

## Tens of Thousands of Michigan Families Will Be Free to Choose Charter Schools



On Dec. 20, Director of Education Policy Michael Van Beek attended the official ceremony where Gov. Rick Snyder signed legislation that would eliminate the arbitrary cap on the number of charter public schools that can operate in the state. Also pictured is Amy Hawkins, executive director of Citizens for Traditional Values.

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## Volt Analysis Charges Debate

Car buyers may get sticker shock seeing the Chevy Volt's \$41,000 price tag given the electric vehicle's limited range and capabilities, but the media went *into* shock after James Hohman, assistant director of fiscal policy, revealed in late December that each Volt sold so far costs taxpayers as much as \$250,000.

Hohman's calculations are based on all of the subsidies, tax credits and corporate welfare associated with the Volt — about \$3 billion total — in state and federal dollars.

Reaction to Hohman's analysis was electric when first reported by Michigan Capitol Confidential on Dec. 21. Hohman appeared on The Lou Dobbs Show the very same day, and within 24 hours his analysis had received mention on the Drudge Report, Fox Nation, the Bill O'Reilly Show, Instapundit, National Review, The Daily Caller, Human Events, Michelle Malkin, the American Thinker, Powerline, Carpe Diem, Hot Air and Reason. Hohman did

see "Volt Analysis," Page 11

**"Thanks for the great work the Mackinac Center does. I can tell you I often take your publications on airplanes, ... and [it] really is helpful to have those. ... You do a lot of good work behind the scenes."**

— U.S. Rep. Dave Camp in remarks at a Mackinac Center Club Mid event in January.

# Relentless Positive Medicine



Joseph G. Lehman  
President

I've written elsewhere that 2011 was the best year for policy reform in Michigan since Gov. John Engler's first term (1991-94). Not coincidentally, the state's economy is finally improving. Gov. Rick Snyder deserves significant credit for this, so voters must approve of the job he's doing, right?

Wrong. My quick review of 13 polls going back to January last year tells me voters have disapproved more than they have approved by 20-30 percentage-point margins for most of the governor's tenure. And they still disapprove.

The disapproval numbers are falling, and the approvals are inching upward, but Gov. Snyder has yet to get anywhere near 50 percent approval. (The Talking Points Memo Polltracker neatly summarizes the surveys.)

Why? Probably no one really knows, but I'll venture a theory. It's the same reason kids would give their parents a low approval rating if you surveyed them at bedtime — right after being told they had to go to bed whether they were tired or not. Or right after being told to eat their vegetables. Getting enough rest and eating nutritiously are good, but telling kids to do so is not the way parents earn immediate approval.

I'm not equating voters with children, but children are handy exemplars of the natural reaction anyone feels when presented with stark realities.

Gov. Snyder's approval is low because no one wants to hear the state can no longer spend as if Michigan's economy hadn't lost nearly a million jobs, Detroit hadn't lost half its population, and our biggest industry hadn't lost dominance in the global marketplace.

Economic strength paid for policy indulgences of the 1960s, 70s, 80s and 90s that are no longer affordable. Gov. Snyder took aim at some government union excesses and government employment benefits that greatly surpassed private-sector norms. He cut the tax burden on job creators and converted the tax code from a lopsided collection of loopholes and corporate giveaways to a vastly simpler flat tax. He preached "shared sacrifice" while, inevitably, the effects were felt unevenly.

About 25 of his reforms were worth writing about on Page 6. The changes vaulted Michigan from a rank of 49th to 7th among the states for corporate taxes, and from 18th to 12th for overall business tax climate, according to the Tax Foundation.

We're no cheerleader for any politician, but we do cheer for free-market policies. Gov. Snyder has spearheaded a lot of it recently, although we aren't reluctant to point out where he, and the Legislature, should do even more to rein in unions and reduce taxes and spending.

Overall, Gov. Snyder has acted as the adult in the room when it came time to clean up the fiscal mess left by predecessors. If his goal is to restore Michigan to prosperity, he is not done delivering the bad news yet. His slogan has been "Relentless Positive Action" but perhaps it should be "Relentless Positive Medicine." I

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## Out of the Park! Thanks to YOU!

It was the top of the ninth inning on a spring day in 1927 when Detroit Tigers player Johnny Neun made baseball history. The Tigers were leading the Cleveland Indians, 1-0, when first baseman Neun took the field.

Two batters later, Cleveland had runners at first and second.

But when the third batter lined a ball down the first baseline at Navin Field (later Tiger Stadium), Neun caught it on the fly, tagged the runner off first and tagged second base before that runner could return.

Game over. It was the first — and so far only — Detroit Tigers unassisted triple play.

Like Neun, the Mackinac Center for Public Policy is turning an unprecedented Triple Play right here in Michigan — but ours is far from unassisted.

In fact, the Mackinac Center Triple Play could not happen without the phenomenal outpouring of generous support that we have seen in the past year from our donors. We have already raised \$1,611,000 toward the \$1,650,000 Triple Play matching grant that a longtime donor group offered early in 2011.

This means that we have only about \$40,000 yet to raise in gifts or pledges to complete this dollar-for-dollar matching grant opportunity, likely far in advance of the July 31, 2013, deadline.

We take this as a testament to the ideals we share with friends like you — limited government, free enterprise and self-reliance — and as support for the three key objectives of our Triple Play campaign:

- Fix the state budget
- Stand up against federal infringements on our state (including Obamacare)
- Bring greater freedom to schools and workplaces

In the center of this issue you will find a list that captures how your support is helping the Center advance policy goals. Last year alone brought



Darryl M. White,  
Vice President for  
Advancement

significant legislative triumphs, often in concord with or inspired by ideas the Mackinac Center has long recommended, such as lifting the cap on charter public schools and putting sensible restraints on government worker benefit spending.

More than 750 of our supporters increased their giving in 2011 to support the Triple Play campaign and help us secure this dollar-for-dollar matching grant, while more than 1,200 people joined the Mackinac Center for the first time. Many sent along encouraging notes like these:

**“I thank you for your work to support sensible government.”**

**“I follow you on Facebook and read (your) other publications, print and on-line. Keep up the great work!”**

**“Please find enclosed our donation. ... So that you may continue the fight for our freedom.”**

“Continue the fight” is a good way to describe our outlook for 2012.

Even as we push ahead to raise the final \$40,000 in this campaign and bring about further policy success in Lansing, we also are beginning work on two additional matching grants in 2012:

- \$100,000 for the Mackinac Center Legal Foundation. A generous donor has offered to match all gifts to our

legal team, dollar for dollar, up to \$100,000. Your donation toward this grant would help our legal team be a voice for freedom in the judicial system.

- \$175,000 for Mackinac Center journalism initiatives. This donor group will match all gifts to our Michigan Capitol Confidential and investigative reporting programs, dollar for dollar, up to \$175,000. We use these funds to hold elected officials accountable to the residents they represent and bring greater transparency to all government activity.

You can make a gift to either of these grants by using the enclosed reply envelope. Please make checks payable to Mackinac Center for Public Policy and note your choice of grant(s) in the memo. You also can donate online at [www.mackinac.org](http://www.mackinac.org).

Just as Johnny Neun’s remarkable triple play didn’t mark the end of his career in baseball (he would play several more years in the major leagues, followed by decades of managing and scouting), the success of our Triple Play campaign doesn’t signal the end of our work, either.

If you have any questions about our 2012 matching grant opportunities, I invite you to contact me directly at the office at 989-631-0900 or by email at [White@Mackinac.org](mailto:White@Mackinac.org). **I**

**CHARTER SCHOOLS** from Page One

On December 20, 2011, Gov. Rick Snyder signed into law a bill to expand and then eliminate the arbitrary cap on the number of charter public schools that can operate in the state. The Mackinac Center has been a longtime proponent of greater parental choice in public schooling, and this is an important victory for Michigan families.

The Mackinac Center introduced the state to the concept of charter schools in the late 1980s. Back then, the idea of parents having a choice to enroll their kids in schools outside the direct control of government was revolutionary. Today, it's commonplace. There are about 250 charter schools in Michigan, enrolling a total of about 120,000 students. Plus, there's a waiting list of 20,000 hoping to access these schools.

The late Joe Overton, former vice president at the Mackinac Center, succinctly stated the rationale behind this form of school choice: "When the Mackinac Center for Public Policy introduced the concept of charter schools to Michigan in 1988, one of the main purposes was to allow these schools to operate relatively free of the crushing bureaucracy that is killing public education today, and which robs teachers and administrators of the joy and professionalism of their important work."

Other advantages of public charters are that they incentivize schools to improve through market competition, and provide parents with additional options other than the school assigned to their children by state government. With an effective cap on the charters, however, both of these goals were severely suppressed.

Ultimately, the debate about charter schools came down to one question: Should parents or politicians decide which schools

are good enough for children? Following the underlying moral case for freedom of choice and consumer sovereignty, Center analysts over the years consistently made the case that parents should be free to make that decision.



In this scene from the Center's 2009 video "Golden Ticket," Tameka Lewis (in pink) sits with other parents waiting to see if their child is awarded entry to one of the then-limited charter schools in Michigan. View the video at [www.mackinac.org/12432](http://www.mackinac.org/12432).

These intellectual arguments, advanced in studies, commentaries, videos and speeches over 20 years helped foster public opinion in a manner that made removing the charter school cap possible. When it came time to sign the legislation, Gov. Snyder's invited Michael Van Beek, the Center's director of education policy, to the signing ceremony. At the event, Van Beek was thanked personally by the chairs of the House and Senate education committees for his work in helping build the case for eliminating arbitrary limits on charter schools.

Helping to expand thousands of families' educational possibilities is a major accomplishment, but we're not resting on our laurels. Matthew Brouillette, a former Center employee and current president of a sister think tank in Pennsylvania, reminds us why with this observation penned in 1998: "Charter schools are a step toward freedom of choice in education, but only full and fair choice among diverse government and nongovernment schools will ensure that parents have a vibrant array of options." **I**

**MACKINAC ON CHARTER SCHOOLS**

Without free-market research and education, charter schools might have been just another forgotten fad from the 80s. Fortunately, Mackinac Center analysts and research advanced the notion that parents ought to have greater choices in their children's education.

Below are examples of what Center scholars and analysts have written on the issue over the years:

**Mackinac Center's 25-year Campaign to Expand Educational Choice**

Adapted from a blog post by Michael Van Beek.

**ROBERT WITTMANN, 1992:** "[C]ompetition cannot exist unless new suppliers are free to enter the market for educational services. One option currently under consideration is to 'charter' new schools into the public system. But, unless 'charter' schools enjoy reasonable autonomy, increased supply will not translate into 'more and better choice.'"

**LARRY REED, 1993:** "When Wayne State University, for instance, opened its new 'charter public school' this fall, more than 5,000 applications came flooding in from all over Detroit for only 330 seats. As hundreds were given the disappointing news, there were voices from within the public school establishment opposing even this limited opportunity for the beleaguered children of Detroit. What kind of an educational system is it that preaches the virtues of parental involvement but seeks to penalize some parents who want the best for their children? What kind of people behave as though the system were more important than the kids?"

**DR. ORMAND G. HOOK, 1997:** "One of the earliest advocates of the charter school idea was the Midland-based Mackinac Center for Public Policy. The law is now doing precisely what the Center urged years ago: 'It is vitally necessary to free up the supply side of education, both to enhance competition and to create new opportunities for children in their respective neighborhoods.' Signs are abundant that the general success of Michigan's charter schools is already goading other schools to find ways to improve."

**MATTHEW BROUILLETTE, 1998:** "Charter schools are a step toward freedom of choice in education, but only full and fair choice among diverse government and nongovernment schools will ensure that parents have a vibrant array of options."

**DR. RYAN OLSON AND DENEEN BORELLI, 2007:** "[P]olicymakers and education officials must resist the urge to add to charter schools the burden of further regulations concerning 'quality.' Quality is effectively addressed by the choices of education consumers — parents — and schools should not be hampered by more rules that limit how school leaders offer the educational services that parents desire." **I**

## Taxpayers Prevail in Bay City

After a long and contentious public hearing, the Bay City Commission voted to repeal the city's prevailing wage ordinance on Feb. 6. The vote came after three hours of public comment and may mark a tipping point for labor issues in the state.

There are 15 cities and counties in Michigan with their own prevailing wage ordinances that either explicitly or practically require the payment of union wages on all local-government funded construction. Bay City is the first community in the state that we are aware of to repeal its ordinance.

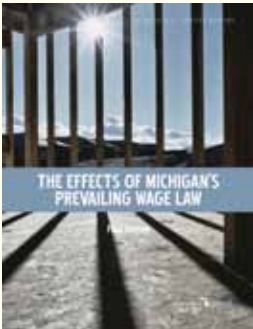
Mackinac Center research shows that prevailing wage ordinances increase the cost of construction by at least ten percent without any noticeable improvement in quality or on-time completion. (The Effects of Michigan's Prevailing Wage Law by Labor Policy Director Paul Kersey can be found at <http://www.mackinac.org/8907>.) The prevailing wage law requires the payment of premium wages in an industry that does not suffer from low compensation. Wages in the construction industry, which is nearly 80 percent non-union, are well above average compared to other Michigan industries. Kersey estimates that state and local prevailing wage laws cost the state at least \$200 million annually.

The Mackinac Center has been working for years to call attention to the cost of prevailing

wage laws, and Kersey himself appeared at an earlier hearing of the Bay City Commission to remind commissioners and the audience that average wages in the construction industry in Bay City were nearly \$6.00 an hour higher than for Bay City's workforce as a whole. "If there's an industry in Michigan that needs a government-mandated wage boost, construction is not it. Bay City taxpayers are paying extra on construction to boost wages for workers who are already pretty well off," said Kersey.

Momentum to reform labor laws is building. Last year the Legislature prohibited the use of Project Labor Agreements that prevent non-union companies from bidding on government construction projects. This law should lower the cost of government construction around the state by opening up projects to more competition. And legislation to repeal the state's prevailing wage law is expected to be introduced in Lansing fairly soon.

"With Indiana passing a right-to-work law, the pressure will be on in Michigan to show that we are no longer beholden to union bosses," says Kersey. "If policymakers are unwilling to pass right-to-work legislation, they should at least be willing to tackle the prevailing wage. Bay City has shown them the way, and the savings for taxpayers would be substantial." **I**



IN MEMORY

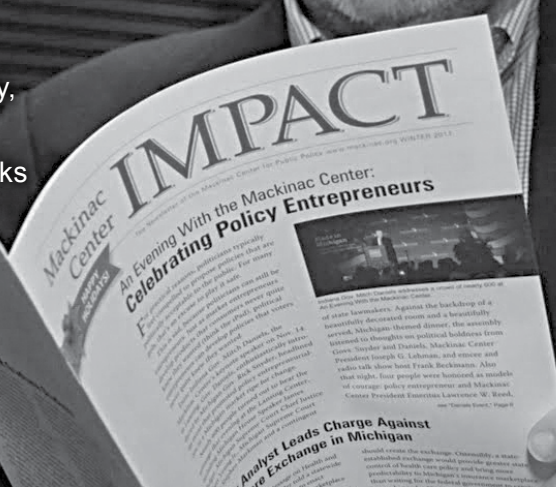
Andrew Breitbart

(1969-2012)



Andrew Breitbart, a tireless champion of liberty, reads the Winter 2011 issue of Impact just weeks before his untimely passing.

Photo credit: Josh Nunez



# 25 Reforms in 2011

Last year saw passage of a number of free-market measures that will help policies and benefit taxpayers. Mackinac Center Senior Legislative Analyst off with the simplification of Michigan's business tax and the balancing of

**1. Business taxes cut.** For the first time in many decades Michigan has a business tax system that takes much less, is much less burdensome in compliance and doesn't tax firms even when they lose money. According to the Tax Foundation, we've gone from the second worst to the seventh best corporate tax. Next up: Eliminating personal property taxes imposed on business tools and equipment.

**2. Budget balanced.** Much more important than getting it done quickly was the fact that it was done with none of the accounting gimmicks from recent years — *bipartisan* gimmicks — that in the private sector would trigger fraud charges.

**3. "Best Practices" in budgets.** Gov. Snyder's innovative use of best practice "carrots and sticks" in the local government revenue sharing, K-12 schools and higher education budgets is already starting to change the culture in these institutions (more on each below).

**4. Charter school cap eliminated.** An artificial cap of 150 on the number of charter schools authorized by state universities (the means by which most charters are created) has been eliminated. How far we've come since 2003, when a Michigan governor said "No thanks" to a philanthropist who wanted to give \$200 million to create Detroit charter high schools with a "90 percent graduation rate guarantee."

**5. MEGA special corporate tax deals eliminated.** That's the good news. The bad news: corporate welfare handouts will still go on, but on a much smaller scale, and with more accountability. Still, this is real progress toward a genuine free-market economy where the government provides a fair field with no favors instead of "picking winners and losers."

**6. Emergency manager law strengthened.** Collective bargaining agreements that "gave away the store" to government employee unions are the primary culprit driving many cities and school districts into virtual bankruptcy. Under the new law, these budget-busting agreements can now be shredded by emergency managers appointed to correct the fiscal malpractice.

**7. Government employment benefits in balance.** Mackinac Center research shows that government and school employees

annually in this state collect benefits worth \$5.7 billion more than private-sector averages. A new law requiring greater employee health benefit copays may eventually knock a billion dollars off that burden.

**8. K-12 spending restrained.** Restrained a little bit, anyway. Still, employee health benefits reform and school district "best-practices" incentives in the budget portend better news in the future. Next on the to-do list: School employee retirement benefits reform.

**9. University tuition hikes curbed.** Those "best-practice" carrots-and-sticks at work again: The budget provided no increased funding "carrots" to universities that hiked tuition more than 7.1 percent, and it (mostly) worked. (Yes, that's triple the inflation rate, but in higher education this is considered progress.)

**10. Teacher tenure reform.** No more "rubber rooms" and "dance of the lemons" for ineffective teachers because they're too hard to fire. No more laying off effective, newer ones ahead of more high-seniority teachers. Fingers-crossed on this: A lot depends on how much the school establishment and unions are able to "game" new definitions of "effective" and "ineffective" teachers, but the pieces are in place for this to be real reform.

**11. Welfare limited.** Truck-sized loopholes were eliminated from a four-year cap on cash benefits.

**12. Unemployment benefits limited.** Sustained high unemployment rates, plus unemployment benefits sweetened by a previous (Republican) governor and Legislature, led to a \$3.3 billion debt to the federal government that threatened to crush state employers, on whom the burden ultimately falls. A new law that trims state benefits from 26 to 20 weeks will make a huge difference in that.

**13. Revenue sharing tied to fiscal discipline.** Local governments are more prudent and frugal when they must rely on their own local tax revenue, rather than "free money" from a Santa Claus state. Some of that "free money" is mandated by the Constitution, but Gov. Snyder made the rest contingent on adopting "best practices" that include employee health benefit and pension reforms, more competitive bidding of non-core services, consolidating services and increasing transparency.

# Michigan's economic recovery, eliminate ineffective government

## Jack McHugh compiled the 25 top reforms for the year, starting the state budget.

**14. Regulatory permits modestly improved.** There may be a bit more “adult supervision” at the Department of Environmental Quality, and laws were passed requiring periodic review and “benchmarking” of regulations, regulatory “impact statements,” and more. However, additional work is needed here to make Michigan truly competitive.

**15. Worker's compensation streamlined.** There's universal consensus that employees injured on the job deserve compensation, but avoiding abuses in the workers comp insurance system is an ongoing “devil in details” challenge. A new law corrects many of those devilish details — a very big deal to current and prospective job providers.

**16. Project labor agreements banned.** A gift to labor bosses from too-cozy-with-unions city and school officials, PLAs mandate above-market wages on construction projects. Not anymore: The practice is prohibited under a new law. About time.

**17. Item pricing law gone.** Repeal of this state's absurdly obsolete “item pricing” law will save retailers millions of dollars wasted placing stickers on every item. That's good for everyone.

**18. Automatic raises for teachers banned when union contract expires without replacement.** Within weeks of enactment, school district labor negotiators told attendees at a Mackinac Center forum that this new law had already created a rush by unions to settle contracts, and on terms much more favorable to taxpayers.

**19. Minimum staffing requirements banned in government union contracts.** Another little gift from municipal officials to government employee unions, it suggested confusion over whether taxpayers or union bosses deserve their loyalty. This new law clears things up.

**20. No more dues for the illegal day care union.** One down, one to go: The “stealth unionization” of independent contractor day care providers ended, but due to Senate Republican inaction, \$7 million annually is still being funneled from mom-and-pop home health care providers to the SEIU (parent of ACORN).

**21. Post-retirement state employee health benefits reformed.** Critically important and long overdue reforms of these *optional* benefits were adopted, plus requiring state employees to contribute more toward their benefits. This will save taxpayers *billions* of dollars in the coming years. Still undone are comparable reforms for school employees, which will save *tens of billions* — once the Legislature summons the will to challenge the state's largest government employee union, the MEA.

**22. School board elections moved to November in even-numbered years.** Another step away from union-dominated “stealth school elections.”

**23. “Bad driver tax” trimmed.** Enacted in 2003 as a cruel way to avoid government spending cuts, these draconian penalties have wrecked the lives of many low-income workers who can't afford to pay them. Unfortunately, the revenue they generate is addictive to state spending interests, which means even a minor reform is worth celebrating.

**24. School union “prohibited subjects of bargaining.”** If we're going to have government and school employee unions (not a given), they should at least be limited to bargaining over compensation. Seven additional items were taken off the table for school unions to quibble over: teacher evaluations and placements, layoff decisions, classroom observations, employee discipline/discharge, merit pay programs and notification to parents about teacher performance.

**25. Redundant/unnecessary regulations eliminated.** A “sword of Damocles” over the heads of job providers disappeared with enactment of a ban on administratively imposed workplace “ergonomics” regulations. Widely available “consumer fireworks,” including firecrackers and bottle rockets, will now be legal and taxed here instead of another state. A woefully obsolete, comprehensive regulatory regime on landline telephones was updated and streamlined. **I**

## Constructive Citizenship: Lon Morey

Lon Morey likes to build things, whether it's the family business, a charter public school, a strong community or a better Michigan.

A longtime supporter of the Mackinac Center for Public Policy, Morey currently is chairman of the board of Morbark Inc., a family business established by his father in 1957 that today is a leading manufacturer of heavy equipment for the forestry, sawmill, recycling and tree care industries.

Morey helped lay the concrete block foundation of the first Morbark plant in Isabella County when he was eight years old. Over the years he did everything from mow the lawn and paint walls to serve as president from 1997 to 2011.

As president, Morey's strategy for success was the same approach he takes with supporting the Mackinac Center: surround yourself with skilled employees and let them do their work.

"The Mackinac Center fills me in on stuff. I have never heard of anything coming out of the Mackinac Center for Public Policy that they couldn't back up."

"Entrepreneurs like Lon play an



Lon Morey

understated role in our society," said Mackinac Center President Joseph G. Lehman. "They contribute greatly to civic and economic life, just as our nation's founders

had in mind when they crafted a limited government, yet too many politicians and teachers under-appreciate how much they themselves benefit from the fruits of free enterprise."

Morey's father, the late Norval "Nub" Morey, was a Mackinac Center supporter and business visionary who believed firmly in common sense and local control.

Lon Morey continued his family's tradition of support by pledging \$1 million through The Morey Foundation to establish the Morey Fiscal Policy Initiative at the Mackinac Center in 2005. He continues to support the fiscal policy initiative, which champions private-sector economic development, and works to limit taxation and reduce government outlays.

"Lon is one of the best friends the Mackinac Center and sound policy have ever had," said Michael LaFaive, director of the Morey Fiscal Policy Initiative. "I shudder to think what the state's fiscal policy debates would have looked like without Morey Foundation support."

As a businessman, Morey has seen firsthand the consequences of federal intervention and heavy-handed regulation of local communities. One reason he supports the Mackinac Center is because of its work to expose ineffective state and federal policies.

"How does Washington or Lansing know what Michigan needs or Isabella County needs? They don't," he said.

In addition to the Morey Fiscal Policy Initiative, The Morey Foundation has been instrumental in opening a charter public school, recreation center, cancer treatment center and more, all at the local level.

"I like to be proactive," he said. "I hope I'm making the community a better place." I

## Rep. Camp Discusses 'Supercommittee' at Club Mid

The Joint Select Committee on Deficit Reduction, or "Supercommittee," dominated national headlines for much of 2011. With the exception of five public hearings, most of the committee's efforts to resolve our nation's debt-ceiling crisis occurred behind closed doors, leaving many details of their efforts open to speculation.

But U.S. Rep. Dave Camp of Michigan's 4th Congressional District, a member of the Supercommittee and chairman of the House Ways and Means Committee, was able to pull back the curtain and share with Mackinac Center supporters a few insights about the Supercommittee that weren't reported by the legacy media. Nearly 120 guests from the mid-Michigan area filled the room at the

Jan. 26 "Club Mid" forum, held at the Center's headquarters in Midland.

Speaking for the first time at a Mackinac Center event, Camp focused much of his presentation on the issue of limited taxation. Camp explained that he believes comprehensive tax reform will strengthen the economy, create jobs, and, most importantly, reduce our national debt, which was the primary goal for the Supercommittee. "Washington's debt is now greater than our entire economy," Camp said. "The solution to pay for our \$15 trillion debt is not with tax hikes. It's not with new spending. ... I don't care how much money you have or how much money you make. There should be a limit on how much is taken by the government."

Following his presentation, Camp participated in a lengthy Q&A session



U.S. Rep. Dave Camp spoke to more than 100 mid-Michigan residents at the Center's Club Mid event at its headquarters.

with the group covering a range of issues from the Supercommittee to the Constitution. Among those in attendance were members of the Michigan House and Senate, including House Speaker Jase Bolger, who briefly addressed the crowd at the conclusion of the program. I



## MACKINAC CENTER

# FRESHMAN CLASS



LINDSEY



KYLE



MANNY



ANNE

**LINDSEY DODGE:** In her six months at the Mackinac Center, Assistant Editor Lindsey Dodge has infused the Communications Department with enterprise, cheerfulness and a New York City sense of style. To her colleagues' amazement, she's maintained her enthusiasm even when fact-checking endless pages of public pension-related spreadsheets. (So much for hazing.)

Before joining the Mackinac Center, Dodge lit up magazine and digital publishing at International Creative Management in New York, where she worked with such writers as Pete Hamill, Jay McInerney and Rick Bragg. She was also the first female editor-in-chief of The Michigan Review, the contrarian campus newspaper at the University of Michigan. Under her leadership, the newspaper was awarded Best New Media by the Collegiate Network in 2008.

Dodge is a graduate of the University of Michigan, where she received her B.A. with honors. She is also a graduate of the Columbia Publishing Course, run through Columbia's Graduate School of Journalism.

In addition to her editing work, Dodge is active in advancing the Center's message through social media. "I love interacting with our supporters and online fans," she says. "It's an essential component of policy analysis: translating our findings into an engaging conversation with those who share our love of liberty."

**MANNY LOPEZ:** Manny Lopez is joining the Mackinac Center as managing editor of Michigan Capitol Confidential after eight years at The Detroit News and nearly 20 years of journalism experience in Michigan

and the Midwest. The opinion page editor of The Detroit News since 2010, in his first year Lopez won the Society of American Business Editors and Writers award for excellence for his weekly "Think" column.

His primary beat was the auto industry, breaking national news stories that took readers behind the scenes of the Motor City's hallmark during its most tumultuous era.

Lopez received his master's degree in economics from the University of Detroit-Mercy and has been a longtime admirer of the Mackinac Center's free-market solutions to public policy issues. "The mission of the Mackinac Center is the driving force behind my interest in becoming part of the team. When it comes to reporting and writing about free-market principles and liberty, Michigan Capitol Confidential is the best place in the state for that."

**KYLE JACKSON:** Kyle joins the Mackinac Center as education policy analyst with an impressive academic curriculum vitae. A research fellow at the Foundation for Economic Education, the Independent Institute, the Ludwig Von Mises Institute and West Virginia University, he also authored the 2011 International Property Rights Index as the Hernando de Soto Fellow at the Property Rights Alliance.

A Michigan native, Kyle was delighted to return to his home state. As he puts it, "Working at Mackinac gives me the chance to have a positive impact on the political and economic climate that makes many young Michiganders have to choose between a successful career and staying near home, and I'm thrilled to have a hand in changing that."

Kyle's work has contributed to free-market successes such as lifting the cap on charter schools, but his favorite thing about the Mackinac Center is his colleagues: "Every day I roll out of bed and look forward to work because it means another day of interacting with intelligent, funny people who value liberty as much as I do. That's a great feeling."

**ANNE SCHIEBER:** Anne Schieber brings 30 years of on-camera reporting, anchoring and producing experience to her new role of senior investigative analyst at the Mackinac Center, with 20 years in Michigan. Specializing in stories of poor public policy, economics, labor and corporate finance, Anne was selected Journalist of the Year by the U.S. Small Business Administration, as well as the West Michigan Public Relations Society for business reporting.

One day after joining the Center, Anne headed to Indianapolis to cover the legislative battle over a bill that would make Indiana the first right-to-work state in the industrial belt. She produced a series of videos covering the legislative debate, walkouts by Democratic legislators and union protests surrounding the Capitol. In the end, the bill passed and was signed into law.

Working with the Mackinac Center, Anne has observed how our policy staffers sniff out powerful stories that too often are overlooked by mainstream media. "Newsrooms are cutting back on resources. They no longer conduct the investigations they had done in the past. The Mackinac Center is filling in the void, and I'm excited to be part of it." **I**

## FREE-MARKET FUNDAMENTALS

# Just Do The Right Thing From the Start, Period

By Lawrence W. Reed

When a politician offers you something at other people's expense, remember these words of the poet John Dryden: "Better to shun the bait than struggle in the snare."

Dryden's admonition would have saved us a lot of trouble if we had applied its insight consistently to our economic and political thinking. The failure to do so has produced one disaster after another.

When Lyndon Johnson inaugurated "Great Society" entitlement programs in the 1960s, wiser men and women warned that such programs would empower bureaucracies, waste vast sums of money, create generations of dependency and bankrupt the Treasury. Unfortunately, the country took the bait and now struggles in the snare.

When the Mackinac Center opposed the creation of the Michigan Economic Growth Authority in 1995, many politicians and business leaders looked down their noses and declared us dead wrong. State government needed to pick winners and losers, they said, so that the state's economy would be competitive. Sixteen years of discriminatory favors, waste and scandal later, Gov. Snyder wisely tossed MEGA into the dumpster.

All this is proof of the value of core principles that are rooted in what's right, not necessarily what's popular at the moment. If you don't have core principles, or if you chuck them because you can't take the heat, you may pay an awful price down the road. Do the right thing now or you will inevitably regret your failure later. How many times does this have to be stated before

its wisdom sinks in, especially in the minds of public figures we temporarily trust with the taxpayers' purse?

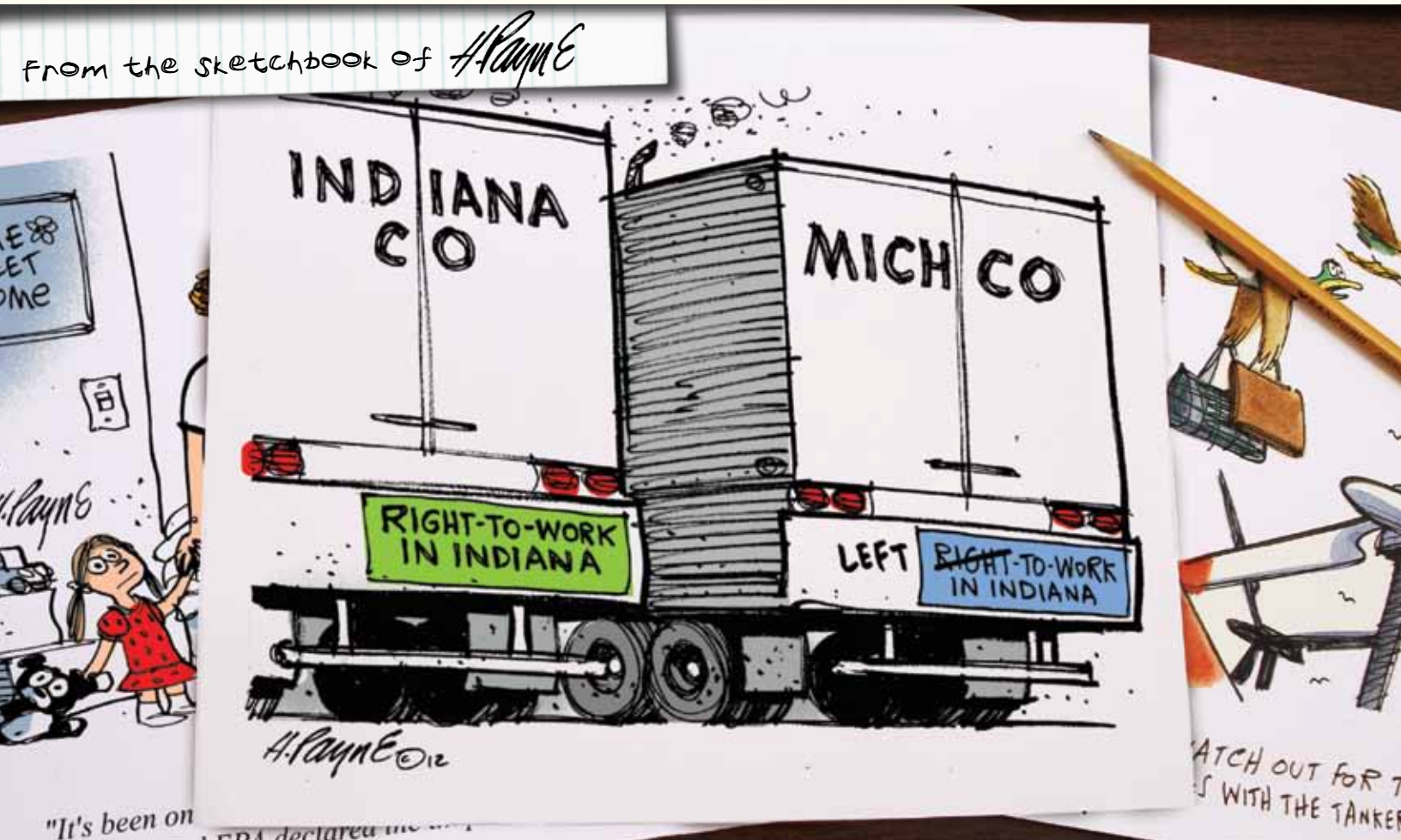
Economist Thomas Sowell illustrated just how current this issue still is when he noted thusly: "A recent poll showed that nearly half the American public believes that the government should redistribute wealth. That so many people are so willing to blithely put such an enormous, dangerous and arbitrary power in the hands of politicians—risking their own freedom, in hopes of getting what someone else has—is a painful sign of how far many citizens and voters fall short of what is needed to preserve a democratic republic."

Knowing what the right thing is and possessing the mettle to do it are two distinct traits. They aren't always present within the same person. It's character that makes all the difference. If you don't know what the right thing is, you lack knowledge that a book or a lecture may provide. If you know what the right thing is but can't bring yourself to do it, then you've got a character problem that only a personal change of heart can fix.

In the end, Dryden's advice is a call to character, don't you think? I



(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.)



## MichiganVotes.org: A Staple for Michigan Media

When the Mackinac Center launched its MichiganVotes.org website, the concept was an anomaly. Since 2001, the Center has posted a weekly roll call report of Michigan votes in the Senate and House, making public which legislators precisely voted on what legislation. Granting transparency to voters has become so popular that media outlets, from traditional print to online publications, have been catching on.

The year-end “Missed Votes Tally” is especially popular. At the end of 2011, The Muskegon Chronicle, The Flint Journal, The Grand Rapids Press, Adrian Daily Telegram and The Kalamazoo Gazette all used the tally to run stories about how many roll call votes legislators in their respective coverage areas missed in 2011. WHTC AM1450 in Holland referenced the report concerning west Michigan lawmakers, while WSJM AM1400 in St. Joseph did the same for legislators in southwest Michigan and Interlochen Public Radio did the same in northern Michigan. Midland Daily News reprints the weekly tally every week for its online readers.

Some tea party groups are also using the weekly reports to identify which votes many be worth including

in legislator voting record guides that they have created using the MichiganVotes “Scorecard” feature. One example is a Michigan Tea Party Scorecard, created by the Independent Tea Party Patriots group in Clarkston. Another is a Michigan Conservative Union “Labor Watch” tally, scoring all legislators on votes in the area of union reform.

Ray Hamann of ITTP helped create the Tea Party Scorecard, and said this about the weekly reports: “With the hundreds of votes cast every year, identifying the ones that matter has always been a huge challenge for grassroots citizens. The weekly reports mostly take care of that for us now.”

The appeal of the site for both media and the general public lies in its concise, plain-language and objective descriptions of every bill, amendment, roll call vote and voice vote taken in the Michigan Legislature. Online users and subscribers can even track votes by a particular issue, such as *education* or *taxes*. What’s more, it is a free public service, brought to readers like you by the Mackinac Center for Public Policy. **I**

### VOLT ANALYSIS from Page One

additional interviews with Fox News and Fox Business News. Investor’s Business Daily, the American Spectator, The Pittsburgh Tribune Review, The New York Post, WOOD-TV in Grand Rapids, The New Jersey Star-Ledger and numerous other outlets also referenced his work.

Hohman later penned a letter to the editor that appeared in The Washington Post about an editorial the newspaper had written on electric vehicle subsidies. “It would be better to let Americans’ green conscience guide their consumption decisions, instead of having Congress and the state legislatures make those decisions,” he wrote in The Post.

Hohman said the idea to tally the Volt costs sprang from another project he was working on.

“I was looking at all of the ‘green grants’ that had been awarded in Michigan during the Granholm administration, and some of those were for battery manufacturers that were supposed to supply batteries for electric vehicles,” Hohman said. “I started adding it all up and wanted to put a contextual figure to it.”

Fox News also reported that General Motors estimated the average annual income of Volt buyers at about \$170,000 a year. Yet these buyers receive a hefty, direct tax subsidy worth as much as \$7,500 (which the Obama administration wants to increase to \$10,000). Russ



Chevy Volt on display in 2011.

Harding, former senior environmental policy analyst with the Center, pointed out the folly of this situation as far back as October 2008: “The ruling political class has determined that people who may not be able to afford a new car of any kind should subsidize affluent buyers of electric cars.”

GM sold about 7,600 Volts in 2011.

“Politicians love to get in front of something they think is the future,” Hohman told Fox News. “The problem is they do it poorly, they waste money and they just don’t have an impact on the overall economy.”

He added “This might be the most government-supported car since the Trabant,” referring to the poorly made East German car that Time ranked as one of the 50 worst vehicles ever made. “This is the car that gave communism a bad name.”

U.S. Congressman Jim Jordan, an Ohio Republican, referenced Hohman’s study at the beginning of a House Government Oversight Committee hearing in late January on whether the government’s financial stake in GM played a role in how the National Highway Traffic Safety Administration handled results from crash tests.

“The level of political curiosity really surprised me,” Hohman said. “But it was government policies that made this a high-profile issue.” **I**

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## Mackinac Center **IMPACT**

# Center Shines Spotlight on Indiana Right-to-Work Battle

As 2011 lingered in the rearview mirror, the first hot-button topic of the New Year hit the Manufacturing Belt: right-to-work legislation in Indiana. The Mackinac Center was on the scene from day one of the controversy, providing on-the-ground reporting and analysis for Michigan and the rest of the country.

The right-to-work bill that was signed into law by Indiana Gov. Mitch Daniels on Feb. 1, 2012, made it illegal to require an individual to join or remain in a union or to pay any dues, fees or other charges to a labor organization. In non-right-to-work states, including Michigan, collective bargaining agreements typically require workers to pay a fee in lieu of regular dues if they do not wish to formally join the union.

The concern for proponents of the right-to-work law was the Indiana House Democrats, who the year before had fled to Chicago to halt voting on a similar measure. The maneuver had come at a public relations cost, however, and despite several initial walkouts in January of this year and union protests, the Republican majorities in the Indiana Senate and House and public outcry eventually forced these legislators' hands.

The Mackinac Center sent reporters to Indiana for most of January, filming the union protests held outside the capitol and posting to CapCon. Labor Policy Director Paul Kersey simultaneously illuminated the legislation's potential economic benefits to Indiana, such as faster rates of income growth and job creation.



A member of the Teamsters union reads off reasons why he's against the right-to-work legislation from the back of his protest sign.

From a workers' rights perspective, right-to-work laws provide accountability to employees more effectively than so-called "Beck Rights," which are a reference to the U.S. Supreme Court case, *Communications Workers of America v. Beck*. Under Beck, an employee should be able to limit his or her payment to the union to his or her share of the costs of representation. In reality, inaccurate union accounting often makes this a futile exercise.

Now that a right-to-work bill has been proposed in Michigan, economic pressure is just beginning to mount. Sen. Colbeck, R-Canton, remarked of Indiana's new status, "It's good for Indiana and bad for Michigan. But at least some of our working youths will have shorter drives now when they come back to visit Michigan for the holidays." I



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