



**MACKINAC CENTER
GRABS GOLD**
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The Newsletter of the Mackinac Center for Public Policy www.mackinac.org SUMMER 2011

Speaking Up

Politicians of all stripes like to talk about reforming government. Once in office, however, those sentiments quickly dissipate as lobbyists, vested interests, party leaders, campaign consultants and others make their voices heard. So the fact that several good-government policies — including dozens put forth by the Mackinac Center — have been introduced as legislation or become law is a promising development for Michigan residents.

In less than six months, the new Legislature and Gov. Rick Snyder have made the following changes in law, all of which had been recommended by the Center:

- Reduced and simplified business taxes to spur job creation
- Eliminated tax breaks for favored industries
- Significantly reduced film industry subsidies
- Allowed municipal or school district union contracts to be set aside to prevent insolvency
- Encouraged schools and municipalities to seek competitive bids for services

- Encouraged schools to purchase less costly health insurance than MESSA, the third-party administrator of the Michigan Education Association
- Linked state school aid and municipal revenue sharing to local cost control
- Eliminated the retail “item pricing law.”

see “Benefits in Balance” Page 6



Policy Analyst Ken Braun testifies before Senate Reforms, Restructuring and Reinventing Committee

MichiganVotes.org: 10 Years of Voter Enlightenment

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Ten years ago this September, MichiganVotes.org was launched, and a new sun rose over the Michigan Legislature, shedding light on the actions of legislators. For the first time, citizens could instantly look up and understand the complete voting records of their legislators.

The site does much more than just assemble the raw “yea and nay” vote tallies in one place. Mackinac Center Senior Legislative Analyst Jack McHugh translates the obscure language of complex bills into concise, plain-English descriptions.

These descriptions don’t just parrot politicians’ intentions, but simply explain the real prohibitions, mandates, favors and bureaucratic procedures that thousands of proposed new laws would impose, grant or

create. The descriptions have been characterized as “objective but brutally honest.”

In the MichiganVotes database, there are now plain-English descriptions of nearly 22,000 bills, 18,000 roll call votes, 15,000 amendments, and 4,000 new laws adopted since the start of 2001.

The site’s easy-to-use tools allow residents to search and sort this mass of information in powerful ways. The Mackinac Center’s manager of information systems, Steve Frick, is constantly improving the MichiganVotes interface to make it more user-friendly and customizable. For example, a person can look up his or her representative’s votes on all bills in the “tax” category that contain the word “increase,” or create a voting scorecard to rate all 148 lawmakers on any issue or ideological standard.

see “Votes” Page 5



PRESIDENT'S MESSAGE

Losing Control of Government?



Joseph G. Lehman
President

Citizens will lose a powerful means of controlling their government if the Michigan Supreme Court allows a lower court decision to limit access to public records. The flawed decision would conceal government employees' use of public resources for private gain, partisan politics or even illegal activity.

The Freedom of Information Act allows citizens to view what public servants produce with public dollars. Using FOIA, citizens can access almost all government

records, including electronic documents such as emails.

Most of the time, FOIA is a quiet workhorse of public policy research and journalism. But sometimes it's at the heart of big news. Kwame Kilpatrick is now the former mayor of Detroit partly because he used public resources to document his misconduct.

The Michigan Supreme Court will consider a challenge to the Court of Appeals decision in Zarko v. Howell Education Association. The late Chetly Zarko was a citizen activist who sought school emails to discover whether union officials illegitimately used public resources for lobbying.

Lower courts denied Zarko's access to the emails, redefining "public record" to exclude "unofficial business."

By definition, improper behavior is not official business, and that is the problem with the ruling. School districts are already citing the flawed decision as a reason to refuse our FOIA requests for official emails discussing plans for teacher strikes, which are illegal in Michigan. If the current court ruling stands, the public will have no right to see whether school employees are using tax-funded email systems to plan illegal activity.

Not only is FOIA under attack in the courts, but some of FOIA's defenders are faltering. The legacy news media once vigorously defended the public's right to know what government is up to. But now some seem to favor limiting FOIA.

When the Mackinac Center requested Michigan State Police documents detailing the use of huge federal grants, the police billed us \$7 million, and some editorial voices accused us of asking for too much information. Months later when the ACLU asked the state police for other documents, the department billed the ACLU millions of dollars. But this time, the professional journalists voiced outrage, and the police relented.

A Mackinac Center FOIA request in April sparked a national debate over proper use of public university resources (see story on Page 3). We even received violent threats because of it. Editors at The Washington Post, Lansing State Journal and elsewhere accused us of attempting to chill academic freedom. (They eventually published our full rebuttals once it was clear Wayne State University had indeed used public money for questionable purposes.)

Thankfully, the legacy media has not completely abandoned its support of FOIA. The Michigan Press Association joined the Mackinac Center in legal briefs arguing for reversal of the Zarko decision. It's a contest we must win if citizens are to retain a means of controlling their government. **I**

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Mackinac Center IMPACT is a quarterly publication of 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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Center FOIA Foils Misuse of Resources

Freedom of Information Act requests are routine, often mundane elements of the research and investigative work conducted by the Mackinac Center. That changed in March, however, when one such request from Michigan Capitol Confidential was leaked to a national leftist news site. The imbroglio that followed included some national media attention and even a feeble protest. But the actions of officials at Wayne State University — the main target of the FOIA request — confirmed that CapCon was pursuing a genuine story.

That confirmation came on April 7, when WSU removed the website of its Labor Studies Center. The Mackinac Center's daily news site had pointed out pages on the LSC website that appeared to indicate that the university's employees were illegally using the public resource like a political action committee for Big Labor bosses. The LSC director told MIRS News that the site was taken down in an investigation into whether there were violations of Michigan's Campaign Finance Act.

Two days later, the website was restored with all the questionable material removed.



Following the Center's FOIA request, Wayne State University removed content from their Labor Studies page (above). At right, President Joseph Lehman and Senior Editor Tom Shull defended the Center's use of FOIA in a Washington Post Op-Ed.

The incident created a national debate over whether government email accounts used by government professors should be kept secret, leading the Center to be criticized by left-wing MSNBC personality Rachel Maddow and even the editorial page of the Washington Post, sparking significant public outcry, including a bomb threat.

Scrutiny of WSU's Labor Studies Center began in 2005 when the Michigan Chamber of Commerce filed a complaint accusing the LSC of violating the state's campaign finance laws by promoting an increase in Michigan's minimum wage. The Chamber alleged that the LSC had "long been viewed as a wholly owned subsidiary of the UAW." The LSC removed the offending page, and the state's Bureau of Elections did not pursue the matter.

In 2010, Ken Braun, managing editor of CapCon, wrote about this incident and pointed to several questionable pages still on the website, including one boasting that the LSC staff were active in helping "progressive" political groups develop strategies for gaining power, and another with instructions on how to run political campaigns for union-friendly ballot initiatives. On March 25, 2011, Braun sent a FOIA request for specific official emails sent by LSC

professors using their government school email accounts. Similar requests were sent to labor studies centers at two other public universities.

Seeking to limit the request to discussions of possible illegal activities rather than seeking all of the professors' emails (an option available under the open records law), references to the union controversy in Wisconsin were settled upon as proxy search terms that might possibly reveal discussions of misusing taxpayer resources for political ends. One such term was Gov. Scott Walker's name. And because Rachel Maddow had recently and very publicly taken Gov. Rick Snyder to task over his handling of public employee unions, her name was also included.

Claiming the request was an assault on academic freedom, one or more professors forwarded the FOIA request to Talking Points Memo, which in turn was picked up and railed against by Maddow. A former MSU professor and a handful of union members held a poorly attended protest/press conference at the Mackinac Center's headquarters. However, after Braun appeared on WJR's Frank Beckmann Show to discuss the true nature

of the request, items started to disappear from the LSC website. The next day the entire site was listed as "under construction."

An explanatory essay by Braun in CapCon further quieted the debate, as did an Op-Ed in

The Washington Post by President Joseph G. Lehman and Senior Editor Tom Shull, defending FOIA as a tool to root out public misdeeds.



"With evidence of past misbehavior, we asked a question about government employee lawbreaking but it became bigger than that," said Braun. "As a result of us asking a question of our government, the newspaper where Woodward and Bernstein used to work editorialized in favor of government hiding information from the people who pay the bills. This is why Michigan Capitol Confidential exists: to fill the void when legacy media watchdogs stop barking, let alone biting." I

Center Nominees Win in Windy City

On April 8, 2011, the free-market nonprofit Sam Adams Alliance held its fourth annual “Sammies” awards in Chicago. The prestigious awards celebrate “ordinary Americans who take extraordinary steps to advance our freedoms.”

The Mackinac Center nominated two of the three finalists in the “Watchdog” category, with one emerging a winner.

One finalist was Mackinac Center Legal Foundation client Sherry Loar. With the help of MCLF, the Petoskey day care owner sued the state over the illegal withholding of so-called “union dues” from subsidy checks she received for caring for low-income children. The ensuing media attention to the union scheme went national, and the political backlash culminated in March, when the state stopped withholding dues.

The Center also nominated the winner: Jason Gillman of Traverse City, along with the late Chetly Zarko. The two won the \$10,000 prize for uncovering evidence of a fake “Tea Party” attempting to place candidates in 24 Michigan races. While Gillman runs his own blog, he took the story to Michigan Capitol Confidential. Gillman wrote, “Make no mistake, bloggers are useful for digging up info, exposing corruption, underhandedness, etc., but



Center-nominated finalists Jason Gillman, left, and Sherry Loar, center, at the Sammies award ceremony in Chicago.

ultimately, ... even the important unearthed truths must pass through established and credible sources. In this case my go-to was the Mackinac Center, and specifically Capitol Confidential.”

Thanks to the work of Gillman and Zarko, the Michigan Supreme Court removed the fake “Tea Party” from the ballot, and two Democratic Party officials face election fraud charges.

As the Sam Adams Alliance put it, “These extraordinary Americans help all of us relate to citizenship on a personal level, and inspire us all to re-imagine how we can engage in our democracy.”

They are extraordinary Michiganders as well, and worthy of the honor. **I**

‘Myth’ Videos an Award-Winning Reality

The Mackinac Center was recognized again for producing some of the finest online videos anywhere, this time for “The Foundation Allowance Myth,” part of a series debunking common myths about school funding in Michigan. The short won a gold and a silver from the Communicator Awards, along with a bronze Telly Award.

These school funding videos break down complex problems and policies (like the funding of Michigan’s

\$20 billion public school system) into bite-sized and entertaining shorts. Daniel Montgomery, marketing and design director, animated the films, winning the silver Communicator for use of graphics in the video.

The Center has produced four videos to supplement a study on school funding myths. The videos have been viewed nearly 4,000 times and are based on Education Policy Director Michael Van Beek’s recent study, “School Funding in Michigan: Common Myths.”

In this study, Van Beek identifies and debunks seven myths about school funding. He addresses different aspects of school finances, including some of the most popular talking points coming from school employee union officials. The study shows that no matter which way you slice the data, Michigan schools are well-funded compared to schools in other states.

This recent award-winning video and others like it are bound to get more attention as they give taxpayers and policymakers a quick and easy way to better understand important policy issues.

Read about the school funding myths and watch the videos at www.mackinac.org/12610. **I**





MichiganVotes.org



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VOTES from Page One

Thanks to MichiganVotes.org, every Michigan lawmaker who has served during the past 10 years has an easily uncovered “permanent record.” It’s now a lot harder for politicians to say one thing in the district, do something else in Lansing and depend on nobody telling the folks back home.

Not surprisingly, journalists were among the site’s early adopters, and they have used it to help explain or expose many stories. A Lansing State Journal editorial referenced MichiganVotes when condemning a complicated “fund raid” the Legislature had launched on gas tax revenue, and TV stations and newspapers around the state run annual “gotcha” stories that rely on MichiganVotes’ “missed votes” report.

The value of the site’s database grows each year. Many Michigan legislators move on to other positions in government, but their record will follow

	2001-02	2003-04	2005-06	2007-08	2009-10	2010-May 2011	Total
Bills	4,101	3,856	4,227	4,438	4,183	1,006	20,805
Roll call votes	3,784	3,563	3,828	3,514	2,702	247	17,391
Amendments	3,178	3,035	2,944	2,896	2,206	245	14,240
New laws	873	830	922	757	625	24	3,836
Missed votes	21,162	12,178	9,598	10,324	7,173	101	60,435

them on MichiganVotes. (Imagine how useful this would have been if an obscure Illinois state senator with a record of voting “present” on controversial issues had been from Michigan instead.)

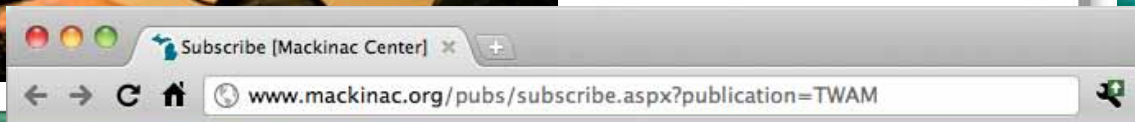
A weekly “Roll Call Vote Report” tells newspapers how their local lawmakers voted on measures selected by McHugh, editor of MichiganVotes. More recently, dozens of local Tea Party leaders have been added to the recipient list, “democratizing” this information in a way that’s making misbehaving legislators squirm.

In addition to this weekly “best/worst of” report, nearly 4,000 residents now receive user-customized daily session reports with descriptions of all legislative actions taken that day on whatever issue categories they have selected. No registration is required to have free access to all the information on the site, but more than 8,000 people have registered for the lively MichiganVotes forum on which individual votes, bills and lawmakers are discussed, praised and condemned.

Every month, 15,000 unique visitors access the site to look up particular bills or do comprehensive searches of a lawmaker’s record.

MichiganVotes is not an easy project to maintain — translating all those bills and votes into plain English consumes considerable time. But the value of the effort has been noticed by free-market think tanks in other states, and McHugh and Frick have helped set up Votes.org sites that are now live in seven other states. I

MichiganVotes.org Editor Jack McHugh



THIS WEEK AT MACKINAC

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Go to or <http://goo.gl/uyVIG> or scan this code with the QR reader on your smart phone:



SPEAKING UP from Page One

It's a good beginning, but more needs to be done to transform the state and its economy. Fortunately, Center ideas remain in demand in Lansing. Five Center analysts testified before legislative committees in the first quarter of 2011, and several others have shared their expertise since.

On April 12 and May 17, Patrick Wright, director of the Mackinac Center Legal Foundation, testified before the House Families, Children and Seniors Committee on the forced unionization of home care workers. In May he was joined by Sherry Loar, the MCLF's lead client in a lawsuit to end this unconstitutional practice. The committee was considering legislation introduced by Rep. Paul Opsommer, R-Dewitt, that would prevent anyone from being designated a public employee without the consent of the Legislature. The bill has since passed the House, and the budget deal zeroes out funding for the state's shell "employer" of day care providers, the Michigan Home Based Child Care Council.

Fiscal Policy Analyst James Hohman spoke on the need to reform the Michigan public school teachers' retirement system. He told the Senate Education Committee on April 13 that the current system was "risky, expensive and likely unsustainable."

April 20 found Paul Kersey, director of labor policy, speaking to the Michigan House Education Committee on legislation involving penalties for

illegal teacher strikes. Current penalties make the teacher strike ban difficult to enforce. Earlier in the year, Kersey suggested that teachers unions that conduct illegal strikes should lose their collective bargaining power for at least three years. By April, amidst rumors of strikes, the House took up two bills to put teeth into the ban. Testifying on these bills, Kersey said: "Collective bargaining (for government employees) is a privilege, not a right. An illegal strike is the ultimate abuse of that privilege."

Following Kersey's testimony, one of the bills was modified to include automatic decertification of a union after an illegal strike.

Also, on the heels of Fiscal Policy Director Michael LaFaive's testimony in February on the Michigan business tax, the Legislature has passed and the governor has signed a repeal of the MBT, replacing it with a much simpler flat 6 percent corporate income tax.

LaFaive had told the Senate Finance Committee, "As you know, the MBT is a complex and widely hated business tax that replaced an equally complex and widely hated business tax." The tax reform will also end the business tax credit regime, much of which created an unfair playing field for Michigan businesses.

The new law, Hohman says, will make Michigan a better place to do business.

Similarly, the Michigan Economic Development Corp. announced it will become more transparent, a move long advocated by LaFaive. In 2009,

he challenged the MEDC to post the names of companies receiving tax incentives and the value of other state and local incentives they are awarded. The MEDC is now doing so.

The state will also stop touting "indirect" jobs numbers in MEDC reports, another transparency-enhancing idea. Instead, the MEDC will only count actual new jobs created by the specific business receiving the credit.

The Legislature's budget includes a requirement for competitive bidding for prison services, as LaFaive and other Mackinac Center analysts have suggested.

Another Mackinac Center initiative, Benefits in Balance, gained traction as the governor and Legislature wrestled with the state budget. As part of Gov. Snyder's plans to cut state revenue sharing to local governments, local governments must make certain reforms to receive some of the revenue. Many of these requirements, related to employee benefits and other spending reforms, are suggested at BenefitsinBalance.com.

In another effort to bring benefits into balance, the state Senate passed legislation to require public employees to pay at least 20 percent of their health care premiums. As Center Education Policy Director Michael Van Beek has found, most school districts' teacher contracts do not require any employee contribution to health care costs, and the districts that do generally require a very small percentage — meanwhile, the average private-sector employee contribution to health care costs is about 20 percent.

This disparity has been pointed out in Michigan Capitol Confidential (see article on back page), as well as in a piece by Detroit Free Press editorial page editor Stephen Henderson calling for employee benefit reform. The 80-20 legislation is currently in the House Oversight, Reform, and Ethics committee.

This is an exciting time for Michigan, with many opportunities for needed reform. The Mackinac Center will continue to work toward freedom in Michigan's schools, homes and workplaces. **I**



Michigan's Public Employment Relations Act is the most important piece of legislation that no one has heard of. By requiring governments to collectively bargain with public employee unions, PERA has several negative effects: For example, the contracts can override local laws. To address these flaws, Mackinac Center Labor Policy Analyst Paul Kersey proposes several practical policies in his latest study, "Reconsidering Michigan's Public Employment Relations Act." Among them are:

- Eliminate PERA
- Limit subjects of bargaining
- Ban unions that engage in illegal strikes
- Require contracts to conform to state laws and local ordinances.

In this study, Kersey not only points out the need for change, but offers policymakers real solutions to the problems of Michigan's public employee bargaining law.



1. James Hohman, fiscal policy analyst, testifies on the state's pension system before the Senate Education Committee on April 13.

2. Michael LaFaive, fiscal policy director, testifies on the Michigan business tax before the Senate Finance Committee on Feb. 9.

3. Ken Braun, managing editor of Capitol Confidential, testifies before the Senate Reforms, Restructuring and Reinventing Committee on Feb. 9.

4. Patrick Wright, director of the Mackinac Center Legal Foundation, and client Sherry Loar, a day care provider, testify on forced unionization before the House Families, Children and Seniors Committee on May 17.

5. Peter Glaser, environmental attorney and Mackinac Center adjunct scholar, testifies on the EPA's war on energy before the Senate Natural Resources, Environment and Great Lakes Committee on Feb. 10.





An Open Letter To Our Friends:



Triple plays are rare in baseball, but given the opportunity, resourceful players make them happen.

2011 brought that opportunity to the Mackinac Center for Public Policy. When a group of longtime donors offered us an unprecedented \$1.65 million in matching funds early this year, we developed the Mackinac Center Triple Play around this unique chance to power a campaign to make Michigan the leading turnaround state in the country.

Today, thanks to generous support from donors like you, we have raised more than \$1.1 million of the \$1.65 million in new funding we need to meet this challenge.

If you have already donated to the Mackinac Center Triple Play campaign, you have our deepest gratitude. If you haven't, then I hope you will take a few minutes to read this issue of Impact and consider making a gift toward our work to put Michigan back on track.

Throughout this issue, you can read about the many ways we are using Triple Play donations to carry out policy research, to hold elected officials accountable to limited government and free-market reforms, and to be a voice in the courts on behalf of the public interest in Michigan.

Through Triple Play, we are working toward these key policy goals:

1. Fixing the state budget
2. Regaining state control of health care
3. Providing greater freedom in our schools and workplaces

Our aim is greater opportunity for all Michigan residents through sound public policies based on limited government, free enterprise and self-reliance.

But long-term policy reform takes time. That's why our lead donors structured this matching grant opportunity to cover three years: 2011, 2012 and 2013.

During that time, these generous donors will match, dollar-for-dollar:

- All gifts we receive from new contributors
- Increased gifts from our current supporters
- All pledges made in 2011 to donate in 2012 or 2013.

For our current supporters, this means that any additional gift to the Mackinac Center in 2011 that is above the amount of your 2010 donation will be matched, dollar for dollar. For example, if you donated \$100 in 2010 and donate \$150 in 2011, the additional \$50 will be matched. In addition, any pledge you make in 2011 to donate to us in 2012 or 2013 will also be matched.

But please don't think we are relying just on current supporters to meet this challenge. More than 600 new supporters have joined us since February, after learning about the Mackinac Center Triple Play campaign and this exciting work to bring about long-lasting policy reform in Michigan.

You can make a donation to Triple Play using the reply envelope enclosed with this issue of Impact, or by visiting our website at www.mackinac.org.

If you've already made a donation, then thank you again, and please consider helping us in another way by forwarding this issue of Impact to a fellow believer in limited government and free enterprise. With your help, we can complete the Triple Play and grow the network of support for the Michigan turnaround.

Sincerely,

A handwritten signature in black ink that reads "Darryl M. White".

Darryl M. White

Vice President for Advancement



Now Entering the Field: Students for a Free Economy Takes Free-Market Ideas to College Campuses

Every year, college students enroll in a school with the hopes that they will find a major, some new ideas and new friends. Often, they leave with really only two of these. Too often, in fact, these students are given only one perspective in the role of government in public affairs: More is better. Students for a Free Economy uses a variety of activities to bring free-market ideas to students, both on-campus and off-campus.

Students for a Free Economy works actively to rebalance the terms of these issues. Christopher Deming, the Mackinac Center's director of campus leadership, hit the ground running at the beginning of the 2010-2011 academic year, sending SFE materials to several college resource fairs and hosting a booth at an impressive 19 more, engaging students with pamphlets, T-shirts and most importantly, the ideas of liberty. Building on that foundation of outreach, SFE coordinated or brought students to a variety of events throughout the school year.

Among these was a "Weekend Exploring Liberty" conference held in April at Northwood University in

Midland, Mich. Over 60 students registered for this three-day event. They came from all across the state and beyond. Representatives from Northwood University, the Acton Institute and the Cato Institute came and gave students a variety of perspectives on liberty.

SFE also helped bring debates to campuses. These debates were created by students for students and involved groups like the College Democrats, College Republicans, Young Democratic Socialists and College Libertarians, on a number of policy issues, including fiscal problems and education policies. For the first debate alone, more than 60 students attended the two-hour event. Matt Needham president of the Michigan State University College Libertarians said:

"SFE has been extremely helpful for MSCL this year. ... SFE helped guide us through the process of planning and executing successful events. MSCL successfully



organized two debates, a war protest, as well as speaking events with Congressman Justin Amash, former New Mexico Gov. Gary Johnson and FEE President Larry Reed. SFE helped us by getting us in contact with speakers and helping us navigate through university bureaucracy."

In February, SFE took more than 30 students from across the state to the International Students for Liberty Conference in Washington, D.C. Packing two 15-passenger vans with people and luggage, SFE students were able to make the long haul to meet other students and activists from around the world. Many of these young people will go on to use these networking opportunities to find jobs, land internships and make their way toward advocating for liberty after they graduate.

Minority opinions, especially those presented by advocates of free-market principles, must be constantly brought to the attention of all students in as many venues as possible. The competition of ideas is important in the development of a critical mind, and Students for a Free Economy will be there to make sure college students are introduced to free-market ideas.

Watch a video of students speaking about their experiences with SFE at www.mackinac.org/15101. **I**



UPDATES

All Wet



The Mackinac Center filed an amicus brief in a case senior legal analyst Patrick J. Wright described as a “possible watershed in state criminal and environmental law.” A Sparta business owner was accused of violating state wetland law in 2006 when he extended his parking lot over a soggy area. (For more information, see “Hart Enterprises: A Wetland Case Study” at www.mackinac.org/9504.)

The defendant was found guilty of two misdemeanor crimes, but the judge did not instruct the jury to determine whether the defendant had an intent to break the law. The defendant has appealed. The Center is not a litigant in the case, but has filed the amicus brief arguing that proof of criminal intent is necessary — and should remain necessary — for criminal convictions. Read more at www.mackinac.org/14982.

Academic Standards



Michigan State University in May dismissed a professor whom the university said committed plagiarism, following an investigation sparked by Mackinac Center questions about his study on school district consolidation. Education Policy Director Mike Van Beek uncovered the apparent plagiarism (www.mackinac.org/13447), and also noted that the study’s methodology was “seriously flawed” (www.mackinac.org/13417).

Striking the Set



Two individuals could face felony charges for attempting to defraud taxpayers by inflating the price of an old Lear plant, which they intended to develop into a film studio, in order to gain millions of dollars in state tax credits.

The Mackinac Center first drew attention to Hangar42 last year after a months-long investigation by Center Fiscal Policy Director Mike LaFaive and Communications Specialist Kathy Hoekstra revealed that the supposed \$40 million property had sat on the market unsold at \$10 million before the deal was announced. Watch the Center’s video exposing the Hangar42 scandal at www.mackinac.org/12804.

Carry the Banner



With two videos earlier this year, Communications Specialist Kathy Hoekstra exposed a new Big Labor tactic called bannerng: A Michigan union hired nonunion laborers to protest a Grandville business whose employees choose not to be unionized — and some of the protestors were beneficiaries of a charity the business supports. The videos drew media attention and were also shown at the national Associated Builders and Contractors Board of Directors meeting in Orlando, Fla. on Feb. 22. Watch the videos at www.mackinac.org/14515 and www.mackinac.org/14571.

Smokes and Fire



Smoking may be a health hazard, but cigarette taxes are dangerous, too. In a December 2010 update to a 2008 study, Center Fiscal Analyst Michael LaFaive and co-author Todd Nesbit found a strong correlation between high cigarette taxes and smuggling, theft and violence. National coverage of the findings reached from Florida to Alaska and included a syndicated column by economist Walter Williams.

A video by Communications Specialist Kathy Hoekstra accompanied the study, highlighting the theft and violence that high state excise taxes have brought to a Michigan cigarette wholesaler. More than 2,700 people have watched the video, available at www.mackinac.org/14208.

Hudson High School students Courtney Walter, a senior, and Daniel Komarynski, a freshman, receive \$1,000 debate scholarship awards from the Mackinac Center, presented by Kendra Shrode, assistant to the president (right). Two other students, Scott Hoelsema and Caryn Baker, a senior and junior respectively at Zion Christian School in Byron Center, also won in this year’s debate essay contest for participants in the Center’s annual debate workshops.



Debate Workshop Essay Winners

Off the Record



Capitol Confidential Managing Editor Ken Braun, front right, joined Communications Specialist Kathy Hoekstra, second from left, on WKAR’s “Off the Record” with Tim Skubick on April 22 to discuss Gov. Rick Snyder’s performance, the emergency financial manager law, teacher salaries and ObamaCare.

Wilfrid Laurier: A Canadian Statesman By Lawrence W. Reed

(Lawrence W. Reed is president of the Foundation for Economic Education — www.fee.org — and president emeritus of the Mackinac Center for Public Policy.)

Owing to where most Americans trace their ancestry from, we tend to know more European history than the history of our immediate neighbors, Canada and Mexico. We can name famous entrepreneurs and political leaders from across the sea but rarely one from next door.

One man we should get to know left office as Canada's prime minister exactly 100 years ago. He's the guy with the bushy hair on the Canadian \$5 bill.

Wilfrid Laurier's political resume is impressive: fourth-longest-serving prime minister in Canada's history (1896–1911, the longest unbroken term of office of all 22 PMs). Forty-five years in the House of Commons, an all-time record. Longest-serving leader of any Canadian political party (almost 32 years). Across Canada to this day, he is widely regarded as one of the country's greatest statesmen.

It's not his tenure in government that makes Laurier an admirable figure. It's what he stood for while he was there. He really meant it when he declared, "Canada is free and freedom is its nationality" and "Nothing will prevent me from continuing my task of preserving at all cost our civil liberty."

A new think tank in Ottawa honors Laurier and another Canadian PM, John MacDonald, in its name: the MacDonald-Laurier Institute. Founders Brian Crowley, Jason Clemens and Niels Veldhuis have authored a new book, "The Canadian Century: Moving Out of America's Shadow," in which they explain the political principles and institutions that Laurier stood

for: limited government, light taxes, fiscal discipline, free trade, private property and the rule of law.

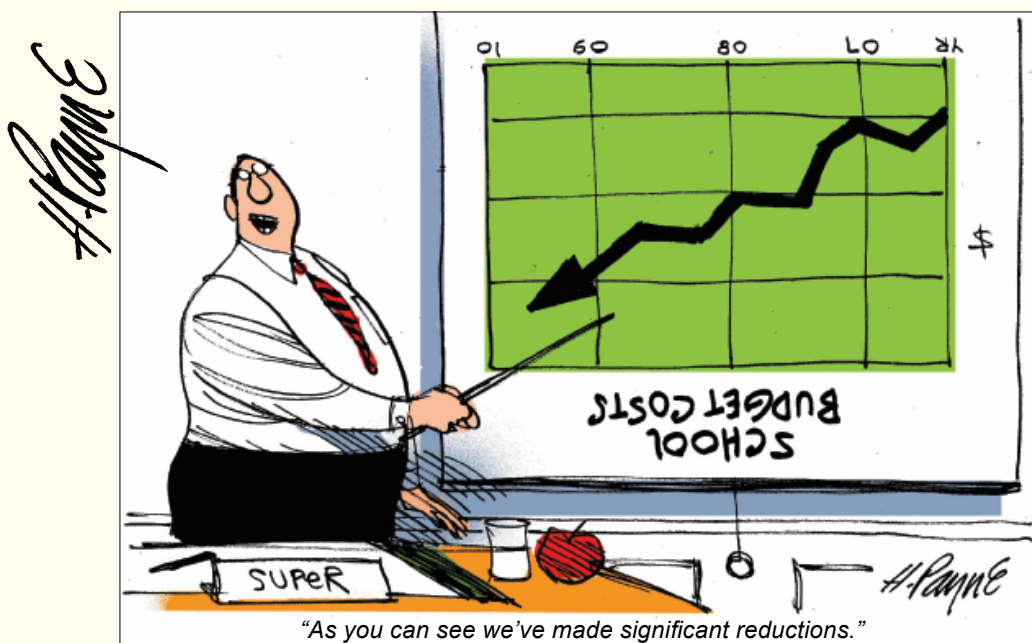
At a time when others in the British Commonwealth had begun to emulate the welfare-state policies of Bismarckian Germany, Laurier had a better idea. Crowley, Clemens and Veldhuis write:

"Laurier's objection to such schemes, like that of his Liberal colleagues, was one of principle: when people were expected to take responsibility for themselves and their famil[ies], they made better provision for their needs and directed their productive efforts where they would do the country and themselves the greatest good. When this natural necessity to strive was diluted by an easy access to the public purse, the ever-present danger was of the enervation of the individual and the stagnation of the progress of society."

Canadians in his time appreciated Laurier's sturdy character and his desire for goodwill and conciliation among the disparate cultures of Canada. Toleration and decentralized federalism became hallmarks of his long legacy in politics.

To help Canadians compete with the colossus to the south, Laurier hoped the country would rely on private enterprise and open markets. A key ingredient, he believed, would have to be a lower cost of government and a lower tax burden.

I now keep a Canadian five-dollar bill in my wallet just for those occasions when I meet a Canadian and the conversation turns to politics. We will lament the caliber of more recent politicians on both sides of the border but at least I can now point to Laurier's picture and say, "We can do better, and indeed, you have." I





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CAPCON SCHOOLS THE EDUCATION ESTABLISHMENT

Gov. Rick Snyder's proposals for public education spending generated a harsh but predictable reaction from the K-12 establishment. In newspaper stories across the state and in rallies at the Capitol, the common refrain has been that districts have already "cut to the bone." However, important financial details rarely appear in these stories. Public education is the most expensive item paid for by state government with state tax dollars, and the cost of paying employees at public schools accounts for almost 80 percent of this spending. A serious effort to restrain the cost of government must address its most expensive area.

But readers of the Mackinac Center's online daily news site know these details. Dozens of school officials' outlandish statements in local newspapers have been debunked this spring because of the work of Michigan Capitol Confidential lead reporter Tom Gantert, using the Mackinac Center's database of school union contracts and the technical expertise of Education Policy Director Michael Van Beek.

For example, a Michigan Education Association official claimed that some first-year teachers in the Lansing School District were being paid wages that were below the poverty line. CapCon was able to inform its readers that the federal



Legislative efforts to control public education costs generated the usual protests and hyperbole.

poverty line for a single person was \$11,351, while the starting salary of a new teacher in the district last year was \$35,712.

In numerous other districts, superintendents or other officials claimed their budgets had been repeatedly cut over the years. The analysis and reporting of Van Beek and Gantert time and again showed that district budgets had actually increased year after year. Some of these articles were picked up by other media outlets.

Health insurance costs are a persistently non-reported story. When school administrators and union officials are quoted about the serious cuts allegedly made by their districts, CapCon points out that

virtually all teacher union contracts still don't require employees to pay more than a few percentage points of their own health insurance premiums, and a majority require no employee contribution at all. In contrast, private-sector workers in Michigan pay an average of 21 percent of their health insurance costs.

More than 346,000 unique visitors have turned to the CapCon news site since January 1. The Facebook page now has more than 11,000 fans — more than the Detroit Free Press and The Detroit News. Thanks to the Center's research and reporting efforts, the days when school officials could expect uncritical coverage of their "underfunded" claims are over. **I**