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Michigan to wage war on oil and gas companies

17 attorneys will litigate state claims that the fossil fuel industry contributed to climate change



Photo by Shutterstock

BY SCOTT MCCLALLEN

Michigan Attorney General Dana Nessel has selected three private law firms that specialize in activist litigation to sue oil and gas companies for allegedly contributing to climate change.

The Department of Attorney General selected the outside legal teams to serve as special assistant attorneys general to sue the fossil fuel industry on behalf of the State of Michigan, Nessel's Press Secretary Danny Wimmer told Michigan Capitol Confidential in an email.

"The team made up of Sher Edling LLP, DiCello Levitt LLP, and Hausfeld LLP brings an exceptional mix of skilled attorneys who have experience successfully representing public entities in specialized litigation involving environmental issues and industry deception," Wimmer wrote.

Compensation is contingent upon the successful recovery of funds. Seventeen law firm attorneys signed the contract. Here's what we know about the firms.

Sher Edling LLP is a San Francisco-based law firm. "We help our clients

hold polluters accountable for deceiving consumers about climate change, for contaminating the drinking water people rely on, and for threatening our communities and health with dangerous chemicals in our land, air and water," the firm says on its website.

The firm has come under scrutiny for its funding by a variety of activist groups and its undisclosed work with former National Transportation and Safety Board official Ann Carlson prior to Carlson's abortive nomination as NTSB administrator.

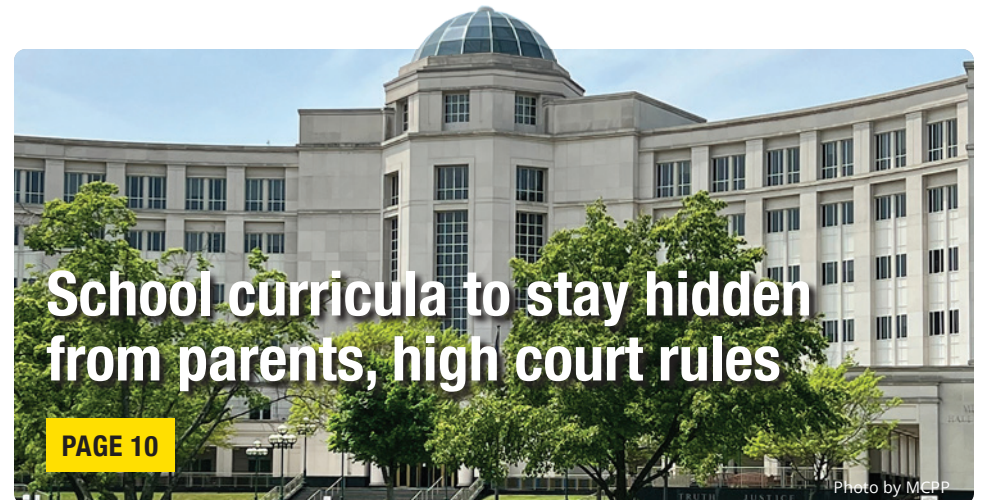
A memo last week from the U.S. Senate Committee on Commerce, Science, and Transportation and U.S. House of Representatives Committee on Oversight and Accountability said Sher Edling is trying to "cripple" the fossil fuel industry through more than 20 lawsuits.

"Sher Edling calls these cases 'climate deception' cases, while legal scholars call them 'climate nuisance suits,' because the '[a]ctivist lawyers and city officials' bringing them 'are exploiting a radically misplaced legal theory' of nuisance—

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Mackinac Center for Public Policy
140 West Main Street
P.O. Box 568
Midland, Michigan 48640



School curricula to stay hidden from parents, high court rules

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MEET THE STAFF



Scott McClallen is a reporter and editor for Michigan Capitol Confidential. He may be reached at mcclallen@mackinac.org



Jamie A. Hope is the assistant managing editor for Michigan Capitol Confidential. She may be reached at Hope@mackinac.org

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East Lansing drops fines for homeowners who allow long-term guests

Ballot measure overturns daily fines of \$500

BY JAMIE A. HOPE

East Lansing residents won't face the possibility of \$500-per-day fines for having long-term guests in their homes after voters approved a ballot measure this month.

Proposal 1, approved Nov. 5, will prohibit the city from "interfer[ing] with rights of owners to live with persons of their choice, so long as they are not rent-paying tenants." It will change a situation under which residents who allowed nonpaying guests in their homes for more than 30 days, were, with some exceptions, required to seek a city permit or risk being fined.

Voters supported the proposal by a vote of 7,972 in favor to 6,666 opposed.

"This vote and campaign showed that East Lansing residents want to have guests live in their home without potentially facing large fines," the East Lansing Charter Committee, which pushed for the change, said on its website.

"Those for and against Proposal 1 agreed on the key points – they want to have live-in child care, to age in place without fines, to have loved ones live so they can be cared for," the committee continued. "City council and officials were moving in that direction. YOU just made it official."

The committee included on its website testimony from a retired Ingham County circuit court judge who described a case brought to him that involved thousands of dollars in fines. Outrageous fines were not unusual, wrote retired judge James R. Giddings. A retired prosecutor wrote that one factor in her decision to leave East Lansing was the possibility of being fined by the city if she ever needed in-home caregivers.

Michigan Capitol Confidential submitted a Freedom of Information Act request to the city, asking for records of all permits issued to residents under now-repealed requirements. It also sought information about any citations and fines issued to violators. City officials responded that they do not have such records.

"The reason that this request was denied is as follows," wrote Carrie Sampson, the city's communications director. "The City is not in possession of documents that respond to this (FOIA) request. Homeowners can have guests and the City does not issue permits for guests. We do not issue citations to homeowners for having guests, and no permits would have been issued, since such a thing does not exist," she told CapCon in an email.

But Mark Grebnar, a longtime East Lansing resident, said a colleague faced fines from the city. In the last 10 years, he has represented about 30 clients who had problems because of the unusual regulations on residential guests, Grebnar told a public forum.

Members of the charter committee asked the city to change its code, Grebnar said, but council members replied that there was not a problem.

The charter committee gathered enough signatures to add the proposal to the ballot, at which point, Grebnar said, officials decided to begin reforming the rule.

Various press accounts, as well as the charter amendment committee, said that some property owners have been fined thousands of dollars.

CapCon has asked the city the amount of revenue it has collected through these fines since 2020. It is awaiting a response. ■

The original version of this story was posted online on November 20, 2024 and is available at [MichCapCon.com/32575](https://michcapcon.com/32575).

General Motors, Bedrock want Michigan taxpayers to foot \$250M for RenCen redevelopment

GM recently cut 1,000 jobs but wants more taxpayer money



Photo by Pexels

BY SCOTT MCCLALLEN

Two weeks after firing 1,000 employees, General Motors wants Michigan taxpayers to pay \$250 million to tear down and renovate the Renaissance Center, Crain's Detroit Business reported.

GM offered to pay \$250 million, and the real estate firm Bedrock said it would pay \$1 billion, Crain's reported, but lawmakers on both sides of the aisle said the companies should foot the entire bill.

In a Nov. 25 news conference, House Speaker-elect Matt Hall, R-Richland, said the proposal was insulting.

"They're the ones leaving Michigan and leaving Detroit," Hall said. "So wouldn't it be a great part of GM's legacy to just pay to tear down the building and redevelop it? How

insulting is it to the taxpayers that these guys say 'We're leaving Detroit and we want you guys to pay to tear down the building on our way out?'"

Rep. Dylan Wegela, D-Garden City, also rejected the proposed handout supported by Bedrock, owned by billionaire Dan Gilbert.

"Dan Gilbert has a net worth of \$25b. Someone making \$50,000 a year would have to work for 500,000 years (saving every penny) to amass that fortune," Wegela posted on social media. "GM is making record profits. Yet they still have the nerve to ask for a \$250 Million handout."

Bedrock LLC supports the plan. The company posted on social media:

"Bedrock and General Motors announce a conceptual plan to redevelop the Renaissance Center (RenCen) and 27 acres along the

Detroit riverfront. The plan preserves the essence of Detroit's skyline, 'rightsizes' the RenCen's footprint, and connects the site to the heart of downtown. The surrounding entertainment district would become a vibrant waterfront destination, drawing international visitors and featuring restaurants, hospitality, residential and market space—complementing Detroit's award-winning Riverwalk, which draws more than 3.5 million annual visitors to the city."

The plan would redevelop three towers into a mix of hospitality and housing, create a new pedestrian walkway connecting the city to the riverfront, and remove the base of the complex and the two office towers nearest the Detroit River, according to Bedrock.

"GM has the best possible partner with

Bedrock in this effort to redevelop the Renaissance Center," Dave Massaron, vice president of infrastructure and corporate citizenship for GM, said in a statement. "Nobody has repurposed more buildings in Detroit than Dan Gilbert and his Bedrock team. This is another chapter in their unprecedented commitment to building the best possible future for the city and Michigan."

The proposal follows a banner year for corporate welfare in Michigan. Since 2023, Michigan lawmakers have approved \$4.6 billion in handouts to select, favored companies. ■

The original version of this story was posted online on November 29, 2024 and is available at [MichCapCon.com/32623](https://michcapcon.com/32623).

Incoming House speaker wants \$2.8B shift to fix local roads

Money earmarked for corporate welfare would fix the roads



Photo by Shutterstock

BY SCOTT MCCLALLEN

House Speaker-elect Rep. Matt Hall, R-Richland, pitched a \$2.8 billion plan on Nov. 25 to fix the roads and bridges.

The lawmaker wants to act on Gov. Gretchen Whitmer's 2018 campaign promise by shifting existing tax dollars and expiring corporate handouts to roads.

"Everyone says they want to fix the roads when the cameras are on, but nobody has taken any real steps to do

it these past two years," Hall said in a news release. "The people are sick and tired of inaction and empty words."

Since 2023, Michigan lawmakers have approved \$4.6 billion in corporate welfare to select companies, Michigan Capitol Confidential has reported.

Michigan's 2025 budget is a record \$83 billion, but the roads here, especially county and local roads, are still falling apart.

Hall's plan would allocate \$1.2 billion of corporate income tax revenue to infrastructure, add \$600 million in additional funding in 2026, and direct state gas revenue entirely to road funding.

The \$600 million increase would come from three current earmarks: \$500 million for the Strategic Outreach and Attraction Reserve Fund that pays for corporate incentives, \$50 million for the Revitalization and Placemaking Fund, and \$50 million for the Housing and Community Development Fund.

The SOAR and RAP earmarks are set to expire after the 2024-25 fiscal year.

Hall also wants to replace the 6% sales tax on motor fuel with a revenue-neutral increase in the motor fuel tax, which would exclusively fund infrastructure. This would yield about \$945 million in additional resources, Hall said.

In 2020, Whitmer's administration borrowed \$3.5 billion in bonds to fix state highways, but that money didn't repair county and city roads.

County road agencies maintain roughly 75% of Michigan's

road miles, which means 90,500 miles of roads and 5,900 bridges, according to the County Road Association of Michigan.

The governor's office has not responded to a request for comment.

The focus on local road funding is welcome, Ed Noyola, chief deputy and legislative director of the county road association, told CapCon in a phone interview.

"This is a step toward a long-term, sustainable revenue source that we look forward to and we would love to participate in," Noyola said.

Spending existing revenue on roads instead of corporate welfare would be a win for taxpayers, said Michael LaFaive, senior director of the Morey Fiscal Policy Initiative at the Mackinac Center for Public Policy.

"Corporate handout programs are demonstrably ineffective and expensive and come with huge opportunity costs," LaFaive wrote in an email. "The billions wasted underwriting corporate bottom lines would be better spent filling potholes and fixing bridges."

LaFaive cited research from the Kalamazoo-based W. E. Upjohn Institute for Employment Research that reports large subsidies for big corporations have "starkly negative employment impacts." ■

The original version of this story was posted online on November 27, 2024 and is available at [MichCapCon.com/32620](https://michcapcon.com/32620).

Detroit's cider mill scores legal win, but the fight isn't over yet

Civil hearing scheduled for October 2

BY SCOTT MCCLALLEN

The only cider mill in Detroit has won a court battle against the city, but a second court case looms.

A jury on Sept. 27 acquitted Leandra King, a farmer at Detroit Farm and Cider, of all criminal charges for owning livestock without a proper permit on her five-acre farm.

"What was exposed today is the political vendetta that was driving this whole case," King said in a phone interview with Michigan Capitol Confidential.

In 2021, King said, the local government started revoking her permits for the farm, which housed 130 fruit trees, a youth equestrian program and livestock. The farm remains shut down.

The city of Detroit wants the farm to comply with the law, Corporation Counsel Conrad Mallett told CapCon in an email.

"Currently, they still have multiple violations of the city code including but not limited to: a new structure, plumbing, electrical without the proper permits, inspections, or approvals. We look forward to them being in compliance with all applicable codes and ordinances."

The city plans to press compliance claims in civil court on Wednesday. The farm has harbored wild animals, operated a greenhouse without a permit, and used the property illegally, the city claims in a court document.

"Further, the following conditions at the Subject Properties are a threat to the public health and safety of the City of Detroit residents living near the surrounding property," the emergency motion for a temporary restraining order says.

The city seeks a cease-and-desist order against what it calls "illegal use and operation of an illegal urban farm."



Photo by Shutterstock

It also seeks a ruling to allow city officials to inspect the property within seven days. ■

The original version of this story was posted online on October 2, 2024 and is available at [MichCapCon.com/32419](https://michcapcon.com/32419).

Legislature extends tax breaks for data center that brought only 2.6% of promised jobs

Bill could reduce state revenue by more than \$90 million, says Senate Fiscal Agency



Photo by Shutterstock

BY SCOTT MCCLALLEN

When Michigan approved subsidies for a data center in Grand Rapids in 2015, the data storage company Switch promised it would create 1,000 jobs.

A 2022 state report said Switch had created 26 jobs or 2.6% of its promised goal.

Despite that broken promise, last week, the Legislature approved House Bill 4906 to extend to exempt large data centers from sales and use taxes until 2050. Some exemptions will last until 2066.

The bill would reduce state and local revenue between \$52.5 million through fiscal year 2065-66, according to the Senate Fiscal Agency. The loss to the general fund could exceed \$90 million.

In 2015, the Detroit Free Press quoted Birgit Klohs, the then-president and CEO of The Right Place, Inc., a group that advocates for subsidies, saying: “I cannot overstate the impact Switch will have on both the greater Grand Rapids area as well as the entire state of Michigan.”

Switch did not respond to a request for comment.

John Mozena, president of the Center for Economic Accountability, said that data centers are some of the “dumbest things a state can subsidize.”

Data centers require great amounts of water and electricity but provide few jobs, Mozena told Michigan Capitol Confidential. They also are unlikely to lead to new jobs in their vicinity because modern cloud computing makes the actual location of a server far less important.

“That’s why the promises of follow-on high-tech development around data centers almost never deliver,” Mozena said. “Developers say that companies will come to town to be near the data center, but only a tiny fraction of very specific industries, such as high-speed Wall Street trading firms, need to be physically close to the data centers they’re using. Otherwise, data centers and IT companies are often looking for very different things in the site selection process. Data centers care about cheap land, power and water, in places with a low risk of natural disasters. IT firms, however, are almost entirely focused on

the availability of a skilled local IT workforce.”

State Rep. Joey Andrews, D-St. Joseph, welcomed the bill’s passage.

“The passage of this bill will help bolster economic growth and development here in Michigan,” the bill sponsor said in a news release. “As technology continues to advance, it is imperative that legislation allows the state to remain competitive economically. Southwest Michigan’s abundant fresh water resources and reliable nuclear energy infrastructure make it an ideal destination for data centers, particularly with the growing demand for such facilities. This positions our region as increasingly attractive for investment, fostering economic growth and job creation.”

The Senate Fiscal Agency said large data centers can consume anywhere from 1 million to 5 million gallons of water per day. ■

The original version of this story was posted online on November 21, 2024 and is available at [MichCapCon.com/32606](https://michcapcon.com/32606).



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Clean fuel proposal would drive up gas prices 34 cents per gallon by 2035

Michigan households could see gas costs rise by \$350 per year

BY SCOTT MCCLALLEN

If Michigan pursues a proposed clean fuel standard, gasoline costs for the typical Michigan household will increase by \$350 per year, according to a new study.

Researchers Isaac Orr, Ewan Hayes and Mitch Rolling wrote the Mackinac Center for Public Policy report *Low Carbon, High Costs*

In 2023, Sen. Sam Singh, D-East Lansing, introduced Senate Bill 275 to create a statewide standard for fuels. If passed and enacted into law, this would require the carbon intensity of fuel to be reduced by at least 25% by 2035.

“It is past due that we take action to address climate change and invest in the resources needed to make Michigan a leader in environmental resiliency and sustainability,” Singh said in a 2023 news release. “Creating energy efficiency standards and working to reduce carbon emissions and utility costs for residents will make a significant economic impact.”

The group Always On Energy Research calculated that the clean fuel proposal would increase gasoline and diesel prices by about 10%. The proposed standard would increase gasoline prices by \$0.34 per gallon and diesel prices by \$0.39 per gallon by 2035, according to the model.

U.S. Energy Information Administration data show Michiganders consumed nearly 4.3 billion gallons of gasoline in 2022, or about 1,048 gallons per household. Increasing the cost of gasoline

by \$0.34 per gallon would cost the typical household an additional \$356 per year.

The extra costs Michigan drivers would pay at the pump would not help fix the state’s roads and bridges. The proposal would reduce revenue for road maintenance because drivers would purchase less fuel at higher prices. The biggest winners from this proposal would be the companies that produce and sell so-called clean fuels.

The clean fuel proposal would also increase the state budget to fund government fuel costs and administrative costs associated with creating the fuel mandate. Lawmakers would need either to raise taxes or to redirect current spending priorities toward the program.

The legislation requires the standard to become increasingly more stringent. The most common ethanol fuels like E-10 and E-15 would quickly be considered no longer “clean.”

Environmental benefits would be negligible. If the standard works to reduce carbon emissions, it might reduce future global temperatures by an estimated 0.0003° C in 2100, the study said.

Gov. Gretchen Whitmer’s MI Healthy Climate plan calls for enacting a clean fuel standard to reach carbon neutrality by 2050. ■

The original version of this story was posted online on November 12, 2024 and is available at [MichCapCon.com/32563](https://michcapcon.com/32563).

Michigan Legislature gives \$1 million to mystery golf nonprofit

Budget’s \$1.25 million Sault Ste. Marie grant also includes quarter-million for a snowmobile track



Photo by Shutterstock

BY JAMIE A. HOPE

Michigan taxpayers will pay \$1 million to an undisclosed nonprofit to help young adults improve their golf game.

The Legislature approved \$1.25 million in the 2025 state budget for a snowmobile track and golf-centered training in what it called “life skills.”

The grant comes as an earmark, language added so late in the budget process that it receives little or no vetting.

Lawmakers awarded the city of Sault Ste. Marie \$250,000 for renovations to the International 500 Snowmobile Track Racetrack, set to begin in the summer of 2025, according to the city’s website. The track hosts the annual International 500 snowmobile race.

The site has already received substantial funding from taxpayers. The U.S. Economic Development Administration has awarded it \$2 million for renovations, with more coming from local sources.

“This \$2 million investment in the Sault will create or retain 50 good-paying jobs and help us continue to grow our Pure Michigan economy,” said Gov. Gretchen Whitmer in a Sept. 6, 2022, press release announcing the federal grant.

Rep. Neil Friske, R-Charlevoix, represents Sault Ste. Marie in the Michigan House.

“My office was NOT involved in the conversations or process regarding the Grant for the I-500 track improvements,”

said Friske in an email to Michigan Capitol Confidential, writing about the earmark in the state budget. “While I understand the economic impact that event has on the Sault area, I always struggle with my constituents hard-earned tax dollars being directed to these types of projects.”

The \$1 million golf grant does not name the locale or the intended recipient. The description of the grant reads:

“From the funds appropriated in part 1 for community enhancement grants, \$1,000,000.00 shall be awarded to a nonprofit organization with a mission dedicated to equipping determined young adults through life skills training, proactive coaching, long-term mentoring, and the discipline of golf in order to succeed in college, in their careers, and beyond that is located in a county with a population greater than 1,500,000 according to the most recent federal decennial census for the renovation of a facility.”

The Legislature uses population estimates to skirt a requirement that each grant in the state budget receives a two-thirds vote if it will benefit private entities. CapCon has previously reported on the secrecy and constitutional questions surrounding Michigan’s extensive use of earmarks. ■

The original version of this story was posted online on November 18, 2024 and is available at [MichCapCon.com/32571](https://michcapcon.com/32571).

Taxpayers' cost of drinking whiskey and rye: \$2 million

Traverse City business also receives \$62k for equipment from 2025 Michigan budget

BY JAMIE A. HOPE

Michigan taxpayers gave \$2 million to Mammoth Distillery to help the company create a new whiskey recipe. The business will purchase and redevelop Pugsley Correctional Facility, which was permanently closed in 2016.

The 2025 state budget conference report (p. 115) said the money will go toward “the redevelopment of a former corrections facility in Grand Traverse County into an agricultural tourism hub.”

Rep. Betsy Coffia, D-Traverse City, whose district includes the company’s address, told CapCon told Michigan Capitol Confidential in an email that she did not request the funds. The budget does not indicate which legislator made the request.

Crain’s Grand Rapids Business in July identified Mammoth Distillery, owned by Chad Munger, as the recipient of the \$2 million state grant. Munger, it said, is

working with farmers to grow Rosen Rye, a cultivar that was once grown in Michigan.

Munger did not respond to an email seeking comment.

Farmers stopped growing Rosen Rye around 1950. Mammoth Distillery provides a timeline of the crop’s history in Michigan on its website. Trevor Tkach, president of Traverse City Tourism, told Crain’s that agritourism is crucial to the area.

There are approximately 50 wineries in the region, according to Traverse City Tourism. This number does not include distilleries, breweries, and cideries.

The company plans to purchase the long-closed Pugsley Correctional Facility and develop the property, which is currently owned by the Grand Traverse Band of Chippewa and Ottawa Indians.

Munger expected to close on the purchase by Sept. 15, Crain’s reported. Munger did not respond to an email seeking comment. The Grand Traverse



Photo by Shutterstock

Band did not respond to an email inquiry about the possible sale. Grand Traverse County responded to a Freedom of Information Act request by saying it had no information on Mammoth Distillery.

Mammoth Distillery was also awarded \$62,572 in June by the Michigan Department of Agriculture and Rural Development. The company would use the money “for blending and packaging equipment to increase its processing and

production capacity,” according to a state press release.

Gov. Gretchen Whitmer mentioned Mammoth Distillery in a COVID-era press release. In it, she said the company had shifted its operations to manufacture and distribute hand sanitizer to health care professionals. ■

The original version of this story was posted online on October 3, 2024 and is available at [MichCapCon.com/32403](https://michcapcon.com/32403).

Michigan could make it almost impossible for parents to challenge library books

Proposal would ban out-of-district removal requests

BY SCOTT MCCLALLEN

Michigan Democratic lawmakers are sponsoring bills to create statewide standards for keeping or removing books from libraries.

Democratic Reps. Veronica Paiz of Harper Woods and Carol Glanville of Walker introduced House bills 6034 and 6035 Nov. 7. The bills are tie-barred, meaning one cannot be enacted without the other.

“This bill aims to protect our libraries by establishing clear standards and processes for selecting and withdrawing materials from collections,” Glanville told Michigan Capitol Confidential in an email about her proposal. “Additionally, this bill enhances local control of libraries by setting guidelines for out-of-district requests.

By protecting our libraries, we’re not just preserving books. We’re supporting freedom, community, and the values that unite us.”

The bill aims to give the district library’s chief executive employee the final responsibility for keeping or removing materials in a district library’s collection. The director or chief executive employee may designate another individual to act on the director’s or chief executive employee’s behalf to assist with selection or withdrawal.

Under the bill, only a district resident or contracted service area resident can submit a request for reconsideration of material.

If the district library decided on a request for reconsideration of material, then the library can’t consider a reconsideration

request of that same material within 365 days after that determination, according to legislative language.

The bills aim to create uniform rules dictating when and how library materials can be challenged and removed from shelves, said the Michigan Library Association’s Executive Director Debbie Mikula.

“For the last three years, we have been dealing with book challenges — removing and moving books,” Mikula told CapCon in a phone interview. “These bills help identify ways that our public libraries can handle some of those challenges. In many libraries, people from outside of their districts come in and want to remove materials. Libraries are locally funded, locally controlled, and we wanted to make sure that every library had a board-

approved policy in effect that complies with this act.”

Under the bill, a reason or basis for a request for reconsideration cannot be made based on the religion, race, color, national origin, age, sex, sexual orientation, gender identity or expression, height, weight, familial status, or marital status of the author or because the subject matter mentions one of the aforementioned topics.

It’s unclear if lawmakers will take up these bills during the lame-duck session in December. The bills were referred to the Committee on Government Operations. ■

The original version of this story was posted online on November 19, 2024 and is available at [MichCapCon.com/32578](https://michcapcon.com/32578).



Taxpayers rejecting pricier school bonds

Bond issue asking prices doubled over 24 years, but more spending hasn't brought better academic results

BY SCOTT MCCLALLEN

Michigan taxpayers are rejecting more school bond issues compared to the beginning of the century, when the average debt request was less than half the current level.

The average school bond issue request increased from \$21.7 million in 2000 to \$44.6 million in 2024.

School districts usually ask for around 40-60 bonds annually, according to a Michigan Capitol Confidential review of a state website that tracks school bonds since 1996.

Michigan schools have asked voters to approve 60 school bonds so far this year. Voters approved 29 and rejected 32. Voters will decide another 22 school bond questions on Nov. 5, 2024, with the average request seeking \$40 million.

In 2020, schools asked voters to approve 61 school bonds. Of those, 48 passed and 13 failed, giving school officials a success rate of 78%. The average school bond request then was \$40.6 million.

In 2013, schools asked for 43 bond proposals with an average request of \$16

million. Of those, voters approved 32, with an average of \$17 million approved. They rejected 11, with an average dollar amount of \$14 million.

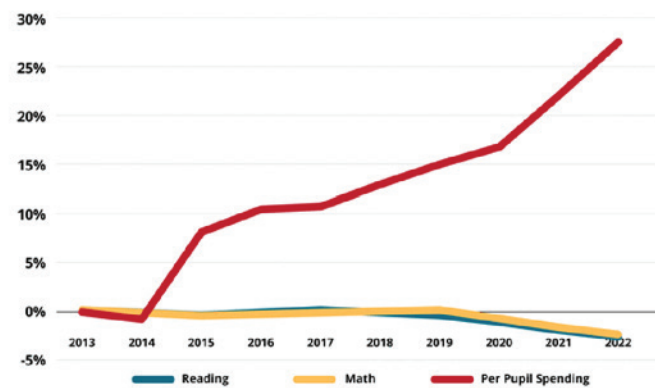
In 2004, voters approved 45 school bonds and rejected 28 bonds at an average ask of \$34M.

There are several reasons why bonds fail more often now than before, Leon Drolet, Macomb Township Treasurer, told Michigan Capital Confidential. Absentee voting allows groups opposed to school bonds to track and oppose measures by mailing pamphlets to voters on the same day they receive the ballots.

“There’s an increasing percentage of people who believe that the schools are becoming partisan as well,” Drolet said in a phone interview. “It may be that 20 years ago, people perceived their schools as a neutral entity that educates children... I think a lot of folks, whether through social media or another mechanism, have come to believe that schools are falling in line with more of a left-leaning worldview.”

Michigan schools received \$5.6 billion in COVID funds and are now trying to sustain spending levels that have skyrocketed since

Michigan K-12 Spending (Adjusted for Inflation) and Student Achievement



Source: MDE, National Public Financial Education Survey and NAEP

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the turn of the century.

In fiscal year 2000-2001, Michigan’s spending on the School Aid Fund reached \$10.8 billion. By fiscal year 2023-24, spending had more than doubled to \$21 billion, according to the nonpartisan Senate Fiscal Agency.

Higher school spending is also following fewer Michigan students as birth rates

drop. More than 1.6 million students attended schools in 2010 compared to 1.4 million students in 2024, Michigan Department of Education data show.

Although funding is up, academic performance has dropped.

In Detroit, 90% of students in public elementary and middle school are either not proficient or only

partially proficient in English, according to Molly Macek, education policy director at the Mackinac Center for Public Policy. Only 5% of eighth graders are proficient in math. ■

The original version of this story was posted online on October 23, 2024 and is available at [MichCapCon.com/32488](https://michcapcon.com/32488).



Michigan election misinformation hotline stuffed with spam

Nearly all complaints were jokes, spam, or attacks, CapCon review shows

BY SCOTT MCCLALLEN

When Michigan created an election misinformation hotline, people flooded the email address with jokes, spam, and attacks on the hotline itself.

Almost all of the reports were from people attacking the hotline, signing it up for email lists, and sending offensive or apparently satirical material, according to a Michigan Capitol Confidential review of the 818 pages of complaints sent to the hotline from Aug. 1, 2024, through Aug. 7, 2024, the first week of the hotline's operation. CapCon received the documents through a record request.

The Michigan Department of State announced the project in August. The hotline allows anyone to report what it calls "election misinformation" to the Department of State.

"The act of spreading misinformation about the election process, voter rights, or even an issue on the ballot is a serious threat to election security," the department said. "These efforts – be they foreign, domestic, partisan, or simply malicious – are designed to sow mistrust in our elections process and are damaging to a healthy democracy."

The state referred Michigan residents to the websites Snopes.com, FactCheck.org and PolitiFact as reliable guides.

"If you see misleading or inaccurate

information regarding voting or elections in Michigan, please report it — and include an image if possible — to Misinformation@Michigan.gov," the state document said.

Many complaints attacked the hotline, the media, or public officials.

"I would like to report the full schedules every day of msnbc and cnn," one complaint said. "Jocelyn Bensen [sic] helps steal elections."

"Your [sic] are misinformation," another email said. Others used vulgar references to state officials.

Some hotline informants went for straightforward comedy with no discernible connection to elections or politics.

"I want to report my friend Ed," one complaint read. "He didn't say anything but he drove his golf cart into the sand trap at maple moor. There must be some penalty for that."

The majority of the emails CapCon reviewed were notifications that the Department of State had been added to an email list. Topics of the mailing lists included Christianity, news digests, personal finance and career advice.

Other complaints criticized state officials as communists, while some mentioned Vice President Kamala Harris. A few mentioned a person whose phone number had been used in unsolicited text

messages sent to third parties.

One reader from Saginaw sharply condemned the hotline.

"This is a horrible idea and I suggest that this should not exist in any state governmental office," the reader wrote. "The State of Michigan government is not responsible for policing speech or opinions. You should only be enforcing laws and not any laws that encumber any expression of opinion or free speech."

One email complained about "hate speech" from a neighbor and asked for a state investigation. Other people reported Secretary of State Jocelyn Benson for "spreading misinformation," while others reported Michigan's government for enacting the hotline and compared the Department of State to Big Brother, the euphemistic name for the totalitarian government in George Orwell's "1984." Another said, "Stalin would be so proud of you."

About 25 complaints, around 3% of the total, did seem to be genuine attempts to point out what respondents considered misinformation. Eight people accused Kerry Lynn Elieff, a GOP candidate for Ross Township supervisor, of violating the Michigan Campaign Finance Act. Michigan Attorney General Dana Nessel sent Elieff a cease and desist order dated July 24 alleging that Elieff "spread misinformation" about a change in polling

places for Ross Township — though it is not clear that this order came in response to a hotline tip. Other respondents claimed that former Green Township supervisor James Chapman posted misinformation online concerning ballots in Green Charter Township.

The Michigan Department of State did not respond to a request for comment on the performance of the hotline and its potential use in future elections.

State Rep. Jay DeBoyer, R-Clay Township, serves on the House Elections Committee and was previously the St. Clair County clerk.

Benson "continues to commit resources to frivolous things," he told CapCon in an email. Instead, he said, she should focus on election integrity after a noncitizen apparently successfully registered and voted in the presidential election, according to a Detroit News report.

(Editor's note: This article has been updated to clarify that one of the reports said "misinformation" instead of "information.") ■

The original version of this story was posted online on November 4, 2024 and is available at [MichCapCon.com/32532](https://michcapcon.com/32532).

Continued from **MI Wage War**, Page 1

which is traditionally a means to address minor, local complaints like persistent loud noise—' to make climate change policy in the courts while landing big cash payouts," the memo said.

DiCello Levitt LLP is a Chicago-based law firm that claims to have won more than \$20 billion for plaintiffs. DiCello Levitt is one of two firms representing the City of Baltimore in its lawsuit against a Singaporean shipping line and others over the Francis Scott Key Bridge collapse. It joined with Sher Edling in February to represent the city of Chicago in a global warming lawsuit against Exxon Mobil, Chevron, Shell, ConocoPhillips, BP, and the American Petroleum Institute. The firm litigates 15 practice areas, including environmental, mass tort, privacy, and

class-action, according to its website.

Hausfeld LLP is based in Philadelphia but has branches across the U.S. and Europe, according to its website. The firm litigates environmental liability, data breaches, commercial disputes, human rights, and antitrust. Hausfeld won settlements from 3M and DuPont in 2018 over alleged PFAS contamination. It is also suing American Express and Pilgrim's Pride for antitrust, among other cases. Hausfeld and DiCello Levitt are co-counsel in a lawsuit against 10 companies in the manufactured home community business.

None of the firms responded to a request for comment. The lawsuit hasn't been filed yet, so the defendants are unclear.

Michigan's contract with the firms runs from Sept. 26, 2024, through Sept.

30, 2027, and it may be extended with 30 days' notice, according to the 14-page contract obtained through a Freedom of Information Act request.

The law firms will pay for initial costs deducted from the gross or total recovery before distribution.

For amounts up to \$150 million, the law firms will receive 10% before discovery and 16.67% after discovery.

The firms will receive 2.5% of amounts exceeding \$150 million before discovery and 7.5% after, according to the contract.

The planned lawsuit targets corporations but, if successful, will impact the customers and employees of the plaintiff companies, said Jason Hayes, director of energy and environmental policy at the Mackinac Center for Public Policy.

"A.G. Nessel and her cadre of high-priced contract law firms assume that the hundreds of millions in judgments they seek will be paid for by corporations," Hayes told CapCon in an email. "But the reality is that customers and employees of the companies will bear the brunt of the costs. Nessel's irresponsible climate litigation only harms the working people who make up the state's oil and gas industry and the customers who rely on the essential and affordable fuels they provide. This scheme would impose additional costs, put oil and gas industry workers out of a job and decrease the reliability of energy across the state." ■

The original version of this story was posted online on October 14, 2024 and is available at [MichCapCon.com/32450](https://michcapcon.com/32450).

School curricula to stay hidden from parents, high court rules

Michigan Supreme Court denies appeal of parent seeking school documents



Photo by MCP

BY SCOTT MCCLALLEN

Michigan parents can't request some school curricula under public record acts after the Michigan Supreme Court chose not to hear an appeal from a lower court.

On Sept. 25, the state's top court denied an appeal filed by the Mackinac Center for Public Policy on behalf of a Rochester parent who requested the curriculum for a class held in the Rochester Public Schools district.

Through the state's Freedom of Information Act, Carol Beth Litkouhi in 2022 sought course materials for a high school class titled "A History of Ethnic and Gender Studies."

Rochester Public Schools refused. The

district argued that the law did not require it to provide records held by teachers.

"At the heart of my lawsuit was a simple but critical principle: Nothing taught in our schools should be under the cover of secrecy," Litkouhi, who ran for and won a seat on the Rochester Community School District's Board of Education in November 2022, said in a statement. "If there is any reason why secrecy is desired or needed, that alone is a red flag. The Rochester School Board felt it best to keep classroom materials secret from parents. They took money away from classrooms to fight this fight. Sadly, they have now succeeded in setting a new, disturbing legal precedent."

In February, the Michigan Court of Appeals ruled in favor of the school

district, stating that only records possessed by a public body itself — not its employees — are subject to FOIA. This decision will restrict the information available to taxpayers.

"This isn't just about a single class in one school district," said Steve Delie, director of transparency and open government at the Mackinac Center. "The implications of this decision are enormous. It means that records held by local government employees across the state — whether they be teachers, police officers or township workers — are likely exempt from public disclosure, making it much harder for citizens to hold their local governments accountable."

Lawmakers can change the law to define

local government employees as public bodies. Rep. Mark Tisdell, R-Rochester Hills, introduced House Bill 4220 in May 2023, which would make the work product of employees, contractors, and volunteers of a public body subject to FOIA within the scope of the person's duties to that public body.

"If the work product of a public employee is paid for by taxpayer dollars, taxpayers have a right to see it," Tisdell said in a phone interview with Michigan Capitol Confidential.

The bill was referred to the Committee on Judiciary last year. ■

The original version of this story was posted online on October 7, 2024 and is available at [MichCapCon.com/32415](https://michcapcon.com/32415).

Curtains could fall for some interior designers

Bill would revive and expand upon repealed state occupational requirements



BY JAMIE A. HOPE

Bills introduced in the Michigan House in September would require interior designers to be licensed to work. House Bill 5960, introduced by Rep. Carol Glanville, D-Walker, would also impose continuing education requirements on designers.

Interior designers had to register with the state until 2014, a requirement which included passing a qualification exam proctored by the Council for Interior Design Qualification. The Michigan Department of Licensing and Regulatory Affairs administered the registry under Section 601a of the Occupation Code. State and local government agencies were authorized to review the list.

In 2013, then-Rep. Andrea LaFontaine, R-Richmond, sponsored legislation to

repeal the registration requirement. It passed with overwhelming support in both chambers of the Legislature before being signed into law by then-Gov. Rick Snyder.

Glanville's legislation, introduced Sept. 26, would impose a greater burden than simply reinstating a registration requirement. HB 5960 calls for an interior design board to provide oversight and ensure adherence to licensing rules. It also calls for a regime to require continuing education credits for practitioners. The bill is tie-barred with two other pieces of legislation, HB 5961 and HB 5962.

Glanville did not respond to a request for comment. The bill was referred to the Committee on Regulatory Reform. If passed by both chambers and signed into law, the law would go into effect Jan. 1,

2026, and anyone working as an interior designer would need to submit, within four years, documentation of having complied with all its requirements. A licensed individual would need to complete at least 12 hours of continuing education credits annually to be granted a license renewal.

Some legislators attempted to license and regulate the interior design industry in 2009 through Senate bills 974 to 976. Jack McHugh, a Mackinac Center analyst at the time, wrote that the bills would "impose licensure and regulation on interior designers, with annual license fees, at least six years of education and/or professional experience prerequisites, testing requirements to standards established by a board of incumbent designers, and more."

McHugh called the bills anti-competitive and an example of rent-seeking, an activity by which existing business interests use government power to prevent newcomers from entering the industry.

The bills never left the Senate Committee on Commerce and Tourism, though the state did form a registry, and interior designers were required to submit their information to the Department of Licensing and Regulatory Affairs until 2014.

Michigan Capitol Confidential reported in 2023 on a conference for occupational license reform. Attendees who opposed heavy regulation said licensing laws create barriers to entry, which result in increased consumer costs and a shortage of industry employees.

The American Society of Interior Designers supports licensing interior designers, according to Lauren Earley,

Esq., the group's affiliate and associate director of government and public affairs.

"Establishing legislation and regulation of interior design that honors the pursuit of the educational, experiential, and examination-based knowledge needed to obtain licensure incentivizes students and young professionals to stay in or come to Michigan for work, adding to and diversifying Michigan's overall economy," Earley told CapCon in an email. "Surrounding states, including Illinois, Wisconsin, and Iowa have passed legislation in recent years that could draw students and young professionals to neighboring workforces; this legislation keeps Michigan's economy competitive within the region."

Its website states:

"The ASID legislative policy supports legislation that provides a path for interior designers to become certified, registered or licensed while not limiting, restricting or preventing the practice of interior design."

The Council for Interior Design Accreditation, based in Grand Rapids, did not take a position on the bill.

(Editor's note: This article has been updated to add ASID's comment and the CIDA's position on the bill.) ■

The original version of this story was posted online on October 8, 2024 and is available at [MichCapCon.com/32417](https://michcapcon.com/32417).



Managing Editor: Scott McClallen **Designers:** Mick McArt, Hannah Golab

Michigan Capitol Confidential is published quarterly by the Mackinac Center for Public Policy, a nonprofit, nonpartisan, tax-exempt research and educational institute devoted to analyzing Michigan public policy issues. Michigan Capitol Confidential is distributed to Michigan residents who have expressed an interest in public policy matters, as well as members of the media and lawmakers and policy staff in the Michigan House, Michigan Senate and Office of the Governor. All rights reserved. Permission to excerpt or reprint is hereby granted provided that Michigan Capitol Confidential, the author and the Mackinac Center for Public Policy are properly cited.

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Legislators avoid constitutional requirement through opaque descriptions

'It's trickery,' legislative critic says



Photo by Shutterstock

BY JAMIE A. HOPE

Michigan lawmakers used vague wording to skirt a constitutional requirement when they gave taxpayer money to private organizations through the 2025 state budget.

When the Legislature gives private companies taxpayer funds, the Michigan Constitution requires it do so by a two-thirds vote in both the House and Senate.

Lawmakers gave \$2 million to the West Michigan Teacher Collaborative, according to the House Fiscal Agency, which reported the names of the budget's grant recipients and the amount each received. The budget document itself, however, does not use the term "West Michigan Teacher Collaborative." Instead, it describes the grant indirectly.

"From the funds appropriated in part 1 for community enhancement grants, \$2,000,000.00 shall be awarded to a teacher collaborative located in a county with a population between 600,000 and 700,000 according to the most recent federal decennial census to support programming," the budget reads.

Most grants in the 2025 budget are described this way. It is a longstanding practice, according to Benjamin Gielczyk, associate director of the House Fiscal Agency.

"The wording you reference (using populations) has really been the practice for enhancement grants/special grants for quite some time," he told Michigan Capitol Confidential in an email. "It stems from how we identify specific local units in statute. For example, many statutes specific to Detroit describe it as a city with a population greater than 600,000 according to the most recent federal decennial census. Since it doesn't specifically identify a city or local unit and uses a population range, it provides an 'open class' meaning technically after any census another local unit could qualify. This really

deals with the two-thirds requirement under Article IV sections 29 and 30."

Rep. Ann Bollin, R-Brighton Township, who serves on the House Appropriations Committee, scorns the practice. "It's trickery," she told CapCon. The vague wording thwarts accountability and transparency, she added.

Legislators need to change their practice, a legal expert told CapCon. "The Michigan Constitution is clear that laws targeted to local interests require the support of two-thirds of the Legislature," said Steve Delie, a specialist in government transparency and open records at the Mackinac Center for Public Policy.

"The legislature should follow the process established by the Constitution, rather than employ these misleading tactics," he said. ■

The original version of this story was posted online on November 6, 2024 and is available at [MichCapCon.com/32529](https://michcapcon.com/32529).

Whitmer boasts of Michigan's energy prices, which are high for its region

Net zero mandates will drive up costs even more

BY JAMIE A. HOPE

As Gov. Gretchen Whitmer claims to be keeping energy prices low, Michigan's costs are among the highest in the region, while the state's energy reliability ranks low nationally.

"We're keeping energy costs low, shoring up domestic energy production, and keeping our state competitive," Whitmer tweeted Sept. 30, discussing renewable energy standards and the reopening of the Palisades nuclear plant.

Michigan's energy rate for all sectors of the economy was 14.48 cents per kilowatt hour in August, according to the U.S. Energy Information Administration. This gave Michigan the highest rate in the region. Wisconsin had the second-highest rate, 13.33 cents, while Ohio had the lowest at 11.53. The average cost of electricity in the United States in August was 13.61 cents per kilowatt-hour.

The governor has pushed for a net zero mandate to drive energy supplies away from natural gas and toward solar and wind. This

mandate will cost households an additional \$2,746 per year, according to Jason Hayes, director of energy and environmental policy at the Mackinac Center for Public Policy.

Attorney General Dana Nessel also seems to disagree with Whitmer's assessment. "Michigan utility customers are already subjected to some of the nation's highest electric rates, lowest standards of reliability and service, and utility partners who only ever ask for more and more from increasingly dissatisfied customers," Nessel

tweeted in October.

Michigan came in 41st in a US News ranking of states for energy reliability, and Energy News Network has reported that the state is among the top states for power outages in recent years.

Whitmer did not respond to an email seeking comment. ■

The original version of this story was posted online on November 7, 2024 and is available at [MichCapCon.com/32428](https://michcapcon.com/32428).