Michigan Education Association
P.O. Box 2573
East Lansing, MI 48826-2573
517-332-6551 800-292-1934
Fax: 517-336-4024

Anti-worker initiative may be coming to Michigan

Don't fall for the "Right to Work" scam

In 2008, Michigan may be the target of a scam ballot initiative called "Right to Work." Much like other deceptive ballot initiatives, this out-of-state proposal twists the truth, pretending to be about everyone's right to have a job. But its true intentions are simply an attack on workers' rights and unions.

"Right to Work" doesn't have anything to do with your rights to a job. All this law would do is allow workers to receive the benefits of being in a union without having to pay dues or agency fees. It forces unions to spend resources and members' dues on these "free riders."
Federal law already protects workers who don't want to be members of a union, but everyone must pay their fair share for negotiating and administering their contract—that's just fair.

Proponents of this anti-worker legislation say that it has economic benefits. But the facts from other states tell a very different story. The average worker in a "Right to Work" state makes $5,900 less than their counterpart in a free bargaining/union state. Workers in "Right to Work" states are also less likely to have health benefits.

Of particular interest to public school employees, "Right to Work" states spend $2,260 less per pupil on K-12 education, and high school dropout rates run 18 percent higher in "Right to Work" states.

This scam is bad for Michigan's economy, Michigan's students and Michigan's workers. Don't fall into this trap! If you are approached to sign a petition supporting "Right to Work," don't sign it!

MEA Votes will be bringing you regular updates and facts about this dangerous initiative that may be coming to our state. Make sure to inform your friends, family and neighbors about this scam and urge them to not sign "Right to Work" petitions. And encourage your fellow MEA members to **sign up to receive this e-mail newsletter** at their home e-mail address.

Debate and discontent continues on service tax, state finances

While the Michigan Legislature continued an apparent futile effort to replace the newly enacted sales tax on selected services before its Dec. 1 implementation date, initial signs of potential problems with the current (2007-08) budget began to appear in Lansing. Amid charges of "bad faith," "despicable," "disgraceful," to name but a few, the Republican-led Senate and Democrat-led House of Representatives has failed, up to this writing, to find an acceptable compromise to settle on a replacement for the "service tax."
The Democrats insist that any replacement plan must be "revenue neutral" -- that is it must fully replace the service tax revenue and it must be permanent. The Republicans argue that the

process of replacing the service tax must include an overall tax cut and that any replacement must have a sunset of 2011 or 2012, at which time it will lapse.
On Wednesday evening the House sent a revised version of HB 5408 to the Senate. This version would replace the service tax with a 25.7 percent surcharge on taxes paid by businesses under the Michigan Business Tax. Sponsors claim that this would replace all of the revenue lost if the service tax is repealed (although the director of the House Fiscal Agency says that it could amount to a reduction of some $50 million). The surcharge would be permanent, although the rate would be reduced in future years. The House then adjourned until Tuesday, Dec. 4.

The House action was in response to an earlier version of HB 5408 that the Senate had adopted, which would have levied a lower surcharge on the MBT and would have sunset at the end of 2011. The lower surcharge would have amounted to an overall tax reduction of some $381 million in 2007-08 and $374 million in 2008-09.

In a related matter, Mitch Bean, director of the House Fiscal Agency, told the House Appropriations Committee on Wednesday that the downturn in the economy of the state could result in a sizeable loss of sales tax revenue this fiscal year, thereby exacerbating the difficulties of the already fragile state budget. While saying it's too early to make firm projections, sales tax revenue could fall by $100 million or more this year according to Bean.

Since 73 percent of sales tax revenue is earmarked for the School Aid Fund, this shortfall could mean more trouble for school districts. Bean emphasized that it will not be until January 2008 that any serious projections can be made because that is when employment, business and revenue indicators for the year are more reliable.

All of this demonstrates, yet again, the futility of a state trying to cut taxes as a means to stimulate its economy. Since 1994, Michigan has enacted more than $3 billion in permanent tax cuts. Each and every time a tax cut was enacted its sponsors and proponents claimed that the lower taxes would be the path to economic growth and the creation of new jobs in the state and overall better lives for all of us. In fact, all that these cuts have done is create huge budget cuts, elimination services, cutbacks in education and virtually all other state programs (except prisons), while doing nothing to bring about any of the promised economic growth.

The 1990s was the era of massive, special interest tax cuts in Michigan, and that, in turn, led to the early 21st century where Michigan has become a model of stagnation and economic decline that is completely out of step with the rest of the nation.
