

## An Evening With the Mackinac Center: Celebrating Policy Entrepreneurs

For practical reasons, politicians typically feel compelled to propose policies that are politically acceptable to the public. For many pols, that's an excuse to play it safe.

This is sad, because politicians can still be entrepreneurs. Just as market entrepreneurs develop products that consumers never quite knew they wanted (think the iPad), political entrepreneurs can develop policies that voters never quite knew they wanted.

Enter Indiana Gov. Mitch Daniels, the Mackinac Center's keynote speaker on Nov. 14 in Lansing. Gov. Daniels, enthusiastically introduced by Michigan Gov. Rick Snyder, headlined an event that promoted policy entrepreneurialism in a Michigan market ripe for change.

Nearly 600 people turned out to hear the message that evening at the Lansing Center, including Michigan House Speaker James Bolger, Michigan Supreme Court Chief Justice Robert Young Jr., Michigan Supreme Court Justice Stephen Markman and a contingent



Indiana Gov. Mitch Daniels addresses a crowd of nearly 600 at An Evening With the Mackinac Center.

of state lawmakers. Against the backdrop of a beautifully decorated room and a beautifully served, Michigan-themed dinner, the assembly listened to thoughts on political boldness from Govs. Snyder and Daniels, Mackinac Center President Joseph G. Lehman, and emcee and radio talk show host Frank Beckmann. Also that night, four people were honored as models of courage: policy entrepreneur and Mackinac Center President Emeritus Lawrence W. Reed,

see "Daniels Event," Page 6

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## Center Analyst Leads Charge Against Obamacare Exchange in Michigan

In a Sept. 14 "Special Message on Health and Wellness," Gov. Rick Snyder told a statewide audience, "I urge the Legislature to enact legislation creating the MI Health Marketplace before this Thanksgiving."

News reports said little about this "health marketplace," but in fact it was big news: The proposed state-level health exchange would administer one of Obamacare's key elements — insurance subsidies for individuals earning up to 400 percent of the poverty level. This subsidy is the source of the law's \$1 trillion-plus cost over the next decade.

Even for those opposed to Obamacare, there were rational arguments why the state

should create the exchange. Ostensibly, a state-established exchange would provide greater state control of health care policy and bring more predictability to Michigan's insurance marketplace than waiting for the federal government to create an exchange for Michigan instead.

But from a broader policy perspective, this seemingly sensible argument was ultimately imprudent and wrong — a point seen with compelling clarity by Mackinac Center Senior Legislative Analyst Jack McHugh. McHugh drove this comprehensive view of the exchange home through relentless original reporting and

see "Health Care Exchanges," Page 4

**"I don't venture forth very often — stick to my knitting, stay in my lane — but the Mackinac Center is an organization that I've admired a long time, and I decided to make an exception for that."**

— Indiana Gov. Mitch Daniels, explaining his willingness to speak at the Center's event

## PRESIDENT'S MESSAGE

# Government as Santa



Joseph G. Lehman  
President

Why is it that most people eventually abandon the idea of Santa Claus ... and yet so many never abandon belief in an omnipotent government?

Santa Claus is magic. His toy sack never empties, he traverses the globe faster than lightning, his reindeer never tire, his elves never strike, and he's never too fat for the chimney. Awed by his powers, young kids approach the Jolly One clutching wish lists that itemize the objects of their "unbridled avarice," as a popular Christmas movie put it.

And why not? Santa's little supplicants are prodded by plenty of parental encouragement. No toy is beyond the ability of Santa's elves to build. Nothing Santa gives to one child takes away from what he can give to any other child. Plus Santa knows who's been naughty or nice, so the great toy distribution is bound to be fair in some cosmically satisfying way, with everyone getting what they deserve and probably a little bit more. Who wouldn't want to live in such a world?

Too many adults treat government the way kids treat Santa. But government is not magic. Most adults expect government to provide at least the basics of society like courts, police, defense, roads, mail, and schools. Yet these so often seem beyond the reach of government that we may seriously question whether some of them, like schools, should be entrusted to government at all.

Many adults want government to cover everything under Santa's flying sleigh. Their wish lists say, "subsidize my retirement, my big house, a year's worth of unemployment, my medicine, my college loans, my electric car, my car company, my union, my bank, my bad decisions in general, and my ethanol and solar companies." But unlike Santa's bottomless bag of toys, every subsidy government gives to someone must be taken from someone else. For every happy kid there is another whose toy was ripped from his hands.

Adults then may expect that only the deserving ones get the goodies, but the dilemma of fairness inherent in forced redistribution needs no elaboration here. Let's just say it takes a lot of magic government fairy dust to make it all fair.

My point is not to ridicule those who want government to provide what they believe they deserve, which would be rude and especially out of season at holiday time. Rather, it is to confront the reality of an extremely durable myth — government as Santa Claus — and to prevent belief in that fable from destroying our nation.

Children may be sad to realize there's no Santa, but Mom and Dad can usually ameliorate that disappointment. No one will rescue us when our collective "unbridled avarice" runs up a debt so high it can never be repaid. All the little children will be crying then.

Belief in Santa is endearing in children. Belief in magic government is sad, tragic and destructive in adults. One of the greatest gifts we can give this holiday season is to help others confront the myth of magic government. By supporting the Mackinac Center, you are doing that, and I'm grateful. **I**

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## Family's Forced Unionization Plight Draws National Attention

Robert and Patricia Haynes are like most parents in many ways. They care deeply for their children and keep a close eye on expenses while trying to provide what their son and daughter need. The Hayneses are unlike most parents, however, in other ways. Their adult children both suffer from cerebral palsy. "They are basically 6-month-olds in adult bodies," Robert Haynes explains. And they were forced into a union against their will.

Rather than institutionalize their children, Robert and Patricia care for them at home. They receive a Medicaid stipend to do so, and that, in the eyes of the state, makes them public employees. About \$30 a month in "union dues" is deducted from their checks and funneled to the Service Employees International Union.

This scheme was reported by Jack Spencer in Michigan Capitol Confidential in early November, including an interview with Robert and Patricia on Nov. 9 ([www.mackinac.org/16001](http://www.mackinac.org/16001).)

## Bargain Hunting The Center Amasses a Database of Local Government Union Contracts

Public employee union contracts drive up the cost of local government in Michigan, but the public is often unaware of this. Voters are rarely — if ever — told what all the contracts' terms are or how their city's contracts compare to those in nearby communities.

This is why the Mackinac Center has taken the unique step of gathering and posting online the government employee collective bargaining agreements for all 83 Michigan county governments and the state's 28 largest municipalities. This new Michigan Local Government

"We're just parents taking care of our kids," Robert told CapCon. "We sure could use that \$30 a month that's being sent to the union."

Robert told Fox Business News that calls to legislators for help have gone unheeded. The only help the family has received came from the Mackinac Center, he said. During the interview, Robert specifically mentioned Spencer and Patrick Wright, director of the Mackinac Center Legal Foundation.

"Most of the issues I've written about have been about disagreements over policy," Spencer said. "Forced unionization is not a question of policy, it's an example of corruption. That's why it was particularly heartening to see the strong response our article featuring the Haynes family received. This issue needs to be placed before the eyes of as many people as possible. Once the public fully understands the dishonesty and sheer audacity of what occurred, their response will make sure that the forced unionization comes to an end."

The day after Spencer's story broke, The Washington Examiner reported on



Robert Haynes at home with his children during WJBK FOX 2 Detroit's feature coverage.

it, opening the floodgates. The Haynes family was featured twice on Fox Business News, and the story was soon drawing national attention, including mentions on Rush Limbaugh, National Review Online, The Weekly Standard, The Blaze, FrontPage Magazine, Townhall and Hot Air. An editorial in The Detroit News on Nov. 12 compared the situation to a similar scheme involving the illegal unionization of home-based day care operators in Michigan, which came to an end last March after an 18-month legal battle spearheaded by the MCLF. It was also the lead story on the 11 p.m. news Nov. 15 on WJBK in Detroit. **I**

Database contains contracts for public employees in law enforcement, courts, corrections, fire, public works, clerical services and more from Alcona to Wexford counties. For Detroit alone, the database contains 29 contracts incorporating more than 750 work classifications, including "aquarists," "tree artisan helpers" and "comfort station matrons."

After a strong debut in early September, the database continues to draw attention, with over 250 hits per week.

In Michigan, government employee benefits exceed those for private-sector workers by nearly \$5 billion annually. In many cases, expensive health care plans are written into union contracts. Bringing local government's benefits back into balance can preserve

important government services while opening up the possibility of tax relief for families and employers.

Collective bargaining agreements often allow union officials to conduct union business on government time, and sometimes even on the government's dime. For Macomb County, stewards get five hours per week paid on union business, the unit chairman gets up to four hours a day, and there is mandated release time for the three-member bargaining committee. In Saginaw, public works committeemen and stewards are paid by the city for time lost on grievances, bargaining and union meetings.

Another aspect of collective bargaining that deserves more

see "Bargaining Agreements," Page 5

**HEALTH CARE EXCHANGES** from Page One

by sharing the analyses of the nation's savviest free-market health policy experts. The effect has been powerful: Even as reporters and Lansing insiders seemed to take for granted that the Legislature would deliver this health exchange as requested, the legislation has stalled.

Over the past 12 months, McHugh has written more than 30 articles and commentaries for Michigan Capitol Confidential. He also authored Op-Eds that appeared in the Detroit Free Press and Lansing State Journal, delivered radio interviews, gave talks to local groups, spread the word through social media and more. While the public at large heard little about the proposed exchange until recently, for months Tea Partiers, active voters and others motivated by economic and liberty concerns were kept informed.

When a bill was finally introduced and hearings began several weeks after the governor's address, many legislators quickly heard a clear message from important constituents: "Not so fast!" Although the state Senate passed a bill on Nov. 10, indications are that the House is less likely to do so.

Elected officials have told McHugh that the impact of the Center's articles is part of why the House has been reluctant to even consider the legislation. There were also reports that his commentaries were being circulated among House members. Exchange supporters have complained that his work was obstructing their efforts.

Under the federal Patient Protection and Affordable Care Act, states must set up their own PPACA "exchange" or the feds will do it for them. Many policymakers, though they are not sympathetic to PPACA, believe that the least-bad option is to create a state exchange that takes advantage of whatever small opportunities may exist to insulate Michigan from at least a few of Obamacare's many destructive provisions.

McHugh repeatedly argued that this excessively narrow focus obscures the infinitely more vital priority of consigning Obamacare to the dust heap of history's big government mistakes. There are good reasons — McHugh cited 10 of them in one article ([www.mackinac.org/15980](http://www.mackinac.org/15980)) — to expect that moving too quickly on the creation of an exchange may push that all-important goal further out of sight.

Nevertheless, McHugh pointed out, given the challenges of compliance, Gov. Snyder's desire for an early start is understandable. Among other things, the Governor has spoken of the huge technology issues involved. Michigan's insurers also face huge challenges in adapting their operations to the new law, and they reasonably desire certainty sooner rather than later.

Michigan is not alone — every policymaker in every state faces the same challenges. But certainty is one thing they're not likely to get soon, given past experience with large state/federal social welfare programs. State control is most likely another forlorn hope. Here's how the Wall Street Journal described the first set of federal exchange regulations released last July: "The word 'require' appears 811 times in the 244-page rule and its 103-page supplement. 'Must' shows up 580 times — and this is merely HHS's first batch of exchange mandates ..."

Given the overwhelmingly unconstitutional nature of Obamacare, its assault on individual choice, and the fact that quick action may detract from the larger goal of repeal, prudence suggests the Michigan Legislature model the tortoise, not the hare. Let the U.S. Supreme Court render its verdict in June and allow voters to render theirs in November. Holding back, even if doing so risks greater implementation challenges and costs down the road, is worth it when the ultimate goal is so important.

Thanks to the work of Jack McHugh and the free-market health care experts whose work he has drawn upon, much of this background was known by CapCon readers before legislation was introduced this fall. They had already learned on Aug. 3 in "Michigan Creeps Closer to Obamacare 'Exchange'" that a flaw in the drafting of Obamacare potentially involving much more than a mere "scrivener's error" could bring down its entire tottering structure.

This article also reported that the lead attorney for one of the lawsuits against Obamacare had just told lawmakers attending a national organization's meeting, "Saying 'no' to a state exchange is absolutely critical to the success of our lawsuit and those pending elsewhere around the country." The piece explained that a federal judge who ruled Obamacare unconstitutional had cited states' creating exchanges as one reason to stay his own ruling.

In the fall, other CapCon items, interviews, Facebook postings and speeches followed at a rapid pace. Among the articles were, "Obamacare 'Mandate' Could Penalize 70,000 Here," "NFIB: 'No Rush' on Creating Obamacare Exchange," "Obamacare 'Exchange' Opposite of 'Free Market,'" "Exchange' an Obamacare Trojan Horse?" and others.

Where this all lands is anyone's guess, but on one relevant point the Mackinac Center is certain: While most of those advancing exchanges are acting in good conscience, the Center's independent analysis and free-market principles have never been put to better use than they are now — helping Michigan residents cut through the bureaucratic clutter and call on lawmakers for policies that will protect Michigan's future health care freedom. I

## Event Horizon: 5 Center Panels Explore State's Future



### The Online Learning Revolution

Virtual learning has the potential to revolutionize learning for many students, but legal restrictions threaten to limit this innovative tool for Michigan's public school students. To discuss the future of online learning and the policies that affect it, the Mackinac Center this fall hosted three panel events in Traverse City, Grand Rapids, and Birmingham. More than 200 attended the panels and another 400 viewed via webcasts. Panelists included superintendents, representatives of online learning programs and national experts, as well as Education Policy Director Michael Van Beek. "More schools than ever are using online learning to supplement their programs," said Van Beek, author of a 2011 study on virtual learning ([www.mackinac.org/14440](http://www.mackinac.org/14440)). "We are offering a valuable service in educating the public and providing a forum for school leaders to exchange ideas."

### The Future of Unionized Government

Government-sector unions have been at the center of several key legislative debates this year: enhanced emergency financial manager powers, limits on health benefits, restrictions placed on automatic-step salary increases — even the definition of what constitutes a public employee. Labor experts addressed these and other issues at the Center's Oct. 5 Issues and Ideas forum on "The Future of Unionized Government."

The panel included David Masud, labor and employment attorney; Tom Eaton, the main labor negotiator for Oakland County; Barbara Ruga, one of the state's leading experts on collective bargaining in public education; and Paul Kersey, the Center's director of labor policy. The forum was attended by several policymakers and legislative staffers. Altogether, more than 600 attended or viewed the event via webcast.

### The Future of Oil and Gas in Michigan and the U.S.

The future of the state's and the nation's energy supply was the timely topic of the Nov. 9 Issues & Ideas Forum, moderated by Senior Environmental Policy Analyst Russell Harding. Panelists included Hal Fitch, Director of the Office of Geological Survey, and Karen Alderman Halbert, president and CEO of the U.S. Chamber of Commerce's Institute for 21st Century Energy.

As Harding says, "Federal and state government policy is subsidizing and mandating alternative energy, which is more expensive for consumers and business, while failing to deliver new jobs. Meanwhile, there is a revolution in natural gas developments ... [that] have the potential to provide significant new jobs in Michigan." **I**

## BARGAINING AGREEMENTS from Page 3

attention is the extent to which contracts protect government employees from discipline. In Taylor County, nonrecurring disciplinary records are removed on request after two years (one year if the issue is minor). In Detroit, letters of reprimand are removed after two years regardless of recurrence. Contracts with police officer unions also often include clauses providing for arbitration of discipline, such as in Detroit, Novi and Dearborn Heights, all of which make police departments less accountable to the public.

We can anticipate a wide range of reasons why Michiganders would be interested in viewing these contracts, but the best reasons might be the ones we can't anticipate: local conditions might make an innocuous-looking contract clause a budget-buster; petty political intrigues can create opportunities for payoffs buried in agreements. These are the sorts of things that local residents may sniff out as they look over the products of collective bargaining.

Our research shows that collective bargaining under current state law does not serve the public interest. The contract database should be a useful tool for illustrating why. **I**

**DANIELS EVENT** from Page One

and home-based day care providers Sherry Loar, Paulette Silverson and Michelle Berry.

As the keynote speaker, Gov. Daniels was a perfect fit. Speaking simply, wryly and without written remarks, he explained how seven years ago, on his first day in office, he abolished public-sector collective bargaining — something he could do unilaterally, since it had been established in Indiana state government by executive order. This bold gambit removed the roadblocks to a smaller, better government that employed the “Yellow Pages” test: “If it’s in there, you [the government] probably shouldn’t be doing it yourself.” The subsequent streamlining, he noted, left 21 percent fewer state employees — fewer than in 1975, and the fewest per capita of any state in the nation.

The resulting flexibility also improved state services. Permit waiting times dropped. Tax refunds came back in 16 days, rather than 31. Child protective services cleared one of the nation’s worst backlogs. Average visit times at the Department of Motor Vehicles fell to around 9 minutes and 30 seconds, with customer satisfaction at 96 percent. The state’s business climate, once “nondescript, in many cases, unattractive,” is “now routinely measured somewhere in the top five.”



Indiana Gov. Mitch Daniels listens to Gov. Rick Snyder's remarks.

Reflecting on these accomplishments, Gov. Daniels described a goal — and an attitude. The goal was one he communicated to his governing team from the start: running government “every single day in a way that leaves as many ... dollars in the pockets of the free men and women who earn them as we can.” The attitude involved leadership, particularly making hard choices: “People make these calls in their personal life all the time. They’ll understand if government and those leading it put it plainly to them in that way. ... [M]any things we did didn’t look too good at the time. But if they deliver, if they produce improvement — tangible, concrete results — folks will open their minds ... and come to a new point of view.”

A classic example was his decision to end public-sector collective bargaining: “The sky did not fall, the revolution did not begin, maybe because we acted so quickly and suddenly. There’s a good lesson in there, Rick, and I think that I’ve mentioned to a lot of other governors: What ought to be done — do it early, do it fast, do it swiftly and do it decisively. In the wisdom of the old country song, ‘If I shot you when I should’ve, I’d be out of jail by now.’”

Gov. Snyder, introducing Gov. Daniels, explained that when he decided to run for governor, “I said I would really like to go visit the best [governors]. So actually, Gov. Daniels was kind enough to have a meeting with me.” At that meeting, Gov. Snyder brought up the now-repealed Michigan business tax, saying, “Gov. Daniels, I want to get rid of the dumbest tax in the United States, so you don’t get most of your business from our state.”

Mackinac Center analysts had also recommended repealing the tax, and Gov. Snyder had kind words for the Center’s work, saying: “First of all, I’d like to say thank you to the Mackinac Center, to Joe [Lehman], to your board, to your entire team. You do provide a good role model in terms of the research, the thoughtfulness, the ideas that you put forward. It is very helpful, ... because it’s about getting people on board and having facts and information to share. ... I even keep the ‘101 [Recommendations to Revitalize Michigan]’ around near my desk and pull them out and see how I’m doing on the list every so often.”

Another key issue on which Mackinac Center analysts and Gov. Snyder had agreed was that the more than 40,000 home-based day care workers and business owners in Michigan are not government employees. The newly installed Snyder administration’s decision to stop the illegal collection of government employee “union dues” from these providers had ended a lawsuit filed against the state by the Mackinac Center Legal Foundation (see Impact Spring 2011), and during the event at the Lansing Center, Mackinac Center President Joe Lehman honored the brave stand of the Center’s clients in that suit with the Center’s Lives, Fortunes and Sacred Honor Award.

In accepting the award on behalf of co-plaintiffs Sherry Loar and Michelle Berry, Paulette Silverson said: “I am honored to accept these awards on behalf of Michelle, Sherry and myself. It has been a privilege to work with the Mackinac Center. They have pushed relentlessly for the truth in our case. ... The results, in my opinion, are a very big victory for freedom, and I thank you.”

Also honored that evening was former Mackinac Center President Lawrence W. Reed, who received the Center’s Champions of Freedom Award. In presenting the award, Lehman quoted Reed’s own words: “We need to take time to assist our brothers and sisters who are laboring in the same vineyards, on behalf of the same causes. When we strengthen others, we all grow stronger.”

Gov. Daniels echoed that sentiment in his remarks on Michigan. He spoke warmly of restoring the Midwest’s economic strength. He also described how popular support and positive policy change become mutually reinforcing, saying: “This is what I predict you are going to do in Michigan. Success breeds more success. Be bold. Take chances. Trust your fellow citizens.”

That’s what the Mackinac Center is all about. **I**

"We like to joke about our differences, but it's about time the Midwest stands up together to say we're not the flyover territory — we're the place to be."



1. Lawrence W. Reed, President Emeritus of the Mackinac Center, accepts the Center's Champions of Freedom Award.
2. Father Robert A. Sirico gives the blessing before a delicious "Made in Michigan" meal.
3. WJR's Frank Beckmann emceed the event, entertaining the audience with his trademark humor.
4. The Mackinac Center's "Seven Principles of Sound Public Policy" shed light on the guests with specially made votives.
5. Gov. Rick Snyder shares a laugh with Chief Justice of the Michigan Supreme Court Robert Young Jr.
6. Home day care providers Michelle Berry and Paulette Silverson accept the Center's Lives, Fortunes and Sacred Honor Award on behalf of themselves and Sherry Loar.



# 101 Years of Giving

By Darryl M. White

Mrs. Margaret “Peg” Simmons, from Traverse City, has been an active participant in all her communities throughout the years. A resident of New Jersey for over 40 years, she and her husband Gordon moved to Traverse City in 1983. Since then, the Grand Traverse Pavilions, the Grand Traverse Heritage Center and St. Patrick Catholic Church have all benefitted from her generosity.

Mrs. Simmons’ has been honored with the Empire Bank Good Neighbor Award, the 2001 Distinguished Senior Award of the National Cherry Festival, the 2008 Rotary Paul Harris Award and was selected in 2005 as Zonta’s Woman of the Year in Traverse City.

Most notably, Mrs. Simmons volunteered for the American Red Cross for 73 years.

By this time, I am sure you must be curious about Mrs. Simmons’ age. At 101 years young, Mrs. Simmon’s energy and commitment are something to applaud.

Two years ago, “Peg” became a financial supporter of the Mackinac Center.



Darryl M. White With Margaret “Peg” Simmons

“I love anybody that agrees with me,” she jokes. In a more serious vein, she notes that she contributes “because I’m learning more about Michigan every time I read your materials.” She likes the idea of “A small group of citizens working towards a better, more understandable government.”

As 2011 draws to a close, the Mackinac Center is fortunate to have many individuals from throughout Michigan who financially support us in the work that we do.

Mrs. Simmons is a wonderful example of the type of people who regularly supports the Mackinac Center ... passionate, engaged and positive about the future of Michigan.

Often, I am asked how the Mackinac

Center is funded. By choice, the Center does not receive funding from any government entities. Instead, the Board of Directors made the decision 23 years ago to operate based on the financial support of individuals who believe in these principles — free markets, limited government and personal liberty and responsibility. This continues to be the case today.

This year, several thousand individuals have already made donations to the Mackinac Center — a number which has grown significantly over the past five years.

Peg Simmons is a very special person. May she inspire each one of us ... to contribute in any and every way that we can. If you would like to join her in financially supporting the Mackinac Center this year, please go to our website at [www.mackinac.org](http://www.mackinac.org) or contact me directly at 989-631-0900 or at [white@mackinac.org](mailto:white@mackinac.org). I hope that you will join us in the fight to make Michigan an even better place to live. **I**

# Turning Old Years Into New

As I’ve traveled across our great state during the past two years, I’ve often been asked why I chose to work in advancement at the Mackinac Center.

One of the primary reasons is my two children. It was important to me in January 2010 that Luke, 17, and Sarah, 13, see Michigan as a vibrant place to live when they are adults. I realize each of them will make a purely personal decision about where to live, but better public policy makes them more likely to choose the state my wife and I call home.

Another reason for serving in this position is my strong belief in the power of the voluntary, collective efforts of individuals to effect positive change. This year, more people have stood with the Mackinac Center than ever before in our 23 year history.

As vice president for advancement, I work with Mackinac Center President Joe Lehman and the rest of the advancement team to raise the financial support critical to fueling this operation every year.



Darryl M. White, Vice President for Advancement

As 2011 comes to a close, I would like to thank each of you who have made a financial contribution to our work. Through the incredible generosity of many, the Mackinac Center’s board and staff have been able to work diligently every day to advance liberty and opportunity for all Michiganders.

December is the month when many people make a final year-end

contribution to their favorite nonprofit organizations. **Would you consider making one final financial gift to the Mackinac Center this year?**

You can donate in several ways: simply use the envelope in this publication, contribute online at [www.mackinac.org](http://www.mackinac.org) or call our office at 989-631-0900, and one of our staff would be glad to assist you.

With your help, we can continue to show how free people working together can make our state a better place to live — not just for us, but for future generations as well. **I**



# Launching Young Minds to a New Frontier

To boldly go where thousands of students have gone before

Hundreds of students from across Michigan attended the Mackinac Center's 2011 High School Debate Workshops to learn more about this year's national debate topic, "Resolved: The

United States federal government should substantially increase its exploration and/or development of space beyond the Earth's mesosphere."

More than 12,000 debate students, coaches and teachers have attended the Center's workshops over the past

23 years, receiving valuable research material and debate tactics from nationally acclaimed experts. Participating this year were: Adrian High School, Blissfield High School, Hudson Area High School, Lenawee Christian School, Detroit Cody High School, Detroit International Academy, Davison Faith Baptist School, Saginaw Heritage High School, Lake Fenton High School, Detroit Renaissance High School, Romeo High School, Detroit University Prep High School, Midland Academy, Holt High School, Kalamazoo Phoenix High School, Rockford High School, Zion Christian School, Crossroads Charter Academy, Forest Hills Central High School, Interlochen Academy and Petoskey High School.

"I appreciate the Center's workshop," said Lisa Russcher of Zion Christian School. "Every year I love taking my students to it because they learn so much and it helps them prepare very well for each debate that they enter."

"The information presented was well-researched and well-presented," said Pamela Tow-Conley, long-time debate coach at Forest Hills Central High School, who has brought her students to the Grand Rapids debate workshop for several years.

"This is my first year debating, and I will use the information and techniques given to me by your speakers," said Jordan Hayes of Hudson High School.

You can watch a video of participating students and teachers discussing the benefits of debate at [www.mackinac.org/15891](http://www.mackinac.org/15891).

Speakers this year included Greg Rehmke, director of educational programs for Economic Thinking/E Pluribus Unum Films; Mike Winther, debate coach and president of the Institute for Principle Studies; and Harris Kenny, a policy analyst with the Reason Foundation. Rehmke and Winther are both members of the Mackinac Center's Board of Scholars.

Speakers and students discussed the amount of money the government now spends on space exploration, the government's role in such research, the recent increase in private space travel investment and whether or not the moon and certain planets could or should be colonized. A portion of each workshop was also devoted to debate tactics, such as how to craft an argument on both sides of the issue, how to effectively cross-examine opponents and how to efficiently research the topic.

Winther commented after the workshops that, "Most rewarding to me is the year-to-year changes in philosophy that I have observed in a couple of the teachers. That is a great encouragement."

Once again, the Mackinac Center will be offering up to four \$1,000 college scholarships for students who attended the debate workshops and submit an essay about this year's topic. **I**



# What the President Doesn't Know

By Lawrence W. Reed

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

Last September, President Obama used the extraordinary platform of a joint session of Congress to propose the most un-extraordinary: Yet another round of wasteful government spending in the name of “job creation.”

The spectacle itself was remarkable if for no other reason than this: There he was, lecturing us on job creation—a man who has never personally been a job creator and whose policies have destroyed hundreds of thousands of jobs.

Here are just a few things that the President needs to learn:

Jobs — real ones that can last — don't magically materialize just because Congress throws money around. Real jobs come into being when savers, investors, entrepreneurs and business managers hire because they have confidence in the future. Taxing and berating job creators may get you some votes but not jobs.

Government has nothing to give anybody except what it first takes from somebody. Every dollar it spends comes from today's taxes or borrowing (which means future taxes plus interest) or printing money (which means we all pay eventually through inflation). Any “stimulus” we get from government spending is completely offset sooner or later, one way or the other. The idea that

government spending creates more jobs than it destroys or prevents is not science; it's not even economics. It's more like voodoo or superstition.

Recessions are like hangovers. The harm was done the night before at the party; we just feel the pain of it the next morning. In economic terms, the harm before this recession was a combination of easy money from the Federal Reserve and Congress jawboning banks to lend that money to people who couldn't afford it.

What would you tell a drunk when he's hung over? Dry out. No more booze. You wouldn't hand him another bottle. Yet doling out the booze is precisely what Washington has been doing to the economy and the President can't figure out why it won't sober up.

Jobs are like anything else — the more they cost, the less we buy. At the same time, the President seems puzzled as to why unemployment is higher today than it was before we squandered a trillion dollars on “stimulus.” His administration is jacking up the costs of creating jobs. From health care to the environment to taxes to labor policy, he seems to believe that more government, more spending, more debt and more burdens are the answer.

Job creators are telling the President, “Get off our backs, out of our pockets, and out of our way,” but he's not listening. It's a vivid reminder of the awful costs all of us pay when our leaders don't know economics. **I**



Lawrence W. Reed  
President Emeritus



## Supplies and Demand: Center Schools Districts

As any parent surely knows or remembers, the out-of-pocket expense and time involved in outfitting your children for school can be considerable. Legally, Michigan courts have interpreted the Constitutional provision for "free public elementary and secondary schools" as the prohibition of registration fees aside from non-mandatory activities, including band, football and other extracurriculars. However, many parents are misled by the school districts themselves.

In August, a concerned parent called Mackinac Legal Foundation Director Patrick J. Wright complaining that their school district was mandating that parents buy basic school supplies for their kids. Wright investigated her claim and found several districts that he described as "obfuscating their legal responsibility." The obligation of schools to provide educational supplies is not only determined by law; the Michigan Department of Education website bears two separate documents emphasizing this distinction.

A mandatory school-supply list intended for students' parents appeared on the website of East China School District's St. Clair High School. After Wright posted an article on Capitol Confidential questioning the district's legal authority, the language was abruptly amended.

At Waterford District's Beaumont Elementary School, the 2011 back-to-school shopping list bore similarly misleading language. Phrases like "needed supplies" appeared repeatedly; meanwhile, several items were listed as "optional." Using such contrasting words left parents with the impression that they were obligated to purchase certain supplies.

Some districts guilt parents into purchasing supplies by claiming financial hardship. But savings are widely available elsewhere, Wright noted, by trimming overly generous employee compensation packages and by privatizing noninstructional services. "Some districts lock themselves into tight budgets by the various collective bargaining agreements that they enter into," he said, making the case in radio and television interviews.

While some parents may be willing to contribute time and money to their children's classrooms, the schools are obligated to make it clear that it's a choice. Thanks to the Mackinac Center, districts are now on notice that while they can request parent donations, they cannot require them. **I**

## Drudge, Fox News and Other Sites Take Center Stories National

The Mackinac Center focuses on Michigan policy issues, which often limits the national attention our work receives. But the past few months have seen a meteoric increase in pick-ups of articles and commentaries by Center reporters and analysts by nationally known blogs and news outlets, spiking the number of visits to the Center's websites by thousands.

The first came in mid-October, when the Drudge Report, a leading online news aggregator, featured Labor Policy Director Paul Kersey's blog post about why the political "progressives" of the Left should take responsibility for the plight of Detroit, rather than besiege it as part of the nationwide Occupy Wall Street movement. As Kersey trenchantly observed in reframing the debate over Detroit's decline, "What exactly has Detroit done except implement the progressive vision as far as it practically could?"

Tom Gantert, senior capitol correspondent for Michigan Capitol Confidential, then scored a trifecta when his story about gym teachers out-earning science teachers in certain Michigan school districts was picked up by nationally prominent sites Instapundit.com, the Fox News website and the Heritage Foundation's "The Foundry" blog.

"Our idea has been to start taking national policy issues like the debate over teacher compensation and show how they apply to Michigan," Gantert said. "That has caught the attention of a lot of national websites. Michigan Capitol Confidential looks at things from a limited-government perspective, so there aren't a lot of other people reporting on the things we do."

The approach has yielded other successes. Gantert's story about the failure of Michigan's corporate welfare schemes to boost "green" jobs in the solar industry was picked up by Instapundit and Drudge. Instapundit also linked to Gantert's story showing that several Michigan government employees rank among the top 5 percent of wage earners in the country. Glenn Beck's website The Blaze featured a fourth Gantert story detailing how government workers' compensation has outstripped private workers' compensation over the last 30 years in Michigan.

This conscious effort to increase national attention to our work retains our Michigan research focus, while broadening our marketing reach. The result better promotes the Center's animating vision: advancing liberty and opportunity for all people. **I**

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## MERC Goes 'Kafka' on U-M Graduate Students

When an employer, labor organization and state agency all agree that a union vote should proceed in direct conflict with the law, those targeted for unionization have little recourse. But for nearly 400 graduate student research assistants at the University of Michigan, representation by the Mackinac Center Legal Foundation might help them avoid what otherwise would have been a fait accompli.

The odd tale began in 1981, when after weeks of hearings and thousands of pages of exhibits, the Michigan Employment Relations Commission determined that graduate student research assistants were not public employees and therefore not subject to compulsory unionization. In April 2011, the same union that failed 30 years ago, the Graduate Employees Organization, again sought to unionize the approximately 2,200 GSRAs at the U-M. This time, the union did so with a powerful ally — a majority of the university's Board of Regents.

Ignoring the 1981 ruling, the regents in a partisan 6-2 vote agreed not to challenge the claim that GSRAs were public employees. This left no one to represent the students' claim that they are not government employees.

The MCLF stepped in, seeking to intervene on behalf of graduate student Melinda Day. MCLF Director Patrick Wright informed MERC that it had a duty to enforce its own findings. MERC agreed that its 1981 ruling was binding and indicated that the unionization attempt could not continue, but claimed that Day alone could not intervene. MERC contended that at least 10 percent of the proposed bargaining unit would be required to enter the case.

The union filed a motion for reconsideration with MERC seeking to allow the unionization to continue and erroneously claiming the facts of the case had changed. The University acknowledged that the facts had not changed, but because of the regents' directive, was compelled to agree that GSRAs could be considered public employees.

Once again, the MCLF sought to intervene, this time on behalf of a 371-member group of GSRAs opposing the government employees union. In a Kafka-esque twist on due-process, two of the three commissioners at MERC's November meeting indicated a willingness to have the matter examined by an administrative law judge. This opened the door for dissenting graduate student research assistants to be forced into a compulsory union even as they are excluded from participating in the case.

In a surprise move, Attorney General Bill Schuette announced in late November that his office would intervene in the case. Wright said that the rarity of an Attorney General entering at such an early stage of an administrative process was a welcome sign and indicated the critical importance of the issue.

While the case was still ongoing at the time of this writing, the legal arguments put forth by Wright — and the increased visibility that resulted — have given voice to students who otherwise might have had no say in their own fate. **I**



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