

# IMPACT



**MACKINAC CENTER**

**HAS BOLD AGENDA**

**FOR 2021**

PAGE 10



Mackinac Center Introduces  
New Council of Health  
Care Providers

PAGE 7

2021 Might Be a Banner  
Year for State-Led Worker  
Freedom Efforts

PAGE 9

A stylized rainbow logo consisting of three concentric, semi-circular arcs in yellow, orange, and white, with small dots at the ends of the arcs.

# OPPORTUNITY MICHIGAN

The Mackinac Center is creating a network of people, like you, who want to see Michigan become a better place to live.

If you're interested in learning more, please visit **[OpportunityMichigan.org](https://OpportunityMichigan.org)** today.

**Board of Directors**

**Hon. Clifford W. Taylor,**  
Chairman  
Retired Chief Justice,  
Michigan Supreme  
Court

**Joseph G. Lehman, President**  
Mackinac Center for  
Public Policy

**Jim Barrett**  
Retired President  
& CEO, Michigan  
Chamber  
of Commerce

**Dulce M. Fuller**  
Owner, Woodward and  
Maple

**Daniel J. Graf**  
Chief Investment  
Officer, Amerisure  
Mutual Holdings, Inc.

**Richard G. Haworth**  
Chairman Emeritus,  
Haworth, Inc.

**J.C. Huizenga**  
President, Westwater  
Group

**Edward C. Levy Jr.**  
Executive Chairman,  
Edw. C. Levy Co.

**Rodney M. Lockwood Jr.**  
President, Lockwood  
Construction Company,  
Inc.

**Joseph P. Maguire**  
President,  
Wolverine Development  
Corporation

**Richard D. McLellan**  
Attorney, McLellan Law  
Offices

**D. Joseph Olson**  
Retired Senior Vice  
President and General  
Counsel, Amerisure  
Companies

**Board of Scholars**

**Donald Alexander**  
Western Michigan  
University

**Thomas Bertonneau**  
SUNY - Oswego

**Brad Birzer**  
Hillsdale College

**Peter Boettke**  
George Mason  
University

**Theodore Boema**  
Wichita State University

**Alexander C. Cartwright**  
Ferris State University

**Michael Clark**  
Hillsdale College

**Matt Coffey**  
Central Michigan  
University

**Dan Crane**  
University of Michigan  
Law School

**Shikha Dalmia**  
Reason Foundation

**Chris Douglas**  
University of Michigan  
- Flint

**Jefferson Edgens**  
University of Wyoming

**Ross Emmett**  
Arizona State University

**Sarah Estelle**  
Hope College

**Hugo Eyzaguirre**  
Northern Michigan  
University

**Tawni Ferrarini**  
Northern Michigan  
University

**Burton Folsom**  
Hillsdale College (ret.)

**John Grether**  
Northwood University

**David Hebert**  
Aquinas College

**Michael Hicks**  
Ball State University

**Ormand Hook**  
Mecosta-Osceola ISD

**Harry Hutchison**  
George Mason  
University School  
of Law

**David Janda**  
Institute for  
Preventative  
Sports Medicine

**Annette Kirk**  
Russell Kirk Center

**David Littmann**  
Mackinac Center for  
Public Policy

**Dale Matcheck**  
Northwood University

**Charles Meiser**  
Lake Superior  
State University (ret.)

**Glenn Moots**  
Northwood University

**George Nastas III**  
Marketing Consultants

**Todd Nesbit**  
Ball State University

**John Pafford**  
Northwood University  
(ret.)

**Mark Perry**  
University of Michigan  
- Flint

**Lawrence W. Reed**  
Foundation for  
Economic Education

**Gregory Rehmke**  
Economic Thinking/  
E Pluribus Unum Films

**Steve Safranek**  
Private Sector  
General Counsel

**Howard Schwartz**  
Oakland University

**Martha Seger**  
Federal Reserve Board  
(ret.)

**James Sheehan**  
SunTrust Robinson  
Humphrey

**Rev. Robert Sirico**  
Acton Institute

**Bradley Smith**  
Capital University Law  
School

**Chris Surprenant**  
University of New  
Orleans

**Jason Taylor**  
Central Michigan  
University

**John Taylor**  
Wayne State University

**Richard K. Vedder**  
Ohio University

**Harry Verysse Jr.**  
University of Detroit  
Mercy

**John Walter Jr.**  
Dow Corning  
Corporation (ret.)

**Mike Winther**  
Institute for Principle  
Studies

**Gary Wolfram**  
Hillsdale College



LETTER FROM THE PRESIDENT

**Civic Virtue as Leverage**

If this column were always about the crisis of the moment, I'd have plenty of topics to choose from now. A violent incursion into the U. S. Capitol. A historic second impeachment of a president. Thousands of armed National Guardsmen in downtown Washington. Reports of planned disturbances at state capitols on Inauguration Day. A fractured civic culture marked by soaring levels of contempt for one's political counterparts. A raging, deadly pandemic. Ham-fisted lockdowns and cruel suppression of civil liberties and livelihoods. And more.

Optimism isn't my first reaction to that catalog of catastrophes, but as president of the Mackinac Center, it's my job to find a way to turn bad things around and advance the good.

What does that look like now? There is no research paper, no policy forum, no lawsuit, no model legislation to address all that ails us, and no silver bullet that eliminates even one of our pressing problems.

I spoke with a former corporate crisis communications expert last week. Her counsel to CEOs who are (fairly or not) on the hot seat was "go back to home base." Tell the people what core values and competencies you can bring to bear on the crisis.

Our long-term readers know our bedrock commitment to free-market policies as a way to advance liberty and prosperity for all people. But our true leverage underlies even that.

We won't persuade anyone of the efficacy of free-market policies without a more fundamental commitment to civic virtue. Brink Lindsey of the Niskanen Center says the "prime directive" of democratic civic virtue is, "Treat all your fellow citizens, regardless of their political views, as your civic and political equals."

Brink and I were once colleagues at the libertarian Cato Institute. I especially like to quote Brink in this context since the Niskanen Center and I have not always agreed. (Niskanen's president kindly asked me

to step down from its advisory board over a policy disagreement.)

I believe the "prime directive," if observed by everyone, would defuse nearly all the crises I named. This can't be achieved by command or fiat. It has to be modeled. People must adopt it because they see it as the proper way to behave to restore constructive discourse instead of fuel corrosive conflict.

Our work normally involves challenging the status quo and the plans of others to expand government. But we don't personally attack the defenders of the status quo or the proponents of expansive government.

We presume goodwill whenever possible, we acknowledge what our opponents get right, and we admit the limits of our own policy prescriptions. We don't automatically ascribe evil motives to our opponents' ideas and we don't get personal. Even if we hit hard, we hit fair.

One think tank modeling civic virtue is no silver bullet. But we can't expect others to do what we won't do ourselves, and it's hard to have hope that leads to optimism without a broad and renewed commitment to the basic dignity of all people, regardless of what views they hold. ■

**By Joseph G. Lehman**

Joseph G. Lehman is the president of the Mackinac Center.

# INSIDE THIS ISSUE

- 3** Civic Virtue as Leverage
- 6** 2021: Playing the Cards We're Dealt
- 7** Mackinac Center Introduces New Council of Health Care Providers
- 8** Mackinac Center Recommends Flex Learning Plan to Reshape K-12 Education
- 9** 2021 Might Be a Banner Year for State-Led Worker Freedom Efforts
- 10** Mackinac Center Has Bold Agenda for 2021
- 12** Mackinac in the Media
- 13** Make a New Year's Resolution to Plan for Possible Taxmageddon
- 14** How'd a Girl Like You End Up in a Place Like This?
- 16** Introducing: The Scoop



**PAGE 10**



**PAGE 8**



**PAGE 7**



**PAGE 14**

## **BLOG**

Keep up-to-date on the latest policy stories from Mackinac Center analysts.

**[Mackinac.org/blog](https://www.mackinac.org/blog)**

## **DATABASES**

Labor contracts, superintendent salaries, school grading and more. Our online databases provide easy access to important information.

**[Mackinac.org/databases](https://www.mackinac.org/databases)**

## **CAPCON**

Michigan Capitol Confidential is the news site of the Mackinac Center that provides unique news coverage.

**[MichCapCon.com](https://www.michcapcon.com)**

# Virtual Events Keep Citizens, Lawmakers Informed

The COVID-19 pandemic has created many unknowns for everyone. Despite this, the Mackinac Center has ensured that events continue, even if in a different format. For now, Mackinac Center events will continue in a virtual format, while remaining free for viewing. To find out more about new events or to view archived ones, please visit [Mackinac.org/Events](https://www.mackinac.org/Events).

January  
19

## Talking Michigan Taxes: Potential Increases and Reforms in 2021

At the beginning of the last legislative term, Gov. Gretchen Whitmer proposed a large tax hike: a 45-cent tax increase per gallon of gas. This online event will give an overview of how Michigan's tax system compares to other states and what the tax policy conversation will look like in 2021.

[www.mackinac.org/28300](https://www.mackinac.org/28300)

January  
27

## The Consequences of COVID Lockdowns

Gov. Gretchen Whitmer took unprecedented actions in response to the outbreak of the COVID-19 pandemic. The legality of these actions is questionable, and some have already been deemed illegal. This event will examine the scope of these actions as well as their potential long term effects.

[www.mackinac.org/28367](https://www.mackinac.org/28367)

February  
2

## Flex Learning: A Customized Approach for Michigan Students

The need for greater flexibility in the state's K-12 education system has been underscored by recent experiences with pandemic restrictions and remote learning. The Mackinac Center has created an education plan that would give students and families across Michigan more choice when it comes to education during the time of COVID.

[www.mackinac.org/28416](https://www.mackinac.org/28416)

February  
10

## Pandemic Policies and the Michigan Economy: Scholarly Research and Writing

The state mandates put in place to temporarily limit the spread of COVID-19 created widespread ramifications that are still ongoing. Economists and others are working to estimate the full costs of these actions. This event will discuss the art and science of producing good, original scholarship.

[www.mackinac.org/28414](https://www.mackinac.org/28414)

February  
17

## Why College Costs So Much and What States Can Do About It

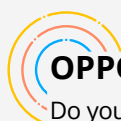
A popular theory goes something like this: People with college degrees get paid more than those without, but higher education costs are skyrocketing, so the government should pay for college, making it "free." This event will help us distinguish fantasy from reality when it comes to higher education policy.

[www.mackinac.org/28411](https://www.mackinac.org/28411)

## MICHIGAN VOTES

Want to know what your legislators (and others) have been voting for? MichiganVotes.org helps keep Michigan politicians accountable to their constituents.

[MichiganVotes.org](https://MichiganVotes.org)



## OPPORTUNITY MICHIGAN

Do you want to get more engaged with public policy in Michigan? Opportunity Michigan is right for you.

[OpportunityMichigan.org](https://OpportunityMichigan.org)

## LITIGATION

Our public interest law firm advances individual freedom and the rule of law in Michigan.

[Mackinac.org/MCLF](https://Mackinac.org/MCLF)



# 2021: Playing the Cards We're Dealt

To borrow a metaphor from the world of poker, Team Liberty wasn't dealt a great set of cards in the November election. But the hand is still playable.

At the national level, the headline is President Donald Trump being replaced by former Vice President Joe Biden. The Trump administration was a strong ally in reducing federal tax rates, removing destructive federal regulations, promoting worker freedom, and appointing rule-of-law judges to the federal bench.

Before the election, polling and conventional wisdom strongly suggested that Biden would assume the presidency accompanied by an enlarged Democratic majority in the U.S. House and a new Democratic majority in the U.S. Senate. But Democrats lost most of their majority in the House and only got to even in the Senate.

With a solid federal trifecta control of the presidency, Senate, and House, leftists could have achieved their wildest dreams through legislation. Trump tax cuts: repealed. Green New Deal: passed. Medicare for All: done. College debt: cancelled. Fifty-state forced unionism: check. Donor disclosure required: yep.

While President Biden can do some damage around those areas through executive orders, a future administration could repeal them all. And any defections in either chamber's Democratic caucus cut off the legislative path to the transformational threats as well as radical Cabinet or judicial nominees, at least for the next two years.

Closer to home, Republicans will retain majorities in both chambers of the Michigan Legislature. Senators did not stand for reelection last November, and there was no change in the partisan makeup of the House.

Eight of the incoming Michigan House members participated in the Mackinac Center's Candidate University last June, and we are opening lines of communication and collaboration with them and others before they join the Legislature. So far, we have been impressed by the experience and perspective of the incoming House class.

Two state senators resigned their seats at the end of December after winning elections to county offices. Those seats could remain vacant much of the year, depending on when Gov. Gretchen

Whitmer schedules the special elections for their replacements. The effects of those vacancies will more likely be felt at the committee level, where certain policies lose a champion or at least a reliable vote.

The main impact of the Michigan election, though, is the flip of the Michigan Supreme Court. Liberty stalwart Stephen Markman, who was age-limited off the bench, will be replaced by former Michigan League of Conservation Voters President Elizabeth Welch. This will be the first time in many years that the court will have a majority of Democratic-endorsed justices. Expect the court to issue activist rulings in most areas of law and grant broad deference to the executive branch, especially in upcoming cases involving emergency powers. ■

## By David Guenther

David Guenther is the senior strategist for state affairs at the Mackinac Center.



# Mackinac Center Introduces New Council of Health Care Providers

## Advisory Board will inform policymakers and public about sound reforms to health care policy

Public health has leaped to the top of the list of issues voters are most concerned about following the outbreak of COVID-19. And government spending on medical care continues its long-standing rapid rise. Health care policy will, then, remain a significant issue for Michigan's patients, medical practitioners and taxpayers.

With this in mind, the Mackinac Center is assembling a council of health care professionals to advise and contribute to our work of educating the public and policymakers about sound policy. These experts will help us gain expertise on health care issues, so that we can better understand the impact of existing policies and the possibilities of potential reforms.

The council will consist of medical practitioners, such as doctors, nurses, surgeons, dentists, pharmacists, technicians and therapists. These professionals feel the result of policies at the ground level. Their perspective, expertise and opinions are critical to improving health care policy. Their voices are not heard enough and are often drowned out by large, organized interests, such as unions, professional associations and hospital executives.

The council and the Center will have a symbiotic affiliation. The council will contribute to our mission and boost our influence by writing and reviewing articles and studies, giving presentations at public events and advising our team. In turn, we will help broadcast their voice on important issues by arranging for them media interviews, op-ed placements and legislative testimony.

While the expertise they bring to the table will vary, members of the council will be united in supporting the Mackinac Center's free-market perspective. The council will aim to promote market-based reforms to make taxpayer spending on health care more effective and to improve public health. The council's perspective will help us identify regulations that need trimming, anticompetitive measures that need rescinding, programs that need reforming and costs that need reducing.

The Center has experience working with groups such as this council. Our Board of Scholars consists of economists, policy experts and business leaders, and it includes more than 30 professors at Michigan colleges, including Hillsdale, Northwood, U-M, CMU and WMU. For decades, its input on policy

issues has proved valuable time and again, and we expect the same of our new council.

Improving health care policies in Michigan is no easy task, as some powerful interests defend the status quo and others push for costly changes that would make health care even worse. The Mackinac Center hopes to inject a strong voice for market-based reforms, and our new council of health care professionals will play an important role. ■

**By Michael Van Beek**

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



# Mackinac Center Recommends Flex Learning Plan to Reshape K-12 Education

The pandemic experience has revealed a great deal about the limitations of the K-12 education system. While status quo defenders intently focus on more funding as a solution, policymakers should work toward a redesign.

When school buildings closed down in March, the first instinct of state education bureaucrats was to tell schools that remote instruction wouldn't count because they had no way to keep track of student seat-time requirements. The checklist of rules must be satisfied first, they say, regardless of academic results. Make no mistake, the experiment with distance learning has harmed the prospects of many Michigan youths.

Yet even before the COVID-induced shock, public education had many woes. Too many students were falling through the cracks. One-fifth of the Class of 2018 failed to earn a diploma on time, and roughly half of them dropped out of formal schooling. One in four graduates who went on to college needed remedial help.

Thousands of Michigan public high schoolers have no access to advanced courses that would help them en route to college. Detroit's career and tech programs, meanwhile, are enrolling many young people in fields with limited job prospects.

Some students make progress just fine in the current system, based on available options

within their district and strong supports from their home and community. But some of their peers suffer from a rigid design that leaves them with unsatisfying all-or-nothing choices. To broaden the pathway to success, the Mackinac Center proposes that Michigan lawmakers adopt Flex Learning. This plan would enable pupils to take a fuller range of online courses and career programs, directing a share of their designated formula funds to cover costs.

Under Flex Learning, participating Michigan students could combine offerings from different providers, including hybrid and virtual courses, business apprenticeship programs, and dual-enrollment credit opportunities. This would give students and their families a greater ability to find engaging quality learning, master material and advance at their own pace.

A small number of innovative Michigan school districts have adopted key components of Flex Learning, allowing their students to combine their own conventional classes, virtual courses and career explorations. But such opportunities remain outside many students' reach.

Other states have paved the way for a customized education approach, which gives students more options and keeps them engaged on the way to graduation. Utah, for example, allows students to take a full load of

online courses sponsored by different public schools across the state. New Hampshire has started to let students earn graduation credits outside the conventional school system.

And Idaho allows high schoolers to direct a share of state funds meant for their schooling to pay for advanced coursework and workforce training of their choice. Idaho's Advanced Opportunities program also offers scholarship incentives to students who graduate early and save the state money. Michigan should take a page from this book.

The pandemic took a great toll on student learning, but providing new levels of flexibility could prove to be a true educational silver lining for years to come. ■

**By Ben DeGrow**

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





## 2021 Might Be a Banner Year for State-Led Worker Freedom Efforts

While a new presidential administration in the nation's capital brings serious concerns about labor policy at the federal level, there are new and exciting opportunities in the states. Many officials there are working to insulate their employees from labor union infringement on employees' constitutional rights, and the Mackinac Center will continue to help them find their way.

In 2018, the U.S. Supreme Court's decision in *Janus v. AFSCME* paved new ground for public employees in the 22 states without right-to-work protections. In its ruling, the court restored their constitutional rights to earn a living free from forced government unionism. Since that time, state officials across the country — including those in states with right-to-work laws — have been unpacking the decision. They have been exploring whether their state complies with *Janus* and how they might expand upon these rights for public workers.

The Mackinac Center's national Workers for Opportunity initiative has been at the forefront of advancing the worker freedom agenda across the country, collaborating with lawmakers in over 15 states in just two years to lay the groundwork for bold reform. This year, the prospects across the 50 states are promising. More liberty-minded policymakers are occupying state House and Senate seats, and more allies of the worker freedom movement hold the governors' mansion.

Florida, for example, is well-positioned to become a model state for worker freedom. Lawmakers there, working closely with allies on the ground and the Workers for Opportunity team, passed legislation in the House in 2020 to properly implement *Janus*. Under this measure, Florida public employees could not be presumed to consent to union dues without first providing that clear consent directly to their employer, annually. Before the bill could move to the Senate, the COVID-19 pandemic intervened. But look for the Senate to take it up this year.

Missouri lawmakers similarly pursued legislation to protect *Janus* rights in 2020, stalling only when the General Assembly was forced to suspend business and focus on the pandemic. We expect to see leaders in the House and Senate return to the worker freedom agenda during this new legislative session. Results from the 2020 election suggest that it has some momentum, as a number of new and returning lawmakers can be expected to support it.

The Workers for Opportunity initiative is working with lawmakers in seven other new states in 2021 to support legislative efforts to expand employee rights. These efforts include reforms like those in Florida and Missouri. But they also include ideas such as expanding right-to-work for private employees, improving workers' voting rights (including union recertification

requirements) and eliminating union opt-out windows that let employees leave a union only at certain times of the year.

Indeed, 2021 may be the biggest year for worker freedom that the country has seen in quite some time. The Mackinac Center's Workers for Opportunity initiative, which is the only multistate labor reform effort of its kind, should be proud of its leading role in making this a possibility. ■

**By Lindsay Killen**

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



# Mackinac Center Has Bold Agenda for 2021

The 100th Michigan Legislature in 2019-20 was the first full legislative cycle in which the Mackinac Center had a full-time government affairs presence in Lansing. Even with our state government divided by party and disrupted by a global pandemic, we were able to deliver strong results on many of the issues you care about.

Working with our legislators, coalition partners, and sometimes Gov. Gretchen Whitmer, we reformed auto insurance

and reduced Michigan's exorbitant premiums. We substantially curtailed civil asset forfeiture. We passed a broad swath of criminal justice reforms that enhance public safety, reduce costs to taxpayers, and promote gainful employment and family stability. We protected your electronic data. We ended one major corporate welfare program and substantially reduced an ineffective tourism marketing program. We helped to bury a proposed 45-cent per gallon gasoline tax hike. And

we protected state employees' Janus rights while blocking other attempts to entrench union power.

So what do we do for an encore? The Mackinac Center's 2021 policy recommendations extend the principled work we've done for more than three decades while responding to new challenges and opportunities illuminated by our state's response to the COVID-19 pandemic.

While recently deployed vaccines provide hope that our pandemic nightmare may end later this year, the damage to Michiganders' economic and personal well-being has been significant and continues to compound. While much of the fight between Gov. Whitmer and the Legislature has revolved around her use of executive authority, it is imperative that her critics lay out a broad set of alternative policies for how they would manage the pandemic. Here are our ideas.

First, Michigan's certificate of need and nursing scope-of-practice laws, which artificially restrict our state's health care capacity, need reforming. These laws posed a severe threat to public health until Gov. Whitmer suspended them by executive order during the first wave of the pandemic. But they were reinstated before the second wave hit, even as the governor said their suspension "saved countless lives." Inexplicably, neither Gov. Whitmer nor the Legislature acted to suspend or repeal them during last December's lame-duck session.

If either the governor or the Legislature are serious about ensuring that our health care system can respond flexibly to crises such as COVID-19, they will make the automatic suspension of CON and scope-of-practice laws during a public health emergency their first action item in 2021. Legislators should also expand telemedicine access so that qualified, licensed health professionals from other states can offer remote services within their scope of practice to Michigan residents.

Second, the state must respond to the scandalous failure of K-12 schools as they attempted to educate Michigan children in an online or hybrid format. For too many students, insufficient interaction with their teachers created deep learning deficits that endanger their long-term well-being.

The frustrating response to the pandemic by many school districts led

families to educate their children in so-called learning pods. This kind of permissionless innovation, birthed out of necessity, represents another type of education option that should be widely available. To make them more accessible, lawmakers need to revise an array of existing state regulations. Further, the Legislature should provide tax write-offs for expenses and donations made on behalf of low-income students who participate in pod learning.

A number of other recommendations on our list are in line with those we've published for years. Don't raise taxes, borrow for roads, or give away our tax dollars through corporate welfare. Ensure affordable and reliable energy by completing the Line 5 tunnel and rejecting green-energy boondoggles. Increase government transparency; make the governor and Legislature subject to open records requirements. Prune unnecessary criminal laws and occupational licensure requirements.

Two of the more significant additions to our portfolio for 2021 are enacting police discipline reform and defending the Electoral College.

Law enforcement officers have an extremely important and difficult job, and we as citizens give them extensive authority — including to use deadly force when necessary — to carry it out. We should expect appropriate sanctions against officers who abuse that authority, but union contracts too often skew the disciplinary processes to impede those sanctions. If legislators are unwilling to remove disciplinary processes as a subject for collective bargaining, they should at least prohibit several common contract provisions that protect bad behavior.

Lastly, a movement has arisen to encourage states to nullify the U.S. Constitution and, through an interstate compact, replace the Electoral College with a "national popular vote" in which 15 states have already effectively

handed over their 141 presidential electors to the whims of California and its lax election processes. The Electoral College exists so that every state and every voter within each state has a say, not just California and the East Coast. Rather than join the National Popular Vote interstate compact, Michigan legislators should clarify in our state constitution that Michigan shall award its presidential electors only based on votes cast by Michigan residents. ■

## By David Guenther

---

David Guenther is the senior strategist for state affairs at the Mackinac Center.



# Mackinac in the Media



*Holly Wetzel*

Communications Manager

Budget discussions have been front and center at both the state and the federal level. Some states hoped the federal government would help them with their fiscal woes, but a federal bailout is not the answer. As James Hohman wrote in *The Hill*, “While state budgets are looking better, there are some real fiscal problems in state and local governments; they’re just not caused by the pandemic. Their trillion-dollar-plus pension underfunding problems — where either by accident, neglect or intent, policymakers racked up massive debts to their employees and retirees — predate 2020.” Underfunded pensions are not a new problem. In its editorial, *The Detroit News* cited the findings of a Mackinac Center study which showed that Michigan’s 100 largest cities had more than \$5.5 billion in combined pension liabilities. In addition to warning about federal bailouts, our fiscal policy team continued combating the myths surrounding taxpayer-funded corporate subsidies. Michael LaFaive was recently quoted in *MIRS*, *The Daily Mining Gazette* and *Crain’s Detroit Business* on their ineffectiveness.

The 2019-20 Legislature’s busy lame-duck session produced several worthy pieces of legislation. David Guenther praised some of the newly passed criminal justice reforms, including one to eliminate mandatory minimums. “These mandatory minimums,” he told the *Detroit Free Press*, “can prevent those with mental illnesses and those accused of incredibly minor violations from getting

the help they need, and making it more likely they will be back in court again later.” As quoted in *MIRS*, Jarrett Skorup praised the reforms to Good Moral Character provisions of occupational licensing rules: “A past mistake should not automatically prevent people from honest work in an occupation of their choice. This is a great move by Michigan lawmakers which will help ex-offenders, job creators and the public.”

When President-elect Joe Biden pegged former Michigan Gov. Jennifer Granholm as his secretary of energy, reporters turned to the Mackinac Center to learn more about her impact on energy in the state during her time as governor. Jason Hayes wrote about the failures of the Granholm administration in an op-ed in *The Hill*. “Granholm ... loaded millions of dollars in tax breaks and government stimulus onto solar power producers, hybrid-electric manufacturing and an advanced battery plant. All went bankrupt within a few years.” He also appeared on radio shows throughout the state, including Michigan’s Big Show, Frank Beckmann and the Guy Gordon show. In an op-ed that ran across the country in *USA Today*, Jarrett Skorup wrote, “With [Granholm] at the helm, you can expect the Biden administration to repeat Michigan’s corporate welfare failure, but on a much grander and costlier scale.” ■

# Make a New Year's Resolution to Plan for Possible Taxmageddon

There is nothing like a New Year to make you take stock of the year that has passed. One thing I learned in 2020 is that there will always be a need to build public and philanthropic support for the principles the Mackinac Center stands for.

Each year, I write down my New Year's resolutions. By the time you read this, I will have forgotten most of them. Just last week, I wrote in my journal, "Dear New Year's Resolutions — It was fun while it lasted."

According to Forbes, studies have shown that less than 25% of people stay committed to their resolutions after just 30 days; only 8% accomplish them! At least I know I am not alone.

If we have already abandoned the first draft of our 2021 resolutions, let us look for ones we can actually keep. One of those may be to review and update our estate plans. Like the more typical resolution to lose weight, a resolution to create an estate plan can sound daunting at first. But estate planning is one of the best goals we can establish, for it involves steps we can realistically expect to take and sustain. In the wake of 2020, it may be more important than ever.

The shift to working from home has enabled some people to move to a new state, which can affect existing estate plans. A dozen states and the District of Columbia still impose their own estate taxes, and six others impose an inheritance tax. The federal government uses a limit that exempts many estates from its estate tax, but some states have a much lower limit for their own tax. For example, Oregon and Massachusetts exempt just \$1 million; larger estates may be taxed at up to 16%. Given last year's slowdown in tax collections, some states may delay already scheduled increases to their exemptions or even ratchet them down.

Our 2021 resolutions, furthermore, may be an ideal time to face the Taxmageddon that might be coming from the federal government. The Tax Cuts and Jobs Act of 2017 dramatically increased the unified federal estate and gift tax exemption from \$5.49 million in 2017 to \$11.4 million and added inflation adjustments. But the exemption is scheduled to revert to \$6 million in 2026. When adjusted for inflation, that's lower than it was before the 2017 tax cut.

During the presidential campaign, Joe Biden proposed reducing the estate-tax exemption as early as 2021. Other changes in his platform included raising certain tax rates for households with an income of \$400,000 or more and scrapping the step-up rule for inheritances. This is the rule that allows heirs to inherit an asset at its current market value rather than the value ("basis") at which it was purchased. Thanks to the rule, the person who sells an inherited asset immediately pays no capital gains taxes on it. Doing away with or even modifying the rule, however, would decrease the value of the inheritance and generate more revenue for Uncle Sam.

This is the estate Taxmageddon threat, and anyone who has a healthy estate should be aware of it. One way to recognize the threat and disarm it is to make large tax-free gifts this year to whittle down an estate. Doing so will likely counteract the unfavorable policy changes mentioned above.

**By Steven Virgadamo**

Steven Virgadamo is the senior fellow for advocacy and strategic counsel at the Mackinac Center.





# How'd a Girl Like You End Up in a Place Like This?

## A profile of Lindsay Boyd Killen, Mackinac Center vice president for strategic outreach

Though Lindsay Killen hails from the Smoky Mountains of East Tennessee, she ended up working for a think tank in Michigan, due in part to her family history.

“My earliest influence was my great-grandfather, George Koether,” Killen said. “He was an economist and one of the earliest proponents of Austrian economics in the United States.”

Koether was a lion in the free-market world, working with the likes of Ludwig Von Mises and F.A. Hayek. He had strong Michigan roots, growing up in Detroit and attending Albion College. Koether later worked for the Foundation for Economic Education, which now gives an annual award in his honor.

He fed Killen's interest in the freedom movement, sending her cassette tapes of his musings on free trade; his debates, conducted in smoke-filled rooms, with Ayn Rand; and other topics. When Killen considered higher education, he suggested the Gerald R. Ford Institute for Leadership in Public Policy and Service at Albion College.

Following his suggestion and example, she enrolled there. Like him, she then set off on an eclectic career path, which has taken her from Michigan to Washington, D.C.; California; Nashville, Tennessee;

and back to Michigan. Now she serves as the Mackinac Center's vice president of strategic outreach and communications.

One particularly significant stop on her journey was an internship at the Freedom Alliance, a national defense think tank headed by Lt. Col. Oliver North.

“One area of my life that evolved significantly over time, both personally and professionally, is my reliance on my Christian faith,” Killen said. “My great-grandfather resisted religion and any influence it may have in public policy. But I witnessed Lt. Col. North holding monthly prayer meetings in his office — something that would stick with me through college and as a young professional in D.C. Unlike my great-grandfather, I began to internalize how critical my faith is to why I continue to be motivated to change peoples' lives for the better.”

In 2017, she married her husband, Jeff, at his family's home in Glen Lake, Michigan. As they contemplated life together, the Mackinac Center became an obvious destination.

“I've always been drawn to the Mackinac Center,” Killen said. One reason was her family ties to the state. But another, she said, is its role in the freedom

movement. “It has long set a True North path for principled, successful liberty organizations, and I wanted to be a part of it.”

As vice president for strategic outreach and communications, Killen sees her role as empowering her team members to be successful and ensuring that the Center helps shape freedom-oriented policies in Michigan and beyond.

In her free time, the workout junkie and self-described Peloton groupie participates in “free-market riders,” an online community that allows her to network with other freedom-movement folks working up a sweat.

“My husband and I also enjoy running, hiking, and boating, though the term ‘free time’ feels increasingly elusive!”

It's no wonder, as Killen and her husband welcomed their first child — a daughter, Viola — in 2019 and will welcome their second child in March. ■

INTRODUCING

# THE SCOOP

BRINGING MACKINAC IDEAS TO VIDEO SCREENS

While all of the Mackinac Center's videos are educational, "The Scoop," a new live series on Facebook, introduces a more casual format.

The first of these new videos gave viewers some insights into the Mackinac Center's victory at the Michigan Supreme Court, where we prevailed over Gov. Gretchen Whitmer's unilateral extension of her state-of-emergency powers. The video features three Mackinac Center staffers: Director of Communications and Marketing Jarrett Skorup moderated a discussion between Director of Research Michael Van Beek and Vice President of Legal Affairs Patrick Wright. They talked about the court decision and answered several questions about its potential implications for the state.

This new three-person format allows for a more casual and natural conversation that offers an easier-to-understand explanation of issues in public policy. This can be extremely helpful in breaking down difficult topics for a general social media platform, and it gives the Center another way to connect with our audience.

The series has received positive feedback from the start, but it was temporarily halted in December by the state's stay-at-home lockdown.

Now, however, "The Scoop" is here to stay. Viewers can expect a new video each month. Each episode, released simultaneously on the Mackinac Center's Facebook page and YouTube channel, discusses an important policy issue with at least two experts. The series will continue to provide viewers the same quality information and discussions they have come to expect from the Mackinac Center, but in a more accessible format.

Do you have an idea for a topic you would like to see featured in this video series? Contact Taylor at [piotrowski@mackinac.org](mailto:piotrowski@mackinac.org) with any suggestions. ■