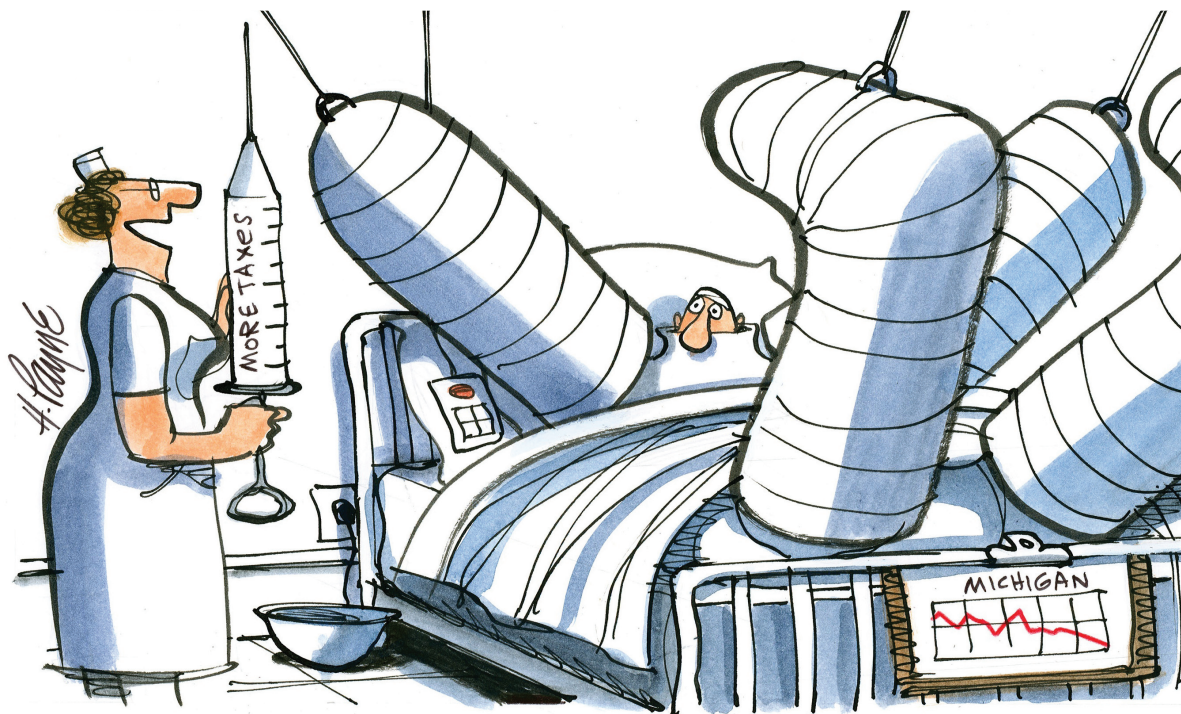
While a majority of Michigan's local public school districts do not report privatizing noninstructional services — such as transportation, student meals and custodians — the growing minority who do privatize these services often report substantial savings. Contracting out custodial services has yielded some of the biggest winners. Recent examples reveal that the Muskegon Reeths-Puffer district signed a contract to save \$480,000 annually — about \$114 per student; Avondale in Auburn Hills plans to save \$490,000 annually — \$128 per pupil; and

the Jackson Public Schools would trim their annual custodial costs by \$1.3 million, or \$193 per pupil.

For 2006, just 63 of 552 local school districts reported private contracts for custodial services. Yet, if all of the other districts took the privatization plunge for only custodial services and saved an average of just \$100 per pupil, the minimum annual savings state-wide for Michigan public schools would exceed \$150 million.

On May 22, 2007, the Michigan House of Representatives approved House Bill 4592 — legislation that

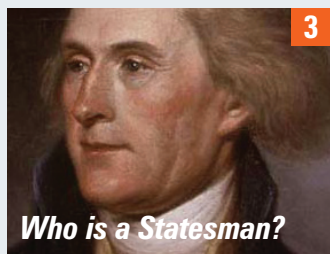
See "Contracting," Page 2



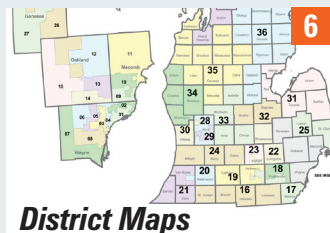
"Raise your hand if you want to give to the state blood drive ..."

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INSIDE THE ISSUE



Who is a Statesman?



District Maps

\$25M on
Theme Park?



SPENDING RESTRAINT LOSES IN LEGISLATURE \$250M in cuts rejected

Late this May, the 2007 state budget was showing an \$800 million gap between the money Michigan lawmakers had planned to spend and the money that was actually coming in. Seemingly faced with a choice between raising taxes and cutting spending, lawmakers chose neither path, as described in this excerpt of an article on the subject by Mackinac Center Legislative Analyst Jack McHugh:

"Rather than address the real problems, the Legislature and governor entered a bipartisan deal with the devil to paper it over with debt, shortchanging pension contributions, raiding so-called 'restricted funds' and pushing disbursements into the next year.

"... The Legislature decided to borrow \$410 million against future revenue from the 1998 tobacco company lawsuit settlement, and also use another \$100 million from a fund that borrows money to provide college loans. In addition, using an accounting gimmick that would probably mean jail time for a private-sector pension manager, they will shortchange by \$220 million the already inadequate annual contribution to cover state and school retiree benefits promises.

"All told, it's more than \$700 million of stealing from the future to sustain excessive spending today."

There were other alternatives considered. Both chambers of the Legislature voted on a modest package of spending reductions earlier this spring. The centerpiece of the plan would have cut approximately \$250 million from

See "Cuts rejected," Page 4

SPECIAL INTERESTS

Union politics trump workers' right to wages *Paycheck protection under siege*

Under Michigan law, labor unions may not deduct dues from the paychecks of workers for contributions to political action committees without first asking for permission from each worker every year. This is an example of what is known as a "paycheck protection" law. As Robert P. Hunter, the regional director of the Federal Labor Relations Authority in Washington, D.C., described it in a 2003 essay for the Mackinac Center for Public Policy, "Paycheck protection codifies a simple philosophy: If unions want their members to give their own money to the political campaigns unions favor,

See "Paycheck," Page 10

CONTRACTING

from Page One

would require school districts to create a plan to transfer their procurement, human resources, busing, contracting activities and other noninstructional services to their intermediate school districts. Just prior to the House's final vote on this bill, State Rep. Judy Emmons, R-Sheridan, introduced an amendment that would have also



State Rep.
Judy Emmons

required the consolidation plan to include opportunities for cost savings that may be achieved by seeking competitive bids and privatizing non-instructional school services like busing, food service and custodians. Six Republican lawmakers joined 56 Democrats in rejecting the Emmons amendment, and it failed 62-46.

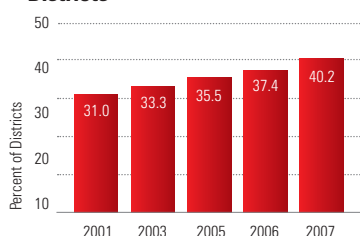
As eventually passed by the House, the final bill encourages, but does not require, districts and ISDs to act on the support service consolidation plans, or to make plans to seek competitive bids on the services, as suggested by the Emmons amendment.

“I think that good arguments can be made for contracting and that efficiencies can be achieved, but it is a hard sell against the MEA public relations machine.”

— Michigan school official

In a 2007 survey of competitive contracting at Michigan's public schools, Michael D. LaFaive, the Mackinac Center for Public Policy's director of fiscal policy, and Mackinac Center Adjunct Scholar Daniel J. Smith found that 40.2 percent of districts outsourced at least one noninstructional service and that the trend toward privatization was growing (up from a

Outsourcing by Michigan School Districts



A growing number of Michigan public school districts are relying on the privatization of noninstructional services for cost savings.

Source: Mackinac Center for Public Policy

revised 37.4 percent the prior year). However, the authors also point out that despite annual cost savings that can exceed \$100 per pupil, there are political impediments to competitive contracting.

The Michigan Education Association, the state's largest public school employee union, is identified as one such obstacle by a school official whose district outsources for its food and transportation services: “The contracts certainly make us more efficient and provide a level of expertise that (the district) could not otherwise expect. We are currently satisfied with both of our contractors. In my opinion the largest barrier to privatization is the highly effective MEA campaign against contracting. I think that good arguments can be made for contracting and that efficiencies can be achieved, but it is a hard sell against the MEA public relations machine.”

Samples of the MEA's opinions regarding competitive contracting are summarized in the “Alternative Views” appearing nearby.

A summary of the Mackinac Center's 2007 research on public school competitive contracting is located at www.mackinac.org/8881. To keep up to date regarding privatization of government services across Michigan and the nation, see the biannual Michigan Privatization Report at www.mackinac.org/pubs/mpr/. ■

The MichiganVotes.org tally for the school contracting amendment that was defeated appears on the right.

Check MichiganVotes.org

Legislators who voted IN FAVOR of the amendment requiring school districts to investigate saving money by privatizing and competitively bidding out for non-instructional school services like busing, food service and custodians:

2007 House roll call vote 161 on House Bill 4592

HOUSE REPUBLICANS (46)

Acciavatti (R)	DeRoche (R)	Hoogendyk (R)	Meekhof (R)	Pastor (R)	Stahl (R)
Agema (R)	Elsenheimer (R)	Horn (R)	Meltzer (R)	Pavlov (R)	Stakoe (R)
Amos (R)	Emmons (R)	Huizenga (R)	Moolenaar (R)	Pearce (R)	Steil (R)
Ball (R)	Gaffney (R)	Hune (R)	Moss (R)	Proos (R)	Walker (R)
Booher (R)	Garfield (R)	Jones, Rick (R)	Nitz (R)	Robertson (R)	Ward (R)
Calley (R)	Green (R)	Knollenberg (R)	Opsommer (R)	Schuitmaker (R)	Wenke (R)
Casperson (R)	Hansen (R)	LaJoy (R)	Palmer (R)	Shaffer (R)	
Caswell (R)	Hildenbrand (R)	Marleau (R)	Palsrok (R)	Sheen (R)	

HOUSE DEMOCRATS (NONE)

Legislators who voted AGAINST the amendment requiring school districts to investigate saving money by privatizing and competitively bidding out for noninstructional school services like busing, food service and custodians:

2007 House roll call vote 161 on House Bill 4592

HOUSE REPUBLICANS (6)

Brandenburg (R)	Caul (R)	Law, D. (R)	Moore (R)	Nofs (R)	Rocca (R)
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HOUSE DEMOCRATS (56)

Accavitti (D)	Condino (D)	Farrah (D)	Jones (D)	Meisner (D)	Tobocman (D)
Angerer (D)	Constan (D)	Gillard (D)	Lahti (D)	Melton (D)	Vagnozzi (D)
Bauer (D)	Corriveau (D)	Gonzales (D)	Law, K. (D)	Miller (D)	Valentine (D)
Bennett (D)	Coulouris (D)	Griffin (D)	LeBlanc (D)	Polidori (D)	Warren (D)
Bieda (D)	Cushingberry (D)	Hammel (D)	Leland (D)	Sak (D)	Wojno (D)
Brown (D)	Dean (D)	Hammon (D)	Lemmons (D)	Sheltrown (D)	Young (D)
Byrnes (D)	Dillon (D)	Hood (D)	Lindberg (D)	Simpson (D)	
Byrum (D)	Donigan (D)	Hopgood (D)	Mayes (D)	Smith, Alma (D)	
Clack (D)	Ebli (D)	Jackson (D)	McDowell (D)	Smith, Virgil (D)	
Clemente (D)	Espinosa (D)	Johnson (D)	Meadows (D)	Spade (D)	

Legislators who DID NOT VOTE:

Cheeks (D)	Scott (D)
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WHY WE GIVE PARTY AFFILIATIONS:

The Legislature is managed as a partisan institution. Lawmakers segregate themselves by party in matters from daily meetings to seating. They have separate and taxpayer-financed policy staffs to provide them with research and advice from differing perspectives. As such, gaining a full understanding of the vote of an individual lawmaker requires knowing his or her partisan affiliation.

ALTERNATIVE VIEWS

Competitive Contracting at Public Schools

MEA COMMITTED TO DEFEATING PRIVATIZATION

Editor's note: The following is an excerpt from a letter written by the executive officers of the Michigan Education Association, the state's largest public school employees union, regarding privatization of noninstructional services at public schools. It was published in the Letter to Members section of the Spring 2007 issue of MEA Voice. It may be viewed in its entirety at www.mea.org/voice

/spring2007/Sp07-complete.pdf.

“...We've witnessed in Michigan an unprecedented trend toward privatization in our public schools. School boards are firing dedicated school support employees and then hiring private, for-profit companies to provide essential support services, or threatening to do so.

“And though millions of public dollars are at stake in this

Continued

ALTERNATIVE VIEWS

privatization game, there's little public scrutiny after districts decide to outsource some of their operations.

"Do promised savings materialize? Do private contractors provide the same level of service? Do students suffer when employee turnover rates double, or when workers don't care about the tasks they've been assigned to do?"

"And if you think that privatization threatens school support personnel only, think again. In the past few years, school boards have voted to subcontract building principals and other administrators. In some districts, substitute teachers are now leased from for-profit companies, as are school counselors and psychologists.

"And don't forget about public charter schools, where management companies have received millions of dollars over the years to supply classroom teachers.

"MEA is committed to helping members save their jobs because it's in the best interest of students, parents and communities. We're putting more resources into fighting privatization than ever. We are committed to partnering with you to beat privatization. ..."

WHO WILL SPEAK FOR ME?

Editor's note: The following is an excerpt from a letter regarding privatization of noninstructional services written by a Grand Rapids member of the MEA to the MEA Voice. It was published in the VOICEmail section of the Fall 2007 issue. The entire text of the letter may be viewed at www.mea.org/voice/fall2006/Fall2006-complete.pdf.

"As a teacher in the Grand Rapids EA, I have watched privatization force its way into our schools.

"I have seen this issue spread to the county and throughout the state. Some members have sat back and done nothing because they believed that it did not affect them directly.

"Let me remind educators in these situations of the

famous quote by Pastor Martin Niemoller, a victim of the Nazis. Niemoller spoke of the Nazis coming for the communists, Jews, trade unionists, and Catholics, and he said: I did not speak up because I was not in these groups. Then, when they came for me, there was no one left to speak up.

"In the future, will we look back and say: 'In my district, first they came to privatize the bus drivers, and I didn't speak up because I was not a bus driver. Then, they came to privatize the custodians, and I didn't speak up because I was not a custodian. Then, they came for the substitute teachers, the food service workers, the secretaries and the paraprofessionals, and I didn't speak up because I was not one of these. Then, they came for me — and by that time no one was left to speak up for me.'?"

THE GOVERNOR AND THE PRIVATE SECTOR

Editor's note: The following is excerpted from an MEA interview of Michigan Gov. Jennifer Granholm. The interview was published in the Fall 2006 issue of the MEA Voice, and it can be viewed at www.mea.org/voice/fall2006/Fall2006-complete.pdf.

"MEA: In many school districts, employees are losing their jobs to privatization. How do you view such decisions — and what is your understanding of the impact that privatization has on the local/state economies?"

"Granholm: In state government, we have found that privatization is much less than it's cracked up to be. In fact, we have seen economic savings and increased efficiency by bringing work back to the state workforce after the previous administration outsourced it. I have urged other units of government to think twice before they jump on the privatization bandwagon — the public sector can outperform the private sector with the right supports and management." ■

NOTES ON STATESMANSHIP

What does a statesman look like?

By Lawrence W. Reed

The term "politician" isn't a popular one, even with politicians. Most people would agree that to be labeled a "statesman" is a much higher compliment — and that we need fewer of the former and more of the latter. There's a general sense that statesmen lift us up, while politicians let us down. This column will seek to foster a climate which will produce more statesmen and fewer politicians, so let's begin with some observations about what distinguishes one from the other.

Statesmen are a big cut above politicians, who seek office for thrills or for power or because they like the attention it brings them. Some politicians are better than others, but statesmen rise above mere politics, that meat grinder of principles. The clever politician knows how to manipulate power for personal advantage, but the statesman's allegiance is to loftier objectives.

Statesmen don't seek public office for personal gain or attention. Like George Washington, they often are people who take time out from productive careers of accomplishment to temporarily serve the public. They don't have to work for government because that's all they know how to do. They stand for a principled vision, not for what they think citizens will fall for. When a statesman gets elected, he doesn't forget the public-spirited citizens who sent him to office and become a mouthpiece for the permanent bureaucracy or some special interest that greased his campaign.

Because they seek the truth, statesmen are more likely to do what's right than what may be politically popular at the moment. You know where they stand because they say what they mean and they mean what they say. They do not engage in class warfare, race-baiting or in other divisive or partisan tactics that pull people apart. They



"A wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government."
—Thomas Jefferson

do not buy votes with tax dollars. They don't make promises they can't keep or intend to break. They take responsibility for their actions. A statesman doesn't try to pull himself up by dragging somebody else down, and he doesn't try to convince people they're victims just so he can posture as their savior.

When it comes to managing public finances, statesmen prioritize. They don't behave as though government deserves an endlessly larger share of other people's money. They exhibit the courage to cut less important expenses to make way for more pressing ones. They don't try to build empires. Instead, they keep government within its proper bounds and trust in what free and enterprising people can accomplish. Politicians think that they're smart enough to plan other people's lives; statesmen are wise enough to understand what utter folly such arrogant attitudes really are.

Have you ever felt that in spite of a long campaign and lots of speech-

es, you learned essentially nothing from a particular candidate? That one was a politician. I prefer the statesman: the man or woman of substance who, win or lose, had the courage to lay it out straight.

Politicians are characters, but statesmen have character. A statesman is a man or woman of integrity, honesty and candor. You actually learn something good from what he says and how he conducts himself. When a politician leaves office, he's largely forgotten. When a statesman departs, we know we've lost something.

Michigan doesn't suffer from a shortage of politicians. First and foremost, it needs a citizenry that is vigilant about the nature of government and its proper role in a free society of responsible adults. That's the sort of citizenry that then has the wisdom to produce statesmen. ■

Lawrence W. Reed is president of the Mackinac Center for Public Policy.

CUTS REJECTED*from Page One*

government spending appropriated in scores of line items. Among the cuts were \$11 million from welfare spending; \$40 million from state revenue-sharing; \$14 million in public transportation; \$3.6 million in arts grants; money for community corrections programs, loans to parolees and to a prison union leave bank; and many others. Overall state government spending is budgeted at approximately \$42 billion in fiscal 2007.

On March 22, 2007, this spending plan was approved by the Michigan Senate on a strictly partisan vote of 20-17, with all Republicans approving and all Democrats opposing. On April 17, the same plan was rejected by the Michigan House of Representatives on a vote of 60-49, with two Republicans joining 58 Democrats in rejecting the cost containment measures.


In describing this vote and the alternatives facing lawmakers, Mackinac Center Policy Analyst Kenneth M. Braun pointed out that these cuts and many, many others remain on the table and

should be considered in future budget discussions:

“The Legislature will soon shift its attention to writing and paying for the 2008 budget. The sensible spending restraint ideas that were tried last March and countless others remain as fiscally sound alternatives to yet another borrowing binge (or perhaps even a major tax increase). Lawmakers must not put taxpayers on the hook for more future spending or taxes. Michigan deserves a less costly tomorrow.”

McHugh’s description of the deficit-financing measure that was ultimately approved can be read in its entirety at www.mackinac.org/8630, while Braun’s companion commentary is posted at www.mackinac.org/8631. Finally, the Mackinac Center’s roadmap of nearly \$2.0 billion in additional spending reform ideas available to lawmakers appears at www.mackinac.org/8798. ■

The MichiganVotes.org tally for the spending cuts package that was defeated is provided on the right.



FIND REAL NEWS THAT OFTEN DOESN'T MAKE THE PAPERS!

Your state legislators cast many important votes each month that are rarely covered by the press or discussed by the lawmakers themselves. Many of these votes are on bills and amendments that could impact your freedom, your pocketbook and your family. Somebody is watching the lawmakers, however, and placing their entire record just a mouseclick away at your fingertips: MichiganVotes.org

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- Receive automatic email updates when legislative action is taken on bills and issues that are of interest to you.
- Participate in the lively MichiganVotes.org online message boards, debating with others what your lawmakers are doing.

MichiganVotes.org

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Legislators who voted FOR spending cuts of \$250 million for fiscal 2007:

Senate roll call vote 39 on Senate Bill 220

SENATE REPUBLICANS (20)

Allen (R)	Cassis (R)	Hardiman (R)	Kuipers (R)	Richardville (R)
Birkholz (R)	Cropsey (R)	Jansen (R)	McManus (R)	Sanborn (R)
Bishop (R)	George (R)	Jelinek (R)	Pappageorge (R)	Stamas (R)
Brown (R)	Gilbert (R)	Kahn (R)	Patterson (R)	Van Woerkom (R)

SENATE DEMOCRATS (NONE)

House roll call vote 87 on Senate Bill 220

HOUSE REPUBLICANS (49)

Acciavatti (R)	DeRoche (R)	Hune (R)	Moore (R)	Pearce (R)	Steil (R)
Agema (R)	Elsenheimer (R)	Jones, Rick (R)	Moss (R)	Proos (R)	Walker (R)
Amos (R)	Emmons (R)	Knollenberg (R)	Nitz (R)	Robertson (R)	Ward (R)
Ball (R)	Gaffney (R)	LaJoy (R)	Nofs (R)	Rocca (R)	Wenke (R)
Booher (R)	Hansen (R)	Law, D. (R)	Opsommer (R)	Schuitmaker (R)	
Brandenburg (R)	Hildenbrand (R)	Marleau (R)	Palmer (R)	Shaffer (R)	
Calley (R)	Hoogendyk (R)	Meekhof (R)	Palsrok (R)	Sheen (R)	
Caswell (R)	Horn (R)	Meltzer (R)	Pastor (R)	Stahl (R)	
Caul (R)	Huizenga (R)	Moolenaar (R)	Pavlov (R)	Stakoe (R)	

HOUSE DEMOCRATS (NONE)

Legislators who voted AGAINST spending cuts of \$250 million for fiscal 2007:

Senate roll call vote 39 on Senate Bill 220

SENATE REPUBLICANS (NONE)

SENATE DEMOCRATS (17)

Anderson (D)	Brater (D)	Clarke (D)	Jacobs (D)	Schauer (D)	Thomas (D)
Barcia (D)	Cherry (D)	Gleason (D)	Olshove (D)	Scott (D)	Whitmer (D)
Basham (D)	Clark-Coleman (D)	Hunter (D)	Prusi (D)	Switalski (D)	

House roll call vote 87 on Senate Bill 220

HOUSE REPUBLICANS (2)

Green (R)	Casperson (R)
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HOUSE DEMOCRATS (58)

Accavitti (D)	Clemente (D)	Espinoza (D)	Johnson (D)	Meadows (D)	Smith, Virgil (D)
Angerer (D)	Condino (D)	Farrah (D)	Jones, Robert (D)	Meisner (D)	Spade (D)
Bauer (D)	Constan (D)	Gillard (D)	Lahti (D)	Melton (D)	Tobocman (D)
Bennett (D)	Corriveau (D)	Gonzales (D)	Law, K. (D)	Miller (D)	Vagnozzi (D)
Bieda (D)	Coulouris (D)	Griffin (D)	LeBlanc (D)	Polidori (D)	Valentine (D)
Brown (D)	Cushingberry (D)	Hammel (D)	Leland (D)	Sak (D)	Warren (D)
Byrnes (D)	Dean (D)	Hammon (D)	Lemmons (D)	Scott (D)	Wojno (D)
Byrum (D)	Dillon (D)	Hood (D)	Lindberg (D)	Sheltrown (D)	Young (D)
Cheeks (D)	Donigan (D)	Hopgood (D)	Mayes (D)	Simpson (D)	
Clack (D)	Ebli (D)	Jackson (D)	McDowell (D)	Smith, Alma (D)	

Legislators who DID NOT VOTE:

Sen. Garcia (R)	Rep. Garfield (R)
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Michigan Capitol Confidential

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FISCAL FITNESS

Michigan lawmakers create new business tax that remains complex and costly

But policymakers claim new MBT will spur 'economic recovery'

On June 28, 2007, the Michigan Legislature voted to create the Michigan Business Tax, a replacement for the state's Single Business Tax, the main tax on Michigan businesses. On July 12, 2007, Gov. Granholm signed the MBT into law.

The SBT had been ranked by the Tax Foundation of Washington, D.C., as the most economically damaging corporate income tax levied by any state in the nation. A citizen-initiated law that passed the Legislature last summer called upon lawmakers to repeal and replace it with a new tax that is "less burdensome and less costly to employers, more equitable, and more conducive to job creation and investment."

But Mackinac Center Policy Analyst Kenneth M. Braun observes that the politicians who created the MBT failed to accomplish any of these tax-reform goals. Noting that the Michigan Chamber of Commerce had identified 30 flaws in the MBT and opposed passage of it, Braun wrote in an August Mackinac Center Viewpoint, "[A] tax that was supposed to be 'less burdensome' for employers appears to be filled with flaws and is so complex that one of the state's largest and most knowledgeable business advocates is still trying to untangle it."

While Lansing politicians predict that the MBT will put the state on the "path to economic recovery" and that it signals Michigan is "open for business," Braun noted that the MBT really just provides tax cuts for some businesses

by hiking taxes on others. He added that there is a legitimate concern that the whole thing may be a net tax increase compared to the old SBT, which already took in \$1.9 billion per year. "Rather than an investment-friendly and equitable tax," he observed, "this is a disruptive and complicated government game that pits the interests of some industries against others."

"Of the three major state taxes — personal income tax, corporate income tax and sales tax — the states that have consistently eaten Michigan's lunch are those with only one or two such taxes, not all three."

— David L. Littmann
Mackinac Center senior economist

Examining the SBT's impact on the Michigan economy, the Mackinac Center has concluded that the state would benefit from a far less costly replacement — an actual tax cut — and that the ideal course of action would have been to kill the tax and not replace it at all. "Of the three major state taxes — personal income tax, corporate income tax and sales tax — the states that have consistently eaten Michigan's lunch are those with only one or two such taxes, not all three," David L. Littmann, the Mackinac Center's senior economist recently noted.

Braun has investigated what has happened in the states that don't have a corporate income tax and concluded that

Michigan would have done well to heed their example. "If our job growth had paced the three states that have no general corporate tax at all," wrote Braun, "then the additional [annual] income and sales taxes would be more than \$3.2 billion — making up all of the 'lost' SBT revenue and tacking on an extra \$1.3 billion."

Nor is it clear that state government needs the revenue collected by its main business tax. Michael D. LaFaive, the Mackinac Center's director of fiscal policy, examined a recent state budget and found several billion dollars worth of spending that could be reduced. Two examples of his recommendations are contracting state police road patrols out to less costly local sheriffs' departments and selling assets that the state should not own in the first place.

LaFaive's state budget study may be read in its entirety at www.mackinac.org/6545, and Littmann's commentary on the state economy is available at www.mackinac.org/7601. Braun's description of the MBT may be read at www.mackinac.org/8809, and his look at job growth in the states that do not impose a corporate income tax is available at www.mackinac.org/8112. ■

The MichiganVotes.org tally for the creation of the Michigan Business Tax is provided on the right.

Check MichiganVotes.org

Legislators who voted IN FAVOR of creating the Michigan Business Tax — an equally costly replacement for the Single Business Tax:

Senate roll call vote 218 on Senate Bill 94

SENATE REPUBLICANS (16)

Allen (R)	Cassis (R)	Hardiman (R)	Kuipers (R)
Birkholz (R)	Garcia (R)	Jansen (R)	Richardville (R)
Bishop (R)	George (R)	Jelinek (R)	Stamas (R)
Brown (R)	Gilbert (R)	Kahn (R)	Van Woerkom (R)

SENATE DEMOCRATS (16)

Anderson (D)	Clark-Coleman (D)	Jacobs (D)	Scott (D)
Basham (D)	Clarke (D)	Olshove (D)	Switalski (D)
Brater (D)	Gleason (D)	Prusi (D)	Thomas (D)
Cherry (D)	Hunter (D)	Schauer (D)	Whitmer (D)

House roll call vote 249 on Senate Bill 94

HOUSE REPUBLICANS (17)

Ball (R)	Gaffney (R)	Moolenaar (R)	Palsrok (R)	Wenke (R)
Calley (R)	Green (R)	Moore (R)	Proos (R)	
Caswell (R)	Hansen (R)	Nofs (R)	Rocca (R)	
Caul (R)	Huizenga (R)	Opsommer (R)	Shaffer (R)	

HOUSE DEMOCRATS (58)

Accavitti (D)	Corriveau (D)	Hammon (D)	McDowell (D)	Tobocman (D)
Angerer (D)	Coulouris (D)	Hood (D)	Meadows (D)	Vagnozzi (D)
Bauer (D)	Cushingberry (D)	Hopgood (D)	Meisner (D)	Valentine (D)
Bennett (D)	Dean (D)	Jackson (D)	Melton (D)	Warren (D)
Bieda (D)	Dillon (D)	Johnson (D)	Miller (D)	Wojno (D)
Brown (D)	Donigan (D)	Jones (D)	Polidori (D)	Young (D)
Byrnes (D)	Ebli (D)	Lahti (D)	Sak (D)	
Byrum (D)	Espinoza (D)	Law, K. (D)	Scott (D)	
Cheeks (D)	Farrah (D)	LeBlanc (D)	Sheltrown (D)	
Clack (D)	Gillard (D)	Leland (D)	Simpson (D)	
Clemente (D)	Gonzales (D)	Lemmons (D)	Smith, A. (D)	
Condino (D)	Griffin (D)	Lindberg (D)	Smith, V. (D)	
Constan (D)	Hammel (D)	Mayes (D)	Spade (D)	

Legislators who voted AGAINST creating the Michigan Business Tax — an equally costly replacement for the Single Business Tax:

Senate roll call vote 218 on Senate Bill 94

SENATE REPUBLICANS (3)

McManus (R)	Patterson (R)	Sanborn (R)
-------------	---------------	-------------

SENATE DEMOCRATS (NONE)

House roll call vote 249 on Senate Bill 94

HOUSE REPUBLICANS (34)

Acciavatti (R)	Hoogendyk (R)	Moss (R)	Stakoe (R)
Agema (R)	Horn (R)	Nitz (R)	Steil (R)
Booher (R)	Hune (R)	Palmer (R)	Walker (R)
Brandenburg (R)	Jones, Rick (R)	Pastor (R)	Ward (R)
Casperson (R)	Knollenberg (R)	Pavlov (R)	
DeRoche (R)	LaJoy (R)	Pearce (R)	
Elsenhaimer (R)	Law, D. (R)	Robertson (R)	
Emmons (R)	Marleau (R)	Schuitmaker (R)	
Garfield (R)	Meekhof (R)	Sheen (R)	
Hildenbrand (R)	Meltzer (R)	Stahl (R)	

HOUSE DEMOCRATS (NONE)

Legislators who DID NOT VOTE:

Rep. Amos (R)	Sen. Cropsey (R)
Sen. Barcia (D)	Sen. Pappageorge (R)

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CB = Capitol Building

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Did you know?

Members of the Michigan House and Senate are the second highest-paid state legislators in the United States, behind only California.

Base member annual pay: \$79,650

Additional annual expense allowance: \$12,000

Supplements are paid to the following 12 legislative officers:

- Speaker of the House: \$27,000
- Majority leader in the Senate: \$26,000
- Minority leaders in both House and Senate: \$22,000
- Majority floor leaders in both House and Senate: \$12,000
- Minority floor leaders in both House and Senate: \$10,000
- Chair of Appropriations Committee in both House and Senate: \$7,000
- House speaker pro tempore and Senate president pro tempore: \$5,513

In more than 30 states, the position of state legislator is a part-time job with a salary of \$30,000 or less. Texas — the second most populous state and second largest geographically — pays lawmakers \$7,200 per year.

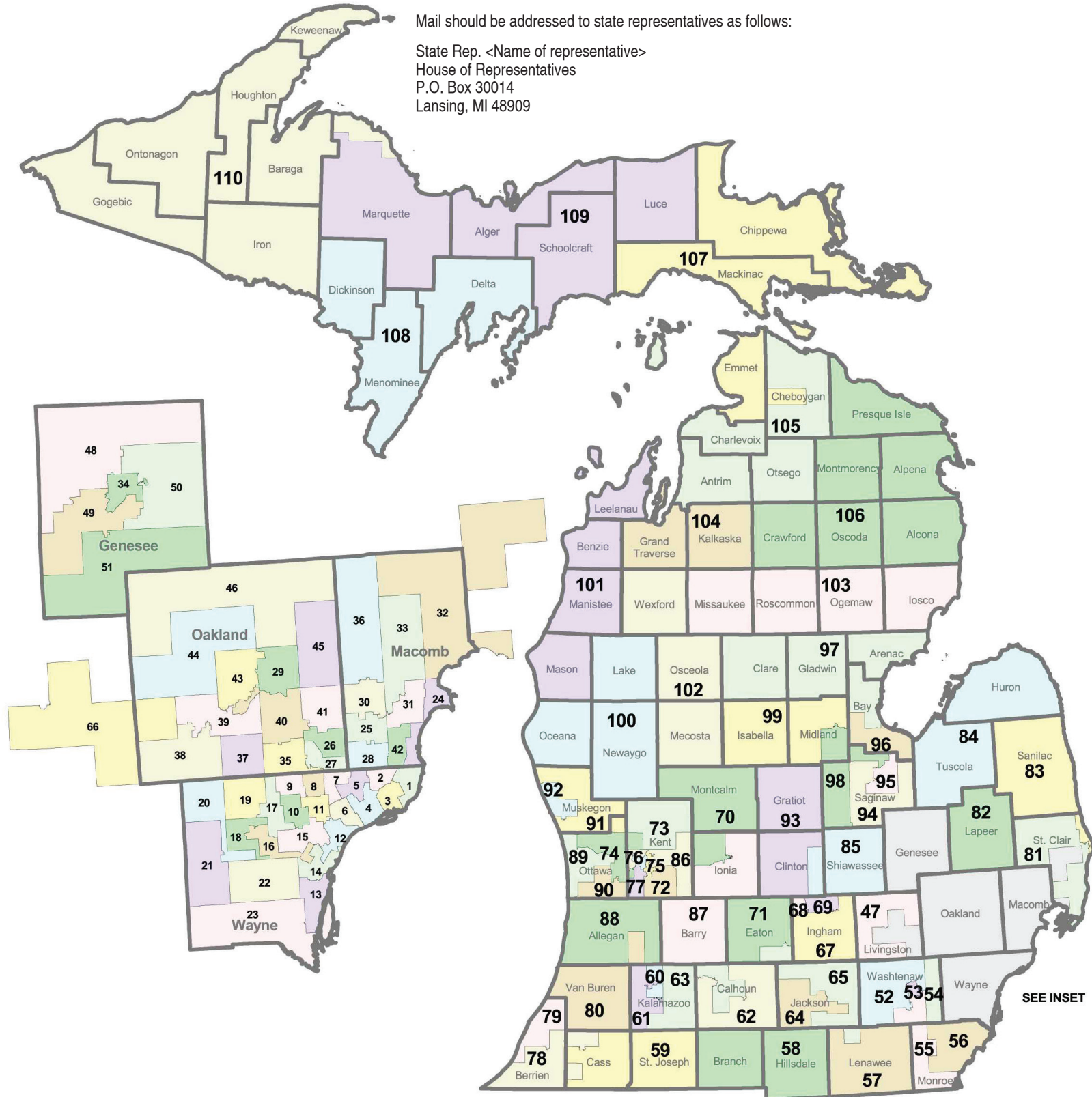
Some pay much less: New Hampshire legislators are paid a salary of \$200 for a two-year term of office, Alabama pays \$10 per day and New Mexico offers no salary at all — just expenses. ■

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Michigan's 110 House Districts 2001 Apportionment Plan

Mail should be addressed to state representatives as follows:

State Rep. <Name of representative>
House of Representatives
P.O. Box 30014
Lansing, MI 48909



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CB = Capitol Building***001**
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PAYCHECK

from Page One

they're going to have to get their members' permission first."

However, Hunter also pointed out that there are limitations to the Michigan law: "Michigan's paycheck protection law could be improved significantly. Under Michigan's law, payroll dues deductions may be used for political action fund contributions only after individual workers grant their consent each year. The law does not cover union-sponsored

Full paycheck protection would cover all union nonworkplace-related dues expenditures, including union-sponsored phone banks, issue advertisements and publications, many of which are political in nature.

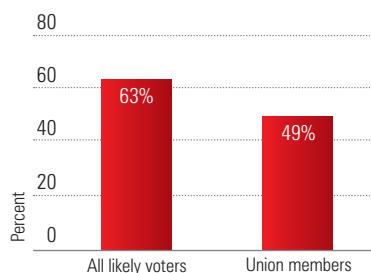
phone banks, issue advertisements or publications, many of which are political in nature. Full paycheck protection would cover all union nonworkplace-related dues expenditures."

An August 2002 opinion poll commissioned by the Mackinac Center showed 63 percent support amongst likely voters for strengthening Michigan's paycheck protection law so as to add the provisions that Mr. Hunter suggests. This poll also showed 49 percent support amongst voters who are members of unions.

But even the modest gains already made toward paycheck protection in Michigan are under siege. A bill that would eliminate the requirement that employees affirm annually that they want paycheck deductions to go into a union PAC recently passed the Michigan House of Representatives on May 2, 2007, and awaits attention from the Senate. House Bill 4628, sponsored by State Rep. Fred

Preference for stronger paycheck protection laws

August 2002



Source: August 18-21, 2002, survey of 600 likely voters for the November 2002 general election conducted by Epic/MRA and commissioned by the Mackinac Center for Public Policy.

Miller, D-Mount Clemens, would make several other changes to Michigan's campaign finance laws. The bill was the subject of numerous amendments prior to its passage.

An amendment offered by State Rep. Chris Ward, R-Brighton, would have reinserted the spirit of existing paycheck protection language back into HB 4628. The Ward amendment stated that unions would be required to get annual permission in writing from each member to use any portion of their union dues for political activity. This amendment was rejected by the House on a vote of 58-50, with one Republican joining 57 Democrats in voting it down.

HB 4628 was later approved without this amendment by the House of Representatives. If it is adopted by the Senate and signed by the governor in its present form, unions will no longer be required to ask for an-

nual permission before contributing the dues of their members to union political action committee accounts. The bill is currently pending before the Senate Campaign & Election Oversight Committee, chaired by State Sen. Michelle McManus, R-Lake Leelanau.

Hunter's essay describing paycheck protection laws can be read in its entirety at www.mackinac.org/5192. His description of the 2002 opinion poll regarding support for paycheck protection laws can be found at www.mackinac.org/4571. ■

The MichiganVotes.org tally for the Ward amendment to restore paycheck protection to HB 4628 is provided below.

Check MichiganVotes.org

Legislators who voted IN FAVOR of requiring unions to ask for permission annually before using member dues for political activity:

2007 House roll call vote 131 on House Bill 4628

HOUSE REPUBLICANS (50)

Acciavatti (R)	Caul (R)	Horn (R)	Meltzer (R)	Pastor (R)	Stakoe (R)
Agema (R)	Elsenheimer (R)	Huizenga (R)	Moolenaar (R)	Pavlov (R)	Steil (R)
Amos (R)	Emmons (R)	Hune (R)	Moore (R)	Pearce (R)	Walker (R)
Ball (R)	Gaffney (R)	Jones, Rick (R)	Moss (R)	Proos (R)	Ward (R)
Booher (R)	Garfield (R)	Knollenberg (R)	Nitz (R)	Robertson (R)	Wenke (R)
Brandenburg (R)	Green (R)	LaJoy (R)	Nofs (R)	Schuitmaker (R)	
Calley (R)	Hansen (R)	Law, D. (R)	Opsommer (R)	Shaffer (R)	
Casperson (R)	Hildenbrand (R)	Marleau (R)	Palmer (R)	Sheen (R)	
Caswell (R)	Hoogendyk (R)	Meekhof (R)	Palsrok (R)	Stahl (R)	

HOUSE DEMOCRATS (NONE)

Legislators who voted AGAINST requiring unions to ask for permission annually before using member dues for political activity:

2007 House roll call vote 131 on House Bill 4628

HOUSE REPUBLICANS (1)

Rocca (R)

HOUSE DEMOCRATS (57)

Accavitti (D)	Clemente (D)	Espinoza (D)	Jones, Robert (D)	Meisner (D)	Spade (D)
Angerer (D)	Condino (D)	Farrah (D)	Lahti (D)	Melton (D)	Tobocman (D)
Bauer (D)	Constan (D)	Gillard (D)	Law, K. (D)	Miller (D)	Vagnozzi (D)
Bennett (D)	Corriveau (D)	Griffin (D)	LeBlanc (D)	Polidori (D)	Valentine (D)
Bieda (D)	Coulouris (D)	Hammel (D)	Leland (D)	Sak (D)	Warren (D)
Brown (D)	Cushingberry (D)	Hammon (D)	Lemmons (D)	Scott (D)	Wojno (D)
Byrnes (D)	Dean (D)	Hood (D)	Lindberg (D)	Sheltrown (D)	Young (D)
Byrum (D)	Dillon (D)	Hopgood (D)	Mayes (D)	Simpson (D)	
Cheeks (D)	Donigan (D)	Jackson (D)	McDowell (D)	Smith, Alma (D)	
Clack (D)	Ebli (D)	Johnson (D)	Meadows (D)	Smith, Virgil (D)	

Legislators who DID NOT VOTE:

DeRoche (R) Gonzales (D)

Privatization
MICHIGAN
REPORT

MICHIGAN EDUCATION REPORT

MichiganScience

VIEWPOINT
ON PUBLIC ISSUES

MICHIGAN
CAPITOL CONFIDENTIAL

MACKINAC CENTER
FOR PUBLIC POLICY

The business of ideas

www.mackinac.org

State government wants to subsidize a theme park in Grayling Township

Overextended state government would provide \$25M

On Jan. 24, 2007, Republican state Sen. Tony Stamas of Midland introduced Senate Bill 26, legislation that would authorize a “tax increment financing authority” in Grayling Township to subsidize the construction of an amusement park project. A TIFA “captures” the increment of extra local property tax revenue that would supposedly result from the economic growth which might be generated by the amusement park. The “captured” tax revenue is used to pay off the debt incurred by borrowing to subsidize the project and is thus diverted from financing other local government services.

The bill is part of a larger state effort to attract the theme park. As noted below by Diane S. Katz and James M. Hohman in a Mackinac Center Viewpoint published in April, this private park, which is seeking \$25 million in infrastructure spending from the state of Michigan, would likely continue a tradition of dubious government investment in entertainment projects that didn’t work as planned.

Senate Bill 26 has been referred to the state Senate Appropriations Committee, chaired by state Sen. Ron Jelinek, R-Three Oaks.

TAKEN FOR A RIDE

By Diane S. Katz
and James M. Hohman

Gov. Jennifer Granholm and other proponents of higher taxes claim there’s no fat left to cut from Michigan’s budget to resolve a deficit of \$800 million. If that’s indeed the case, taxpayers should expect that the administration won’t gamble a penny of scarce funds on yet another amusement park subsidy.

The Bay City Times first reported that the Rochester-based firm of Axiom Entertainment is eyeing 1,800 acres of state-owned land near Grayling for a \$160 million

Michigan has an abysmal record of park subsidies. Some \$35 million in local, state and federal funds was invested in AutoWorld, a seven-acre theme park in downtown Flint. It closed after only two years.

theme park. A letter of intent to purchase the oak and pine woodlands along Interstate 75 reportedly has been signed by David E. Freed, who oversees land sales for the Michigan Department of Natural Resources.

Axiom is also reportedly seeking \$25 million in infrastructure improvements from the state. The Crawford County site currently

lacks sewer and water service, and would likely require improved highway access.

Amusement parks can be loads of fun, but that doesn’t justify the use of tax dollars to build one. As it is, Michigan has an abysmal record of park subsidies.

- Some \$35 million in local, state and federal funds was invested in AutoWorld, a seven-acre theme park in downtown Flint. The park, which opened in 1984, was supposed to draw 900,000 visitors annually and revive the beleaguered city. It closed after only two years.
- Construction of Cereal City USA, in downtown Battle Creek, was made possible by a loan of \$900,000 from the state that was secured by the city. The attraction, which opened in 1998,

was billed as “a land of wonderful, interactive experiences and entertainment for the entire family, as they explore the birth, development and global impact of the cereal industry.” Officials estimated that the park would draw 400,000 visitors annually, but it was shuttered in January 2007 after years of dismal attendance.

- The Kalamazoo Aviation History Museum secured a \$3 million state grant to launch construction of an aviation theme park. The attraction was touted as “a centerpiece for economic development and tourism in southwestern Michigan,” and local officials hoped that the state would finance half of the \$80 million construction cost. A 25 percent hike in the local hotel tax also was considered. Ultimately, the grant money was returned to the state after the project was scaled back for lack of support.
- The city of Pontiac invested \$55.7 million to build the Silver-

dome in 1975. The Detroit Lions relocated to Detroit’s Ford Field in 2002. Although the team paid the city \$26 million for breaking its contract, Pontiac continues to incur a hefty deficit in maintaining the 127-acre site.

It’s not as if Michigan would lack recreation in the absence of park subsidies. The state already is home to several theme parks and water parks, including Michigan’s Adventure in Muskegon, which attracts hundreds of thousands of visitors annually — without corporate welfare.

Indeed, it bears noting that any park or other amusement facility that must rely on tax dollars, rather than private investment, is by definition not viable and thus unworthy of taxpayer support.

By no means is Axiom Entertainment alone in seeking economic favors from state government. The Mackinac Center’s Michael D. LaFaive has calculated that state and local governments have pledged in excess of \$3 billion worth of tax incentives to some 200 firms over the past two decades under the Michigan Economic Growth Authority. A slew of other subsidies has also been granted. Nationwide, such targeted subsidies are estimated to exceed \$50 billion annually.

While officials justify this “investment” as necessary to job creation, the fact is that such deals rarely make good on the promised returns. The tax credits offered by MEGA in its first 10 years generated at best 13,541 jobs, or 2.3 percent of a single year’s worth of job creation in the state.

More than just tax dollars are at stake. When government nurtures economic dependence, the spirit of free enterprise — the underpinning of American innovation and empowerment — is undermined.

In this context, the supposed benefits of yet more amusement park subsidies pale in comparison to the true costs. The Granholm administration should not consider negotiating such subsidies, especially while demanding that Michigan families surrender more of their hard-earned wages to the state. ■



I'M JUST A BILL

MichiganVotes.org

A sampling of proposed
new state laws,
as described on
MichiganVotes.org

HOUSE BILL 4599

(Name road after term-limited legislator)

Rename a portion of Highway M-63 in Berrien County the "Harry Gast Parkway."

Introduced by State Rep. John Proos IV, R-St. Joseph.

HOUSE BILL 4703

(Designate peeper as official state amphibian)

Establish in law that henceforth the northern spring peeper (*Pseudacris crucifer*) shall be designated as the official State of Michigan amphibian.

Note: At present, Michigan does not have an official state amphibian, or an official state insect. Past bills have proposed designating the marbled salamander as the official state amphibian and the monarch butterfly as the official state insect. Michigan does have an official state reptile, which is the painted turtle. See also House Bill 4704, which would designate apple cider as the official state beverage.

Introduced by State Rep. Pam Byrnes, D-Lyndon Township.

SENATE BILL 49

(Create government women's history commission)

Create a government Michigan women's history commission within the state Department of History, Arts, and Libraries. This entity would promote and preserve the history of women in this state to enhance Michigan's tourism product, and expand educational materials; sponsor commemorations, linkages, seminars, and public forums on women in this state; seek private funding and lobby for government funding for "activities to protect, preserve, educate, and promote the legacy of women in this state;" and promote the making of applications for inclusion in the national and state register of historic places.

Introduced by State Sen. Gretchen Whitmer, D-East Lansing.

HOUSE BILL 4314

(Require certain labels on water bottled in Michigan)

Require any water bottled in Michigan for sale at market to have a label stating that the water is from Michigan and showing a small map outline of the state.

Introduced by State Rep. Gino Polidori, D-Dearborn.

SENATE BILL 110

(Prohibit allowing smoking in private workplace)

Prohibit a business owner from choosing to allow smoking in his or her establishment.

Introduced by State Sen. Tom George, R-Kalamazoo.

HOUSE BILL 4754

(Spend \$300,000 to open government "trade office" in Arabia)

Authorize spending \$300,000 to open a Michigan "African and Mideast Trade Office" in Qatar or the United Arab Emirates.

Introduced by State Rep. George Cushingberry, D-Detroit.

SENATE BILL 629

(Ban swimming from a pier)

Prohibit jumping, diving or swimming off any pier, jetty or breakwater in the Great Lakes, subject to a \$500 fine.

Introduced by State Sen. Ron Jelinek, R-Three Oaks.