

The Magazine of the Mackinac Center for Public Policy JULY/AUGUST 2016

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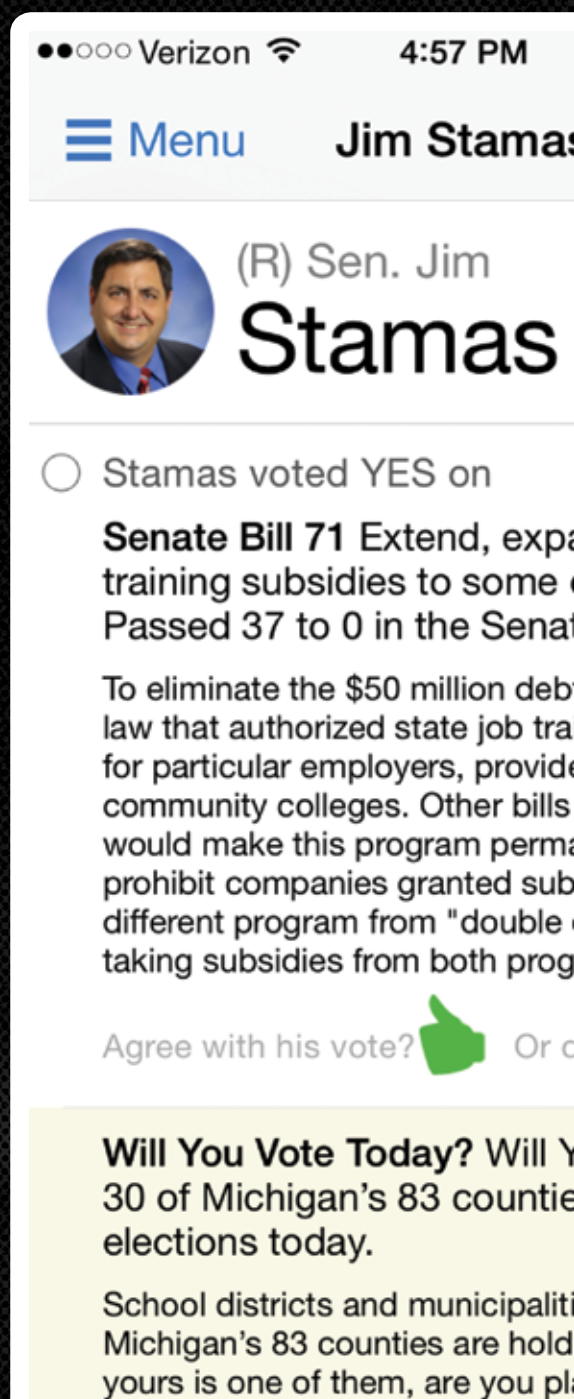
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WHAT FOLKS ARE SAYING
ABOUT THE MACKINAC CENTER

“Since its inception the Mackinac Center for Public Policy has been, and continues to be, Michigan’s voice for free market principles and education reform that could catapult our state to the top of the class in student performance and achievement. I don’t start the day without reading CapCon or MED.”

— Representative Tim Kelly
(R) District 94

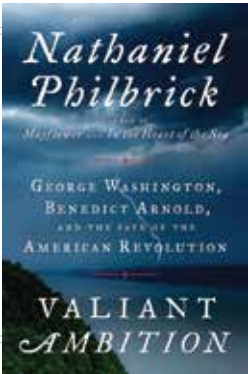


JOHN MOZENA RECOMMENDS “VALIANT AMBITION: GEORGE WASHINGTON, BENEDICT ARNOLD, AND THE FATE OF THE AMERICAN REVOLUTION” BY NATHANIEL PHILBRICK

We learned in school that Benedict Arnold was a traitor and that it got really cold at Valley Forge. Beyond that, what do we know about the American Revolution? Gaining a deeper understanding of the horrors and challenges of America’s founding might help us in our own struggles.

Nathaniel Philbrick shines a deeply unflattering light on the failures, weaknesses and squabbles of our founding fathers. The things we consider modern ills — self-interested politicians, rent-seeking companies and even the military-industrial complex — all threatened to call due their pledged lives, fortunes and sacred honor.

The founding of our nation was far from a preordained triumph of right over might. As we fight for the principles of the American revolution today, we can take strength from knowing that our predecessors overcame many of the challenges we face. Let us preserve and restore the freedoms they secured.





Work Hard

Summer is here. So are the interns.

Each year, thanks to your generosity, the Mackinac Center hosts a handful of college students who help us carry out our mission. Mackinac Center interns are fully integrated into the team; they attend events, conduct research, take part in in strategy meetings and assist our scholars. Along the way, we use the engagement to teach them about economics, public policy analysis, classical liberal ideas and good career practices.

I'm grateful for the men and women who helped me early in my career. (Some of you continue to this day!) A person can acquire qualifications and skills, but I've found that certain behaviors produce immense leverage at work and in one's community. Here are lessons my friends and colleagues have taught me, which I often share with our interns:

Trust is a fragile resource. Work hard to build it; work even harder to keep it intact. Tell the truth. Keep your commitments. Admit your mistakes. Your network is an appreciating asset, so avoid cancerous office politics.

Cultivate your curiosity. One should never stop learning. That doesn't require continued formal education, necessarily, but the willingness to learn should never be suspended. Living with curiosity makes life much more interesting.

Own your responsibilities. "If I don't do this, it won't get done. I'm not indispensable, but it's up to me." A person who exhibits ownership doesn't pawn tasks off to others or expect to be bailed out when they fail to do the work. I'll never forget the day, years ago, when I blamed my missed deadline on a colleague. "I expect you to produce

results, not excuses," said my boss. Lesson learned.

Make them tell you "no." It's easy to talk yourself out of something. "I won't apply for that job because they wouldn't hire me." "I won't ask for that project because someone else is more qualified." Audacity has a way of creating opportunity.

Practice candor. Be willing to say what you think, with courtesy. Candor must be based on care for the other person and a commitment to a shared mission. Candor also is a two-way street; you must be willing to receive and respond to feedback.

Understand how influence works. One can exercise relational influence over others or have role power. The latter is more potent; the former, more effective.

Learn to write well. Writing is a skill required in the public policy arena, but nearly every occupation would benefit from the discipline of forming an argument and articulating it with clarity.

Use your own fear to your advantage. If you're effective, terror is included in the job description. That is, you'll likely be trying new things, testing assumptions and taking risks.

The lessons above have been an immeasurable help to me as I grew into my career, and I am happy to pass them on to each new class of students. But artificial barriers like occupational licenses and minimum wage laws often keep today's young people out of the job market where they can learn them. The consequences of these policies are the antithesis of the "pursuit of happiness," and I am proud to fight them. ■

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IMPACT is published six times a year by the Mackinac Center for Public Policy, a nonprofit, nonpartisan, tax-exempt research and educational institute classified under section 501(c)(3) of the IRS code.

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F. Vincent Vernuccio, author of the Worker's Choice study, presents at State Policy Network Annual Meeting 2015.

As Unions Try to Overturn Right-to-Work in Courts, Mackinac Offers Solution

Unions may be taking a Hail Mary approach to eliminating right-to-work for the entire country. On June 2, The Wall Street Journal noted that unions have recently brought court cases challenging right-to-work in Wisconsin and Idaho. The lawsuits claim that right-to-work laws violate the U.S. Constitution's takings clause. The reason, they say, is that in a right-to-work state, they must represent all the workers at an organized worksite — even the ones who pay them no fees.

Depending on the makeup of the U.S. Supreme Court next year, unions could use this argument to overturn seven decades of precedent, killing right-to-work everywhere.

Fortunately, the Mackinac Center was ahead of the curve. In 2015, F. Vincent Vernuccio, its director of labor policy, published a study introducing the concept of "Worker's Choice."

Worker's Choice would free both unions and workers from unwanted representation.

It would allow workers to represent themselves and also free unions from having to represent so-called "free riders." Even in right-to-work states, where a union cannot get a worker fired for failing to pay dues or fees, workers in a unionized worksite must accept the union's representation whether they want it or not. That makes them forced riders, not free riders. Unions must provide representation to these workers because they are given a monopoly at the bargaining table; despite their statements in the past, they have lobbied for that privilege.

Worker's Choice reduces the problem of free or forced riders and therefore could save right-to-work against the unions' legal argument. It has several other benefits, too:

- It rewards employee productivity: Under Worker's Choice, employers can



This study is available online at mackinac.org/s2015-03

reward higher-performing employees without being limited by a collective bargaining agreement.

- It advances personal flexibility: Worker's Choice lets workers represent themselves and negotiate their own contracts, which are driven by individual needs rather than collective ones.
- It makes unions more responsive: Worker's Choice will require unions to be more responsive to the needs of their members, lest they lose them.
- It provides benefits to employers without imposing new obligations: Worker's Choice creates no new burdens for employers and its one-or-none provision safeguards against an employer having to deal with multiple unions.

From a legal and policy standpoint, Worker's Choice is the next logical step in worker freedom. The Mackinac Center will continue to educate lawmakers, employers and workers about its benefits, both state-by-state for public employees and on a federal level for private sector employees. ■

Stay up to date with what we are working on and follow Michigan legislative issues more closely by signing up to receive emails.

There are two ways to sign up: Send us an email at info@mackinac.org or go to mackinac.org/subscribe.

JACK STEELE





Seeking Personal, Not Collective, Solutions

Jack Steele saw the dark side of unions early on. When he was only seven years old, his father died in an accident at his job as a railway worker. The union refused to pay out the life insurance policy, even when his mother provided proof that the family had paid the required premiums. “They were supposed to be brothers,” Steele says, but the men in charge of the union had lost sight of their duty to protect the workers.

With the help of a lawyer, the family did eventually receive the proceeds they were due, but the incident shaped Steele’s encounters with unions for the rest of his life. He went on to attend General Motors Institute (now Kettering University) and worked for General Motors for 23 years before branching into other aspects of the auto manufacturing sector.

Steele has many stories to tell about misplaced priorities in unions. At GM, he encountered union deputies who were paid six-figure salaries, but failed to improve the safety, health or working conditions of the people they represented. During his time on a local school board, the teachers union accepted a lower pay increase for members in exchange for keeping the district on a more expensive union-provided health insurance plan.

His experiences at GM also showed him the problems inherent in large organizations that, as he says, “look the other way instead of standing up for principles.” He describes a letter he once received from a customer who had noticed an issue with the odometer on his Fiero. Three times, the customer’s local Pontiac dealer told him that the problem had been fixed — wasting his time and defrauding GM for warranty costs. The letter took seven weeks to make it from the GM CEO’s desk to Steele,

who helped the customer fix the issue himself.

Steele believes that handling problems on an individual basis is the conservative way of doing things, and that is ultimately the reason he left the auto industry for his current career as a financial planner and advisor. “I can see problems in advance and deal with them,” he says, as opposed to watching others take months to fix a problem he already knows about and could have easily solved.

These days, Steele splits his time between work and leisure. He and his wife celebrated 50 years of marriage by taking the entire family to Disney, including eight grandchildren and three great-grandchildren.

“Michigan is a great state with good people,” says Steele. “We’ve had better times, but we’ve also had worse times, and I think the Mackinac Center is helping to make it better.”

Steele was first introduced to the Mackinac Center by Michael Jahr, a former vice president for communications. Jahr was in Steele’s Sunday school class as a child, and came to Steele for financial advice many years later. Steele says he supports the Mackinac Center because he appreciates its support of people who have been negatively impacted by forced unionism.

What Steele calls the “conservative way of doing things,” — respecting people as individuals rather than mandating policies for collective groups — has been important to Steele ever since he was a child growing up in a small town. He says the Mackinac Center’s focus on individual rights and personal responsibility was also a big draw.

For more information on supporting the Mackinac Center, please visit mackinac.org/give. ■

Protecting Workers, Taxpayers and Residents Through Pension Reform

The most important public policy question in Michigan is what to do about retiree benefits. The amount of debt owed to public employees at the state level, in the education system and at the local level is astounding — tens of billions of dollars governments have promised but failed to set aside.

Pension systems across Michigan are facing a crisis that threatens workers, retirees, businesses, taxpayers and residents. Their costs are already crowding out the public services citizens rely on most, like spending on roads and transportation, schools, parks, public safety and more.

For decades, state and local elected officials — Republican and Democrat — have promised billions more in pensions than they have saved to pay for them. And despite now spending an extra \$1 billion more than the state did just five years ago, policymakers still aren't making the full payment required to pay the estimated costs of the Michigan Public School Employee Retirement System, the largest pension system. This repeated underfunding has led to large liabilities that will require severe cuts to public services.

Almost every private sector worker has long been shifted off defined benefit plans and onto defined contribution accounts.

MPSERS is underfunded by \$26.7 billion, meaning only 60 percent of the money needed to meet its commitments has been set aside. It now gobbles up 36 percent of school payroll costs, often limiting teacher wage increases and compelling cuts to other school services.

Local governments are just as bad. Almost none of the largest municipalities in Michigan fully

fund their pension system, with the average city funded at only 67 percent. Retiree liabilities have contributed to the fiscal crises in Detroit, Flint and elsewhere.

It's time for a change. Although MPSERS continues to accrue debt, in 1997, Michigan reformed its state employee pension system by shifting new workers to a 401(k)-style, defined contribution plan. This has saved up to \$4 billion and capped the state's liability, meaning Michigan is on pace to eventually pay off its liabilities from this system. This isn't radical. Almost every private sector worker has long been shifted off defined benefit plans and onto defined contribution accounts. States around the nation are shifting away from unsustainable pension systems and toward better plans.

The Mackinac Center has conducted research showing how big the problem is. We've spoken with public employees (many of whom prefer a defined contribution plan), met with legislators and worked with coalition members who support reform. We've had a good response. Public employees across the state have told us they want the Legislature to protect the pension promised to them. Local municipalities are working to reform their systems. The Legislature is considering measures to close the teacher pension system and make other reforms.

Shifting new employees to a defined contribution plan and requiring local municipalities to do the same will protect the pensions of current retirees and workers — promises we must keep. This ensures fairness to workers by preventing the state from underfunding going forward, helps prevent cuts to basic government services by schools and municipalities and saves future taxpayers from having to pay the costs of previous generations.

To learn more about pension reform, visit mackinac.org/pensions. ■

Nonpublic Schools Ready to Serve Another 21,000 Students

A June 2 Issue and Ideas forum highlighted Michigan's private school landscape. The event featured results from a statewide survey of private schools that the Mackinac Center conducted with the Michigan Association of Nonpublic Schools.



Rachel White presents her findings on private schools at a Mackinac Center forum.

Rachel White, a doctoral candidate at Michigan State University, gave the address, focusing on the shortage of available information about Michigan's nonpublic schools. The survey closed the gaps in four key areas: school characteristics, enrollment and capacity, finances and offerings and accreditation. It generated an astounding response, with more than half of Michigan's 600 private schools taking part.

Nonpublic schools serve fewer low-income students than their public counterparts, but that is not surprising given they must charge tuition. However, our survey also showed their willingness to offer financial support, with more than one in three providing aid.

Roughly 21,000 additional spaces for students are available in Michigan's nonpublic schools. Those seats could be used by families who choose nonpublic education, were the state to allow funds to follow students there. Of the school leaders who responded to the survey, 71 percent would consider participating in a public scholarship program.

Opponents of school choice make arguments about academic accountability and teacher qualifications. It is true that private schools do not have to take state standardized tests or hire certified teachers. But each year, 80 percent of them do use norm-referenced tests for their students in third through eighth grades, and a similar share of nonpublic schoolteachers are state-certified. Fully 98 percent hold at least a bachelor's degree.

With the state's academic shortcomings and more parents wanting education alternatives, a broader look at school choice should be a larger part of the conversation about preparing the next generation. ■



SCHOOL CHOICE WITHSTANDS TWISTS AND TURNS OF DETROIT DEBATE

Having lived most of my adult life in Colorado, I've driven more than my share of winding mountain roads. But their twists and turns have nothing on the recent legislative saga resolving the debate over Detroit Public Schools.

When the dust settled in June, the all-out blitz to create a Detroit Education Commission was effectively blocked. The new bureaucracy had been pitched as a way to address the frustrating shortage of effective schools in the nation's worst-performing school district, but ended up on the ash heap, at least for this year.

The urgency of the debate was real and intense. Due both to declining economic conditions and parents voting with their feet, DPS lost nearly three-fourths of its enrollment over the past 15 years. In a survey conducted every other year, Detroit students registered the lowest achievement scores among urban districts four consecutive times from 2009 to 2015.

**BEN
DEGROW**

Fiscal mismanagement hastened the day of reckoning. DPS faced giant credit card bills just to keep the lights on and to make payroll. Apart from the noteworthy kickback scandal and other evidence of corruption, the district is burdened by a large and well-paid central administration that lags in downsizing. The local school board led DPS into deficit and financial distress, while state emergency managers have been unable to stop the trend.

For the sake of the city's children, education needs to improve in Detroit. Unfortunately, the proposed commission took aim at the wrong target: drastically curtailing the growth of public charter schools. The seven mayoral appointees would have been empowered to decide school closings and sitings — problematic, as their metric for success would have been preserving the district's student enrollment.

The best available research shows Detroit's charters as a whole boost key areas of student learning by two

to three months a year, and with little more than half the dollars per student spent by DPS. Impatience with the small but real progress charters have made does not call for tightening the leash on the only real hope for many families.

When Senate Republicans introduced the first round of DPS legislation in January, the commission was not part of the \$715 million bailout package. Bill sponsors later negotiated with Democrats to pass a deal containing the measure, with the blessing of the governor and Detroit's mayor.

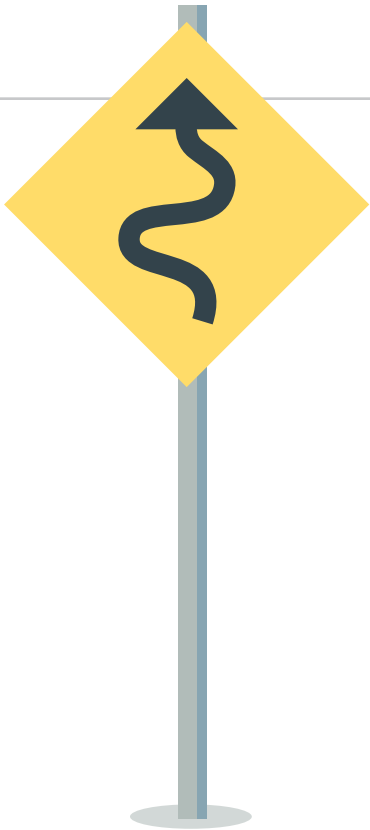
The pressure was on the Republican-led House. Speaker Kevin Cotter and his team earned commendation, not once but twice, refusing to back down. After adopting their own \$500 million DPS reform package, they negotiated with the Senate, relenting on some proposals and compromising on the bailout amount.

But Cotter and the Republican House navigated the debate's daily twists and turns, and sent a loud, clear signal to the

other chamber. They stood their ground against a Detroit Education Commission. At multiple points, just as it seemed the effort to create a DEC-free reform package was about to succeed, opponents pushed back. Many Detroit leaders were not satisfied getting almost everything they wanted, when almost everything did not include the commission. The Senate persevered through the last-minute ordeal, narrowly approving the House's offer with only minor changes, avoiding the dangerous precipice of DPS bankruptcy. Such a result would

have left school choice defenders on untenable ground, with the state on the hook for most of the money anyway. The governor's signature sealed the deal, defeating the commission proposal and protecting parental choice. Two realizations mitigate our feelings of relief. First, a great deal of effort was expended to defend ground already occupied. And lastly, far more work remains to make sure that all Detroit students and families can access needed quality options. ■

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



Welcome Aboard!

The Mackinac Center is pleased to welcome several new staff members.



Jason Hayes joined the Mackinac Center in July to start a new Environmental Policy Initiative. Educated in Canada, Jason comes to Michigan via Arizona and has prior experience with the Fraser Institute, a Canadian think tank, the American Coal Council and as a forester in British Columbia.



In April, we welcomed a new vice president of marketing and communications: **John Mozena**. A marketing and public relations veteran from Metro Detroit, John comes to us with nearly two decades of experience in the private sector and a lifetime of commitment to free markets and liberty in Michigan. John will split his time between Midland and Grosse Pointe, where he lives with his wife and son.



In June, **Derek Draplin** joined the team at Michigan Capitol Confidential. Derek is a graduate of the University of Michigan and most recently worked at the Daily Caller, where he still contributes. His work has been featured in publications as varied as the Detroit News, Reason and Fox News.



Our summer interns: Luke Derheim, Alexa Malesky, Jacob Weaver, Janella Cammenga, Michael McKenzie and Josh Paladino.

MEET THE

Mackinac Summer Interns

Every year, the Mackinac Center accepts interns in order to teach and grow the next generation of liberty-minded individuals. As Benjamin Franklin said, “An investment in knowledge pays the best interest.” This summer, six new interns from five schools have joined the staff, helping the Mackinac Center continue advancing liberty.

Janelle Cammenga, a rising sophomore at Dordt College, is joining the Mackinac Center for a second summer. As a National Merit Scholar, Janelle is pursuing a major in English and minor in chemistry, but still saves time to write for her school newspaper and learn to juggle. She will be working alongside James Hohman in fiscal policy.

A connoisseur of “Scandal” and “Law and Order SVU,” **Alexa Malesky** joins us from Michigan State University, where she completed her bachelor’s degree in political science and pre-law. She will be returning to MSU to complete her master’s degree in public policy. During the school year, she works for a lobbying firm in Lansing and conducts research on charter schools; she fits perfectly in the education policy initiative.

Advancement and Events is pleased to welcome **Luke Derheim**, a rising junior at Saginaw Valley State University, where he is studying political science. He is the president of the SVSU College Republicans and enjoys reading and kayaking; however, he does not read and kayak at the same time in order to avoid wet books.

This year’s CapCon intern and Rowan Scholar is **Josh Paladino**, a rising junior who hails from Hillsdale College. At Hillsdale, Josh studies economics and politics and writes for the college newspaper, the “Hillsdale Collegian.” He enjoys tennis, golf and water skiing.

Jacob Weaver, another Hillsdale College junior, joins our Communications team as the 2016 Olson Scholar. He majors in history and participates in his school’s Churchill Fellowship program. His pastimes are reading, sailing and anything related to sports.

Finally, from the land down under, **Michael McKenzie** has come across the Pacific to work on our VoteSpotter project. Michael is in his second year at the University of Western Australia, where he studies economics and politics. The Mannkal Economic Education Foundation, an Australian think tank, awarded Michael the grant that provided him the opportunity to study with us this summer.

We are excited to see what the summer holds for this outstanding group of individuals! ■

PROTECTING

FREEDOM OF SPEECH





Businesses can and should do their own advertising. They shouldn't be taxed or assessed to pay for advertising they don't want and don't need, especially when they can do it on their own more effectively. This is what motivated George Galbraith to seek the help of the Mackinac Center Legal Foundation in his fight against an unconstitutional assessment.

**DERK
WILCOX**

George Galbraith owns The Landings on Indian River, a fishing resort situated on the banks of the Indian River between Mullet Lake and Burt Lake. For many years he has been forced to pay a special

to promote tourism, funding themselves through room assessments. Because using the power of government to force speech violates the right to free speech, the Mackinac Center Legal Foundation filed a lawsuit in June to defend Galbraith's First Amendment rights and his freedom to run his business and its advertising as he sees fit.

The Landings is one of seven businesses forced to pay the room tax, and Galbraith was one of two proprietors to vote in 2015 against imposing the tax. Voting is apportioned by the number of rooms a facility rents, and Galbraith's vote was

Statewide, similar entities violate free speech by imposing assessments on lodging in their respective regions. But government-run tourism promotions such as "Pure Michigan," which are funded through the legislative appropriations process, would not be affected by a ruling in favor of Galbraith and The Landings.

In 2001, the U.S. Supreme Court ruled against a scheme that involved forcing companies to pay for advertising. In *USDA v. United Foods*, the Supreme Court said it is unconstitutional to force a person to pay for speech he or she doesn't support or want. The court said this is true where the



Above: The Landings on Indian River. Left: George Galbraith, owner of The Landings on Indian River.

tax to fund a local tourism bureau. But last year, this assessment was increased to the maximum amount allowed by law — 5 percent. This assessment goes into the coffers of the Indian River Area Tourist Bureau, even though Galbraith doesn't want or need its help in advertising.

The Community Convention or Tourism Marketing Act authorized the creation of the Indian River Area Tourist Bureau and other regional entities across the state

swamped by the larger facilities, which wanted this assessment. Pointing to The Landings' decades-long success, Galbraith said he doesn't need the Tourist Bureau to bring people to his 17-cottage resort, especially since the Bureau's primary outreach method is an antiquated website.

Galbraith says that in the era of social media, he can promote his business more effectively on his own.

contested speech is attributed to that person in the form of marketing or advertising. By forcing Galbraith to subsidize speech he disagrees with, the Bureau is violating his First Amendment right to speak freely.

The Mackinac Center Legal Foundation is asking the State of Michigan Court of Claims to declare the tax unconstitutional and award nominal damages. ■

Derk Wilcox is senior attorney at the Mackinac Center.



COLLEGE SPENDING NO GUARANTEE OF ECONOMIC SUCCESS

There is a surprising amount of variety in how states manage their public universities. Some, like North Carolina, have direct control over state universities, with tuition rates set through state policy. Michigan is toward the other end of the spectrum. While our public universities are state entities, Michigan gives them a lot of autonomy. One of the few policy discussions that happens every year, however, is how much taxpayer money to give them.

That is where the Mackinac Center can offer insight.

The case that university supporters have made for more money has been largely economic. My colleague Jarrett Skorup and I sat in on a presentation from the Michigan Association of State Universities. Its director, Daniel Hurley, said more taxpayer money for universities means more graduates and in turn higher incomes for all of us.

But neither assertion holds up under scrutiny, a fact we found out by looking at taxpayer support of state universities nationwide. States that distribute more taxpayer money to their state universities tend to have a smaller percentage of people with a college degree. And increasing the number of people with a college degree does not improve a state's economic situation.

Trying to bring about economic prosperity by blanketing state universities with taxpayer dollars doesn't work. It is, instead, a costly proposition that provides little return.

JAMES HOHMAN

Some people want government to redistribute wealth. But while a degree can be the ticket to the middle class for some, our state university populations are heavy on students from middle and upper classes.

Our work may be catching on with policymakers. When officials found out that state revenues would not go up as much as

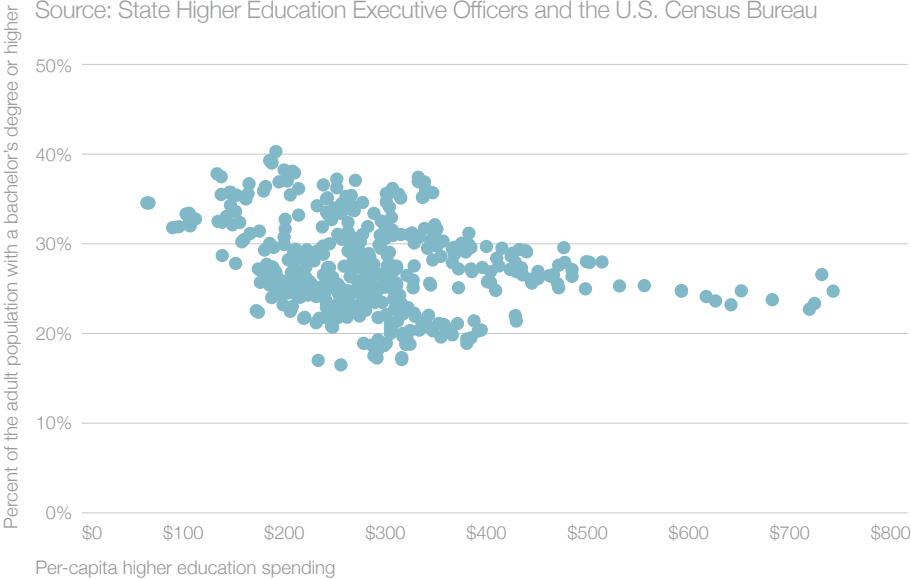
they had earlier thought, lawmakers put the brakes on increases for higher education.

Many of our friends are financial supporters of their alma mater, and it is reasonable to consider a gift to an institution that has helped you succeed. State universities already act like independent institutions seeking voluntary support, and they should be encouraged to do so. But we should dial back the forced support from state taxpayers. ■

James Hohman is assistant director of fiscal policy at the Mackinac Center.

State Higher Education Spending and Degrees, 2005-2013

Source: State Higher Education Executive Officers and the U.S. Census Bureau



Mackinac Takes on Ann Arbor Teachers Union in Right-to-Work Case

The MEA has tried several tactics to keep the teachers under its control from exercising their rights under right-to-work. The statewide union refused to accept resignations except during the month of August under a policy it had not made known to its members. Then it enacted other roadblocks, such as changing the mailing address for letters of resignation. In Ann Arbor, it tried something else.

Ron Robinson is an accomplished science teacher. He was honored as National Educator of the Week by the

DERK
WILCOX

reached in August 2015. Right-to-work was supposed to take effect any time a contract was made or renewed after March 2013. Robinson resigned in August 2015, but the union said he still had to pay agency fees. Under right-to-work, though, employees can no longer be required to pay those fees.

Ann Arbor teachers had been without a fully written contract since 2011. According to press reports, the MEA's local affiliate, the Ann Arbor Education Association, did not want to write out a new contract. The reason: The new contract would have to incorporate all

hypocritical, and out-of-step with our community's values."

But refusing to write a new contract had a consequence. The Ann Arbor union and the school system needed a new written contract in place before March 28, 2013, if they wanted not to comply with the right-to-work law. So they created a series of partial contracts and, apparently, claimed that none of them formed the basis of the general collective bargaining agreement. One of the partial contracts had a clause extending the agency-fee requirement until 2016. Then, after a new collective bargaining agreement



Ron Robinson teaches science in Ann Arbor Public Schools.

Eisenhower National Clearinghouse and was just one of three high school teachers to be accepted to an astronomy project supported by the National Science Foundation. He is also the director of the first and longest-running high school planetarium in the country.

Yet as smart as he is, Robinson couldn't figure out why he wasn't able to exercise his right-to-work rights. His district's union agreement ended in June 2015, and a new contract was

the education reforms the state had enacted since 2011. A new contract would mean changes to teacher evaluations, a ban on affirmative action, a new merit pay system and emphasizing teacher competency over seniority. The union local resisted the reforms and justified its actions by saying Ann Arbor's progressive values allowed it to ignore state laws. Its president said, "We can't understand why the district ... [is] aligning with Lansing on limiting teacher rights. The stance is contradictory,

was made in 2015, the union claimed that the agency-fee clause continued on its own — obligating Robinson and others to continue paying.

The Mackinac Center Legal Foundation strongly disagreed with the unions' arguments and advocated on Robinson's behalf before the Michigan Employment Relations Commission on May 18. It filed a brief on his behalf on June 3. A hearing has not yet been scheduled. ■

Derk Wilcox is senior attorney at the Mackinac Center.



REBECCA



KEVIN



LARRY

RIDE//SHARING

IN MICHIGAN

After spending three years building a church from scratch, Kevin and his wife were stuck. The congregation was a labor of love and a large part of their income, but running it in addition to raising their family of four had proved challenging. They closed the church.

**GENEVA
RUPPERT**

Kevin scrambled to find a new source of income, but he wasn't having much success. His part-time job as a mason laborer helped, but it wasn't enough to make ends meet, and the family was creeping ever closer to losing their home. Kevin had heard about Uber, but he didn't know much about it. It seemed too good to be true.

He went through the background check and car inspection, but was certified to drive for the company for a few weeks before he took the plunge and headed out for his first night as a driver. He was skeptical, but he had only weeks left to prevent a foreclosure.

Little did Kevin know that he'd chosen to drive University of Michigan welcome weekend in Ann Arbor. "It was a crazy night," he said. He took home nearly \$200 — enough to begin turning the family's financial situation around.

A couple years later, Kevin still splits his time between Uber and his job as a mason laborer, but his life has changed. His new job saved his family's house from foreclosure, and he's thrilled to be renovating it. He says the flexibility of ridesharing is his favorite part about it. "I can decide, 'I'm not going to drive Saturday,'" he says. "If I had gotten any other job for extra income, I would have been stuck to my schedule. They don't care that the circus is in town, or that I have four kids!"

Kevin's story may be more dramatic than most, but the entry of ridesharing in Michigan has given opportunities to many people across the state. But Uber and Lyft, two leaders in the ridesharing business, offer more than just jobs.

Anecdotes have suggested for a while that ridesharing decreases DUI rates. With taxis

often few and far between late at night and often accepting payment only in cash, they are rarely an attractive choice for those who have been out drinking. Uber and Lyft run with credit cards on mobile platforms. It's an easier option for the inebriated, and a new study proves it.

"Ride-Sharing, Fatal Crashes, and Crime," is a broad academic study of how Uber has helped cities across the country. It found that for every year Uber operated in a city, DUI arrests declined an average of 51.3 percent. Traffic fatalities dropped 16.6 percent every year. The authors also observed declines in disorderly conduct and non-aggravated assault charges. The only bad news was an uptick in the rate of vehicle theft.

Ridesharing is a win for lots of groups — it makes the roads safer, cuts down on congestion in major cities, and provides affordable, easy transportation for those that need it. Ridesharing drivers report they take people to work, pick children up from school and even offer an alternative to expensive parking at the airport. Some Florida municipalities have chosen to subsidize ridesharing rather than set up a bulky, inefficient public transit system.

But in Michigan, ridesharing has not always received a positive response. Some cities, such as Grand Rapids, recognized the benefits of ridesharing right away. Drivers there said the police are very friendly and supportive. But Ann Arbor has been skeptical if not hostile. The city considered a number of reactions to Uber and Lyft, but ultimately settled on cease-and-desist letters. Kevin, who drives there often, received a ticket for driving without what the officer referred to as a "certificate of authority." Larry, a driver who splits his time between Detroit and Ann Arbor, was ticketed for operating a limousine without state certification.

Uber and Lyft are neither legal nor illegal in Michigan — they do not fit into existing transportation laws. Cities can embrace

them or try to drive them out. Some drivers get chauffeur's licenses as a safety net, but Rebecca, who drives in Grand Rapids, thinks that benefits government coffers more than anything. "It's basically the same license I have already," she said.

The Legislature is considering how to approach ridesharing. Last summer, the House passed a package of bills that would provide a statewide regulatory framework for Uber and Lyft. The package would put into statute the safety precautions ridesharing companies already use, including background checks and vehicle inspections, and prevent municipalities and airports from creating their own rules for ridesharing or banning it all together.

But the Senate is considering a competing plan. It would allow municipalities to pass their own restrictions on ridesharing and even allow them to ban it. Ann Arbor, where ridesharing is popular with students and the community, could do away with Uber and Lyft.

Ridesharing drivers are adamant that allowing a patchwork of local regulations is a terrible idea. One pointed out the number of cities in the Detroit metro area and wondered aloud how difficult it would be to work there if they all implemented different regulations. He speculated that the Senate legislation could push Uber and Lyft out of Michigan entirely: With so many different regulations for the companies to keep track of, expansion would be nearly impossible.

The House package awaits the Senate's review. Kevin thinks making a smart regulatory decision about ridesharing will send a message to other innovators. "Are you going to be a state that companies look toward expanding to?" he asked. "Or are they going to be a last resort, because they know it'll take so much money to get in here and do things?"

Learn more at mackinac.org/ridesharing. ■

Geneva Ruppert is a communications associate at the Mackinac Center.

CONTINUING THE WORK ON PROTECTING CONSTITUTIONAL RIGHTS

A few years ago, Michigan was the worst-rated state in the nation for protecting the rights of its residents from civil asset forfeiture. This practice allows law enforcement to seize property from individuals who have not been convicted of — or even in some cases charged — with a crime. A legislative proposal introduced in 2012 to establish basic transparency requirements died in committee without ever receiving a vote.

For anyone who seeks reforms, that's been the story of recent decades. Most new laws that have been passed since 1996, when the Mackinac Center first published on the subject, have loosened the restrictions on the state's ability to use forfeiture — further reducing individual property rights.

But last year, in fall 2015, the Legislature not only passed a transparency bill, it also made it more difficult for the government to take ownership of citizens' property without establishing their guilt.

What happened? A lot of hard work and support from citizens.

Over the past few years, the Mackinac Center has broken several award-winning stories about victims of civil forfeiture. Law enforcement seized property from Dr. Wally Kowalski and held it for months before any charges were brought against him. Thomas Williams had thousands of dollars in assets taken from him for more than a year though he was not charged with a crime. Sadly, he passed away without ever seeing his property again. When the federal government froze the bank accounts of the Dehkos and Cheungs, families who own a grocery store and restaurant, respectively,

we reported on it. Eventually, the IRS gave all the money back to these innocent business owners, and never filed charges.

Our study on the problems with civil forfeiture in Michigan, co-authored with the

ACLU of Michigan, got statewide attention. Grass roots groups of citizens brought us in for debates.

They also came to us for advice on how members of their own communities could prevent the forfeiting of property without a criminal conviction.

Attorney General Bill Schuette and U.S. Rep. Tim Walberg joined us at a conference in support of a package of reform bills that the Michigan Legislature later passed. Mackinac Center staff were invited to attend the bill signing.

But we're not done yet. Michigan does not require a criminal conviction before property can be taken and auctioned off, as 10 other states do. Local law enforcement agencies still receive up to 100 percent of the cash from this process, which gives them an incentive to push the envelope when seizing assets. And we're a long way from joining New Mexico and Nebraska, which ended civil forfeiture altogether. They now require the state to charge and convict a person in front of a judge and jury before taking ownership of their property. New Mexico and Nebraska have also decided that any proceeds from these takings go to the state's general fund, not to local law enforcement. That means that police agencies cannot use forfeiture to pad their budgets.

To push the state to adopt those and other protections, Mackinac Center staff have been busy. A new bill, House Bill 4629

sponsored by Rep. Peter Lucido, would eliminate the 10 percent bond people must now pay before they start the process to get their assets back. (Even people who have not been charged with a crime face this requirement if they wish to retrieve their property.) We wrote an op-ed to support the bill for the Detroit Free Press and testified in favor of it on May 10 in front of the Senate Judiciary Committee. It passed out of committee unanimously and now sits before the full Senate, which is expected to pass it.

On May 19, I spoke to a group of citizens in Manistee. I explained the difference between civil and criminal forfeiture, the process of how forfeiture works in Michigan, how we compare to other states with our laws and what the best system would look like. It was only when grass roots citizens got involved on this issue that legislators took notice and did something about it.

A few days later, we were invited to hear testimony and give a public comment before Michigan's Advisory Committee to the U.S. Civil Rights Commission. The committee heard from scholars, lawyers, legislators and citizens about the practice of civil forfeiture in the state.

Reforming civil asset forfeiture is an important goal which unites people across the political spectrum. It affects everyone from the poor in major cities to middle-class suburban business owners and more. We all deserve constitutional protections to not lose our "life, liberty, or property without due process of law." Let's work to achieve that. ■

Jarrett Skorup is a policy analyst at the Mackinac Center.

JARRETT
SKORUP



How to Ask for Help

I recently got engaged. I barely had a ring on my finger and a sip of Champagne past my lips before wedding stress set in. How to plan a celebration without spending as much as a down payment on a house? What location would be most convenient for the dozens of people coming from other states and countries? Could a string quartet effectively render “Zadoc the Priest”?

I made lists. I emailed people. I carried a binder everywhere. I suggested we elope when a venue that touted itself as affordable wanted to charge us twice what we had budgeted. That’s when my fiancé stepped in. Perhaps typically of a soon-to-be bride, I thought I could handle it by myself. But he found several options I had never considered, and the courthouse remains a backup.

As for bridesmaids, I’d had some friends in mind for years, but was nervous about asking them. I did expect them to say yes, but I understood why someone would say no. Flying to the Midwest to throw a party in honor of a friend who may or may not dress you up in bubblegum pink polyester may not be an appealing proposition.

But the response was overwhelming. They pledged to take time off from work so the wedding celebration could be spread over a long weekend. My friend from South America volunteered to do as much planning as she could from another country. They were all so enthusiastic, and I had a smile on my face for hours.

None of these developments should have surprised me. Humans are social creatures. When people ask for my help, whether at work or at home, I’m almost always happy to give it. But asking for help can be more difficult than giving it.

Self-reliance is a virtue, especially among those who consider themselves libertarians and conservatives — so much so that the value of collaboration and

community can fall by the wayside. Perhaps we need an occasional reminder that self-reliance has an important counterpart: humility. That’s the ability to know our limits and strengths, to ask for help and to graciously accept when it is offered.

It’s hard to admit when we can’t do it all by ourselves. Receiving help isn’t an act of weakness, though. It’s a way to recognize our

loved ones’ skills and value, and an opportunity to learn something new. And offering and giving help is usually a surefire way to improve your own well-being, as well as someone else’s.

So I’m trying to stop thinking of myself as an undue burden and instead graciously accept the help my friends and family offer over the next year. And then I’ll look forward to getting the opportunity to reciprocate.

Voluntarily giving and receiving help is, after all, a hallmark of a good society. It’s also the only way I’ll make it to my wedding day. ■



BY THE NUMBERS: UBER

Source: Ride-Sharing, Fatal Crashes, and Crime (<http://goo.gl/YZ2urF>)

6.6 percent

Decline in the fatal accident rate associated with an area when Uber begins offering services there.

16.6 percent

Annual reduction in vehicular fatalities associated with an additional year of Uber operation.

15 to 62 percent

Reduction in Driving Under the Influence charges after Uber’s entry.

Corporate Giving Boosts Employee Recruitment and Retention

Did you know that charitable giving could give your business a boost? As millennials grow into the largest segment of the workforce, employers are doing more to attract and keep them – and it turns out that corporate philanthropy can be an important part of the strategy.

Surveys indicate that millennials' decision about where to work is highly influenced by a company's commitment to its community. This generation reports an increasing overlap between the personal and the professional; millennials view their job as part of their identity and want to see their values reflected in their workplace. They are quite philanthropic themselves, so a robust corporate social responsibility program is a great recruiting and retention tool. Generally, consumers are also more likely to purchase goods and services from companies that they know to be supportive of good causes.

Forbes recommends five steps for building a corporate social responsibility program:

- (1) relate your giving to the nature of your business,
- (2) use branding and marketing to distinguish your program from others' efforts,
- (3) provide your employees and customers with a lot of credible information about your cause,
- (4) focus on one issue and align several efforts toward advancing it, and
- (5) partner with issue experts and nonprofits to establish credibility.



**KAHRYN
RILEY**

The Mackinac Center's many initiatives work to address a variety of problems facing our state, from advancing property rights and promoting government transparency to reducing regulatory burdens and supporting education choice. We provide timely, nonpolitical and peer-reviewed research and analysis to support our proposals, and direct all our efforts toward making Michigan a more prosperous state and a better place to live and work.

If you are interested in learning more about how your business can invest in this important work, please contact us. We look forward to partnering with you! ■

Kahryn Riley is an advancement officer at the Mackinac Center.