



The COVID-19 pandemic poses an immediate threat to the physical health of Michiganders. But our state's policy response to this crisis may affect the economic and financial health of Michigan for years to come.

GOAL

Protect the health, safety and economic opportunity of all Michiganders.

OBJECTIVE

Solve short-term problems in ways that don't hamper long-term recovery so that when socialization restrictions are eased we are able to recover at the quickest pace and to the fullest extent possible.

CAUTION

The virus will harm Michiganders. But so would policies that exacerbate economic damage. A depressed economy will increase needs while decreasing resources; the public's health and safety would suffer as a result.

The right responses include prudent short-term expenditures and reprioritizations targeted at people affected by the pandemic, along with relaxations of government authority that improve our ability to both respond to the current crisis and bolster the subsequent economic recovery.

TO-DO POLICIES

- **Waive or Repeal Certificate of Need:** Michigan's "certificate of need" law requires hospitals and other medical facilities to get special permission before building or expanding, and health care providers to go through a lengthy and expensive process for new or replacement equipment and services. One study estimates that laws like this have reduced the number of hospital beds by about 10%, with minimal savings. A dozen states operate more efficiently without such laws; Michigan should waive these requirements during the current emergency and repeal them altogether when the threat subsides.
- **Promote Telemedicine:** Michigan has made it easier to receive medical advice over the phone and through video chatting with a medical professional, but some important services are still restricted. We should take full advantage of the networks and infrastructure we have in place to combat this coronavirus, and telemedicine should be encouraged and promoted rather than restricted and limited.
- **Cut Occupational Licensing Red Tape:** Michigan imposes severe restrictions on the nursing and nurse practitioner professions; one expert called Michigan one of the "regulatory dirty dozen" in this area. Past legislatures have also enacted laws that deny those with past criminal offenses from working in the medical profession — even the crime in question is a low-level one. Michigan doesn't readily recognize medical licenses from other states, even in cases of emergency. In Massachusetts and elsewhere, states are recognizing licensing laws from other states and reducing their mandates.

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- **Allowing Emergency License Reciprocity between States:** Health care professionals licensed in one state should be able to travel to Michigan if the outbreak becomes more severe, and practice to the fullest extent permitted for peers licensed in Michigan.
- **Keep All Businesses Possible Open:** To protect the economic security of the greatest number of Michiganders, and to preserve the long term financial security for the state and its citizens, minimize state-mandated closures of businesses. Specifically, keep all manufacturing open as the long-term effect from even a temporary shutdown would create greater damage and harm to citizens than will allowing these businesses to take appropriate precautions to keep their employees safe and healthy.
- **Separate COVID-19 Items From Other Supplemental Appropriations:** Any supplemental appropriations necessary for COVID-19 response should be in separate bills from the general appropriations or other supplemental appropriations bills. This will clarify that these are emergency or temporary appropriations, and not to be intermingled or assumed to be ongoing spending.
- **Spend Some of Our State Reserves:** This crisis is the “rainy day” for which our state has prudently saved for a decade, as our state faces a collapse of state revenue for at least three months. It is appropriate to tap the rainy day fund and reserve balances to cover a shortfall in the current year’s budget. However, we cannot say for certain how long this storm will last or that there isn’t another on the horizon. Therefore...
- **Cut Non-Essential Spending Now:** The Governor and Legislature need to work together and immediately and substantially cut 2020 and 2021 budgets that aren’t connected to COVID-19. With one voice, they should call on state agencies to complete two tasks within the next 30 days: identify a set percentage of their 2020 budgets that can be rescinded effective May 1 for the remainder of the current fiscal year, and resubmit their 2021 budget requests at a reduced percentage of their 2020 appropriated levels. Exemptions from reduction should be granted to programs directly involved in COVID-19 response. Likewise, lawmakers ought to reconsider the priorities made late last year now that the COVID-19 epidemic may demand more resources.
- **Extend Regulatory Deadlines:** In Maryland, Gov. Larry Hogan issued an executive order “providing that all renewals of expiring licenses, permits, registrations and the like — including driver’s, business, and other licenses, not only occupational — would be extended to until 30 days after the state of emergency ends.” Many of Michigan’s occupational licensing laws require continuing education training and annual fees. These should be postponed or eliminated to prevent unnecessary individual contact while allowing important work to continue.
- **Suspend or Repeal the Bottle Deposit Law:** The redemption of bottle deposits involves Michiganders carrying millions of unwashed but massively handled — and possibly contaminated — loose items for more touching and handling *in grocery stores*. This pandemic has transitioned the bottle deposit scheme from a massively unsanitary idea to a potentially lethal one. At a minimum, the collection of bottle deposits and return of bottles for recycling at grocery stores must be immediately suspended for the duration of the pandemic for public health reasons, as Oregon, Iowa, Connecticut, and Massachusetts have already done.

- **Promote Online/Blended Learning:** Look for opportunities to promote as an option for more Michigan children. Also, explore how to ensure that more Michigan public schools are able to deploy it — whether as a part of their ongoing operations or as an option during weather- or emergency-related shutdowns. School districts that take the lead on flexible learning options and mastery-based education should be encouraged to develop and share their innovations, not restricted by arbitrary guidance from the department of education.
 - **Balanced Calendar:** Waive or rescind barriers such as the Labor Day start date that preclude school districts from adopting such a calendar. This would provide schools with greater schedule flexibility to adapt to emergency circumstances, in addition to improving students’ knowledge retention between grade levels. Full learning for a full year should still be required, while giving schools greater opportunity to waive seat-time requirements for students who can demonstrate mastery of material to complete grade-level content at a different pace.
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The wrong responses exploit a difficult but temporary circumstance to create long-term financial obligations, erode educational performance accountability, and damage our state’s business climate.

NOT-DO POLICIES

- **Create Ongoing Financial Obligations With One-Time Funds:** New government programs require ongoing sources of revenue. Any one-time funds received from the federal government in a stimulus package should be used first to address any state revenue shortfall, and then for discrete projects (i.e., immediate-term infrastructure) or short-term measures that expire once the federal funds do.
- **Focus on “Price Gouging” to the Detriment of Consumers:** A spike in prices during a crisis signals to consumers to find alternatives to the expensive product, but also tells suppliers to ramp up production. Artificially limiting and punishing these price signals only serves to make temporary supply shortages longer and more severe.
- **Suspend Government Transparency Requirements:** Especially when state and local governments are aggressively exerting emergency powers, open records and public meetings are essential to preserving the public’s confidence and trust in government.
- **Make Permanent or Long-Term Changes to Unemployment Eligibility:** Even if such refusal obligates the state to turn down one-time federal funds. Permanent or long-term changes to unemployment eligibility increase taxes on employers, who are reeling from the loss of revenues to their businesses and will already be paying higher UI tax rates if they have had to lay off workers during the crisis. Ensure that people out of a paycheck because of emergency declarations are covered through the emergency. Any suspension of work-search requirements should only occur during the period of emergency declaration.

- **Raise Taxes or Add Complexity to Michigan's Tax Code:** The principles of sound taxation are that any taxes assessed should be at a flat and low rate, broadly based, simple to administer, transparent to payers, stable in implementation, and neutral in application.
- **Offer Targeted Tax Relief or Subsidy Programs to Businesses:** All Michigan businesses have been damaged by this crisis. Selecting a handful to benefit at the expense of the remainder is both counterproductive and immoral.
- **Cancel K-12 Testing:** Policymakers should instead explore all options to adjust the timing. As the state aims to make needed improvements in academic achievement, annual measurements of student progress should not be lightly discarded. Preserving a meaningful picture of school performance should remain a priority. If school cancellations extend deep into April or beyond, however, that may change the calculation.
- **Suspend or Roll Back Michigan's Third-Grade Reading Law:** It is essential for student success that children read at grade level by the third grade, even if this year's third-graders are not able to complete the current academic year. For any student who has not met the benchmark progress toward proficiency on interim assessments, all available interventions should remain in play. And repeating third grade in the 2020-21 school year should remain a viable option for those students who have fallen more than one year behind benchmark progress.
- **Allow Local Governments to Ban Plastic Bags:** Single-use containers, plastic wrapping, and plastic bags are an effective means of limiting consumers' exposure to COVID-19 or other bacteria and viruses.