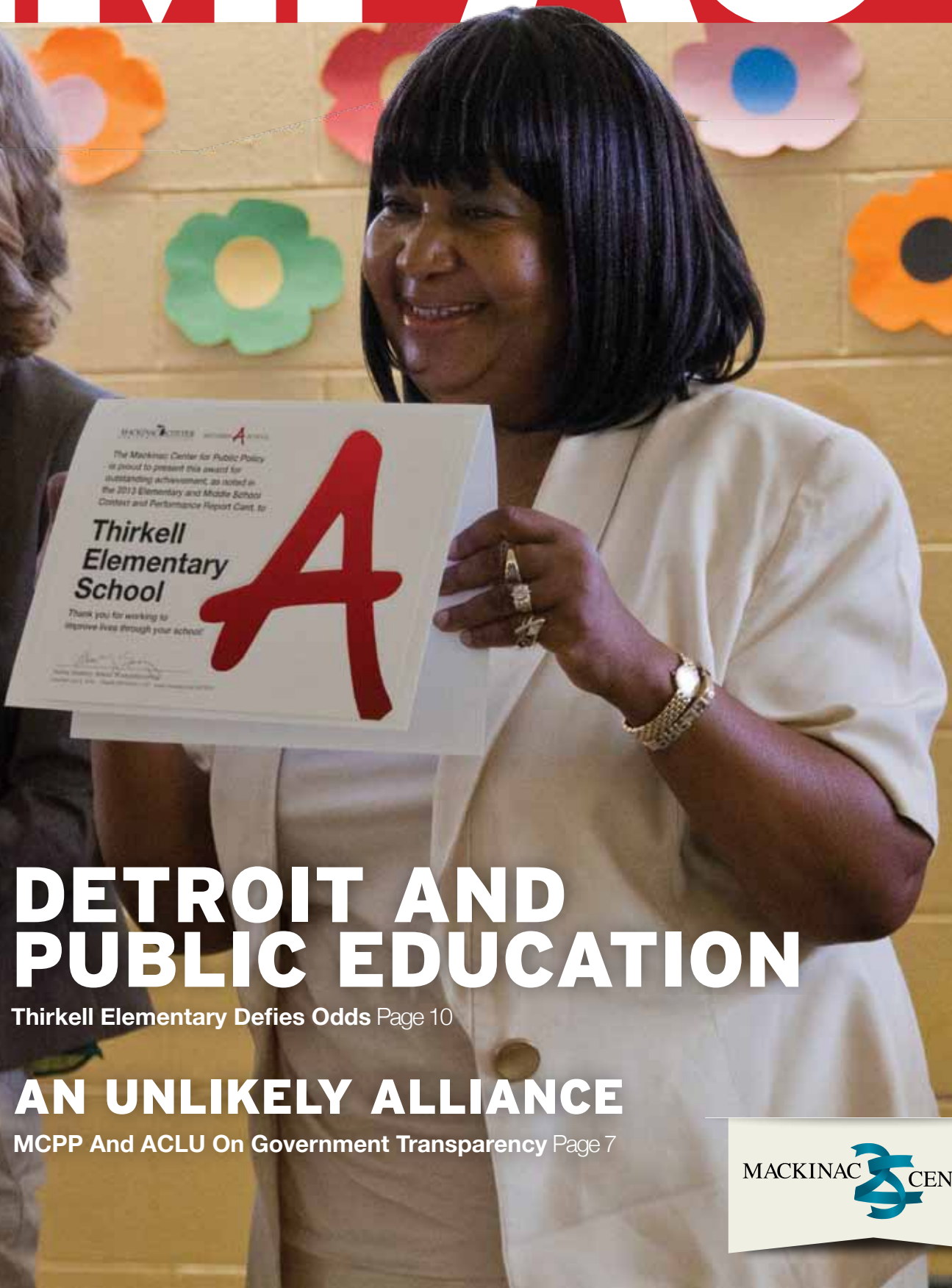




IMPACT

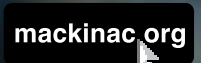


DETROIT AND PUBLIC EDUCATION

Thirkell Elementary Defies Odds Page 10

AN UNLIKELY ALLIANCE

MCPD And ACLU On Government Transparency Page 7



Experience the Mackinac Center ANYTIME, ANYWHERE

iPhone, Android and More

Getting analysis and stories from the Center has never been simpler or more elegant. Download our apps today (or simply surf to mackinac.org on your mobile device).



Scan this code to download our app!

NOTABLES & QUOTABLES

Despite the turning of the seasons, the Mackinac Center's surroundings in downtown Midland retain their beauty.



A New Look at School and Responsibility

No matter if school is just around the corner or many years past, the first autumnal gusts tend to bring to mind freshly sharpened pencils and lined-paper booklets. Education is a hugely important part of everyone's lives, as well as a cornerstone of the Mackinac Center's research.

Fitting then that our feature this issue focuses on Thirkell Elementary (Page 10), an admirable example of what can be done to improve the education of children when they are kept the focus.

The Mackinac Center's recent elementary and middle school report card was released in early summer, and it held a surprising note for many people: the top-ranked school was in the Detroit Public Schools system, and over 75 percent of students at Thirkell Elementary are from underprivileged families.

When newly named Director of Education Policy Audrey Spalding went to meet with the principal, parents and faculty, she realized that a key component to Thirkell's success in improving its students' educational outcomes was a culture of respect.

Principles make a big difference, no matter what the policy.

This was made abundantly clear by the Mackinac Center's unlikely alliance with the American Civil Liberties Union (ACLU) of Michigan over government transparency (Page 7). We, along with the ACLU, the

Michigan Press Association and others, teamed up and hosted town hall meetings across the state to highlight the Freedom of Information and Open Meetings acts. These informational events educated regular citizens on how to increase transparency and accountability, regardless of government size. The Center is also planning on a study that will comprehensively investigate the state of these laws and offer recommendations to the Legislature regarding improved access of information for citizens.

Covering all our bases, the Mackinac Center is also developing an app with our MichiganVotes initiative that will allow you and other Michiganders to interact with your legislators in a new way regarding their individual votes (Back Cover). Stay tuned for news bulletins on that one!

In the thick of so many important battles, such as right-to-work and everyone's right to government transparency, a theme that resonates and repeats is "principle." Regardless of who you're standing with, if a policy broadens and increases freedom, the Mackinac Center believes that will be better for everybody.

We've been standing by that principle for 25 years, and will for many, many more years to come.

All best,
Lindsey Dodge, editor



Seats are filling up!
Grab yours while you can!
mackinac.org/25th

FROM
OUR
WEB

Blog

Keep up to date on the latest policy stories from Mackinac Center analysts.

mackinac.org/blog

MichiganVotes

Want to know what your legislator (and others) have been voting for? MichiganVotes.org helps keep Michigan politicians accountable to their constituents.

MichiganVotes.org

CapCon

Our flagship news source for the state of Michigan. Breaking news like never before.

MichCapCon.org



WHAT FOLKS ARE SAYING
ABOUT THE MACKINAC CENTER

“The Mackinac Center has not only altered the way in which officials, journalists and civic leaders think about government; the Mackinac Center's work product has changed government here in Michigan, and decidedly for the better.”

— Attorney General Bill Schuette



AUDREY SPALDING, director of education policy, **RECOMMENDS** “THE RED CHAPEL”



“Noting that ‘Comedy is the soft spot of all dictatorships,’ three Danish comedians make a can't-quite-believe-it trip to North Korea by convincing officials that their visit is to honor Kim Jong II. In fact, the comedians make the trip to expose the country's dictatorship with an absurdist documentary. Their performances are bizarre and revealing, even with North Korean censorship.” *The Red Chapel* is available to watch instantly on Netflix.



*Joseph G. Lehman*

The Detroit Narrative Will Shape the Nation

One might say the Mackinac Center's biggest failure is Detroit. I'm hard pressed to name an issue on which we've spilled more ink and had less actual impact. But Detroit's collapse positions us to have greater influence on cities nationwide than we ever had in Motown.

That's because Detroit's bankruptcy, America's biggest-ever municipal bankruptcy, will not proceed in isolation from the urban policies in every state and the nation. No one wants other cities to follow Detroit over the cliff. Policy changes intended to prevent that outcome will be greatly shaped by whatever narrative emerges from Detroit now. That narrative will answer the questions, What happened, why did it happen and where do we go from here?

I'm not just speculating. I'm recalling recent history. In 2008 the economy came close to collapse. The narrative that emerged then was that the biggest banks nearly failed and took the economy down with them because of corporate greed, insufficient government oversight and the shortcomings of capitalism in general.

This narrative produced several harmful policies. Congress quasi-nationalized banks and auto makers while forcing taxpayers to bail out private firms. The Obama administration twisted bankruptcy rules to benefit labor unions. Congress strait-jacketed financial institutions with harsh, new restrictions and launched a multi-trillion-dollar borrowing-and-spending binge. These policies are still impeding the recovery.

In 2008, we knew government policy itself was more to blame for the crisis than any problems inherent to free enterprise. But Congress bought the other narrative. They overlooked regulations that rewarded banks for making risky loans, neglected the self-correcting nature of capitalism, and forgot

Soon after news of the Detroit bankruptcy broke, we sent out a special edition of our weekly email, "This Week at Mackinac," featuring articles and analysis on the situation. Scan the code or go to goo.gl/3xhBmX to see the email, and visit mackinac.org/subscribe to sign up for our weekly email.

the 20th century failures of Keynesian economics. They inflated a bubble, poked at it, and were shocked by its burst.

JOSEPH G. LEHMAN

The free-market narrative didn't prevail and we're stuck with the policies the winning narrative begat. What does this mean for Detroit?

It means our top priority now is to make sure the correct narrative takes hold. Detroit is bankrupt for many interwoven reasons including local policies that drove away taxpayers, overly optimistic investment assumptions, plain old mismanagement, and even some factors outside the city's control. Too little government is not a cause and more government is not the solution.

As the bankruptcy unfolds over the next year or more, we won't be shouting "we told you so" even though Detroit could have avoided this day had they taken my colleague Mike LaFaive's recommendations starting 18 years ago. We'll be talking more about the future than the past. And the brightest future for Detroit, and every other mismanaged city that hopes the federal government will bail them out, is in the direction of freedom and free enterprise.

We'll articulate that narrative and work for policies that flow from it. For just one example, if Detroit's troubles lead to a new way of looking at public pensions, it could prevent hundreds of billions of dollar's worth of unfunded obligations from accruing in states and cities everywhere.

Milton Friedman said, "Only a crisis ... produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around." The free-market movement lost the narrative war in 2008 because we didn't make our ideas the ones "lying around." The Mackinac Center won't let that happen now with Detroit. ■



DISCOVER THE ONLINE WORLD OF MACKINAC BY USING THESE QR CODES THROUGHOUT THE MAGAZINE

Board of Directors

Hon. Clifford W. Taylor,
Chairman
 Retired Chief Justice,
 Michigan Supreme Court

Joseph G. Lehman, President
 Mackinac Center for
 Public Policy

Joseph J. Fitzsimmons
 Retired President,
 University Microfilms

Dulce M. Fuller
 Owner, Woodward and
 Maple

Richard G. Haworth
 Chairman Emeritus,
 Haworth, Inc.

Kent B. Herrick
 President and CEO,
 Thermogy

J.C. Huizenga
 President, Westwater
 Group

Phil F. Jenkins
 Chairman, Sweepster Inc.

R. Douglas Kinnan
 Senior Vice President
 and CFO,
 Amerisure Insurance

Edward C. Levy Jr.
 President, Edw. C. Levy
 Co.

Rodney M. Lockwood Jr.
 President, Lockwood
 Construction Company,
 Inc.

Joseph P. Maguire
 President,
 Wolverine Development
 Corporation

Richard D. McLellan
 Attorney, McLellan Law
 Offices

D. Joseph Olson
 Retired Senior Vice
 President and General
 Counsel, Amerisure
 Companies

Board of Scholars

Dr. Donald Alexander
 Western Michigan
 University

Dr. William Allen
 Michigan State University

Dr. Thomas Bertonneau
 SUNY - Oswego

Dr. Brad Birzer
 Hillsdale College

Dr. Peter Boettke
 George Mason University

Dr. Theodore Bolema
 Mercatus Center

Dr. Stephen Colarelli
 Central Michigan
 University

Andrew Coulson
 Cato Institute

Robert Crowner
 Eastern Michigan
 University (ret.)

Dr. Richard Cutler
 University of Michigan
 (ret.)

Dr. Jefferson Edgens
 East Georgia College -
 Statesboro

Dr. David Felbeck
 University of Michigan
 (ret.)

Dr. Burton Folsom
 Hillsdale College

John Grether
 Northwood University

Dr. Michael Heberling
 Baker College

Dr. Ormand Hook
 Mecosta-Osceola
 Intermediate
 School District

Robert Hunter
 Mackinac Center for
 Public Policy

Prof. Harry Hutchison
 George Mason University
 School of Law

Dr. David Janda
 Institute for Preventative
 Sports Medicine

Annette Kirk
 Russell Kirk Center for
 Cultural Renewal

David Littmann
 Mackinac Center for
 Public Policy

Dr. Dale Matcheck
 Northwood University

Charles Meiser
 Lake Superior
 State University (ret.)

Glenn Moots
 Northwood University

Dr. George Nastas III
 Marketing Consultants

Dr. John Pafford
 Northwood University

Dr. Mark Perry
 University of Michigan
 - Flint

Lawrence W. Reed
 Foundation for
 Economic Education

Gregory Rehmke
 Economic Thinking/
 E Pluribus Unum Films

Dr. Steve Safranek
 Private Sector
 General Counsel

Dr. Howard Schwartz
 Oakland University

Dr. Martha Seger
 Federal Reserve Board
 (ret.)

James Sheehan
 Deutsche Bank Securities

Rev. Robert Sirico
 Acton Institute for the
 Study of Religion and
 Liberty

Dr. Bradley Smith
 Capital University Law
 School

Dr. John Taylor
 Wayne State University

Dr. Richard K. Vedder
 Ohio University

Prof. Harry Veryser Jr.
 University of Detroit Mercy

John Walter Jr.
 Dow Corning Corporation
 (ret.)

Dr. William Wilson
 Economic Consultant

Mike Winther
 Institute for Principle
 Studies

Dr. Gary Wolfram
 Hillsdale College

140 West Main Street, P.O. Box 568

Midland, Michigan 48640

989-631-0900, Fax 989-631-0964

www.mackinac.org mcpp@mackinac.org

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

LINDSEY R. DODGE Editor

EVAN BURGESS Designer



On the Case: Right-to-Work

Michigan has seen a number of positive legislative developments in labor recently. Not surprisingly, the leaders of Michigan’s historically powerful labor unions are displeased with some of these developments and are doing all that they can to undermine them. Monitoring and challenging these labor efforts have been our primary focus at the Mackinac Center Legal Foundation recently; it is an exciting and fulfilling task.

The passage of Michigan’s right-to-work law made headlines locally, nationally and internationally. Labor recognizes the symbolic importance of Michigan, which has long been considered a union stronghold, and its lawyers have sought to weaken and challenge right-to-work at every opportunity. Senior Attorney Derk Wilcox and I have been monitoring these challenges to see where we may have opportunities to either defend right-to-work or broaden its impact.

Because right-to-work passed without immediate effect, there was a window for unions to agree to new collective bargaining agreements and thereby extend so-called “union security clauses,” which almost universally require bargaining unit employees to pay dues and fees to the union or else be fired from their jobs. Creatively, in some contracts, labor sought to make the dues and fees last for as long as 10 years. The Mackinac Center Legal Foundation challenged one of these contracts that affected Taylor school teachers in Wayne Circuit Court. Disappointedly, the judge held that the challenge needed to be at another forum (we have both appealed this decision and filed at the other forum).



These Taylor school teachers — (from right) Angela Steffke, Rebecca Metz and Nancy Rhatigan — stood up against their union to protect their rights. Read the full story in a previous issue of IMPACT at mackinac.org/IMP2013-03.

More than 150 school districts negotiated contracts between when right-to-work passed and when it became effective. We have reviewed these, looking for the most promising targets (Washtenaw County, Warren Consolidated Schools, Dearborn Schools, Merrill Schools and Coldwater Schools are among these because all negotiated new collective bargaining agreements of five years or longer). We are also monitoring these 150 districts to see if they engage in activity that would trigger right-to-work before the end of their new collective bargaining agreements.

In addition, the legal team is actively reviewing litigation opportunities related to the Freedom of Information Act. We hope to punish governments that are abusing the public by erecting cost barriers to retrieving information on government and to highlight needed legislative change.

Most public policy battles eventually end up in court. I enjoy being there to fight for freedom and liberty. ■

Rather than “preaching to the choir,” the Mackinac Center aims to reach out to new audiences and educate them on the benefits of freedom and liberty. With that in mind, here is a list of State Policy Network compatriots who are successfully reaching out and changing hearts and minds.

The Freedom Foundation Olympia, Washington

Hosted an April event with Crossfit founder Greg Glassman on his free-market beliefs and commitment to excellence and reached thousands of Crossfit enthusiasts in Washington. Rebecca Phillips, the Freedom Foundation’s Student Freedom Project coordinator, told Meredith Turney, SPN’s director of strategic communications, “The Crossfit model provides opportunity to achieve the success you want and to become the most improved version of yourself.”

The Independence Institute Denver, CO

Launched the Raaki Garcia show on KNRV, Denver’s Spanish talk radio station. By reaching out to the Hispanic community through their own language – literally – the Independence Institute has broadened its community immensely. Amy Oliver Cooke, the Institute’s Energy Policy Center director, told SPN “Raaki talks about energy, she talks about school choice ... and the response has been overwhelming.”

Goldwater Institute Phoenix, Arizona

Appealed in *Korwin v. Cotton*, a free-speech challenge on behalf of small businessman Alan Korwin, whose company purchased 50 bus shelter ads picturing a heart inscribed with “Guns Save Lives” to drive traffic to his website. The city of Phoenix removed the ads; however, the American Civil Liberties Union has filed an amicus brief supporting the Goldwater Institute’s appeal. This is further proof that principle matters and will continue to matter in the development of new audiences.



Stay engaged with what the Mackinac Center is doing by liking, subscribing and following our social media pages.

GILLIE'S CONEY ISLAND



The Mackinac Center for Public Policy is funded solely by freedom-loving individuals and organizations that find value in its conviction of free-market principles. For this issue of IMPACT, we hear from Dave Gillie. He and his wife, Cindy, own Gillie's Coney Island Restaurant in Mt. Morris, Mich.

MCPP: What were the reasons or circumstances that helped craft your decision to do what you do for a living?

Gillie: My Dad was a builder and rented out houses, leading to me learning the rental business and getting a builder's license to build Gillie's Coney Island Restaurant. He did this in addition to working full-time at General Motors.

I got into the restaurant business because my first job after high school was in a restaurant. Which, by the way, in 1973 I was hired at less than minimum wage. [I] may very well never have gotten into the restaurant business nor built Gillie's Coney Island if I had not been afforded the opportunity to learn from the immigrant owners at Starlite Coney Island.

I used my restaurant work to pay my way through college, hoping for a 9-5 office job, but discovered I enjoyed the fun challenge of restaurant work. So [I] decided if I were to stay in this industry, I wanted more control and money by becoming an owner. I found out later that due to excess silly government regulations, I really did not have much more control and making money became harder each year.

MCPP: How many employees do you have at the restaurant?

Gillie: Varies between 30 and 40.

MCPP: When did you first hear about the Mackinac Center for Public Policy?

Gillie: I met Joe Overton in the Libertarian Party of Michigan before Mackinac Center opened; he influenced me to be a donor since the beginning.

MCPP: What is your interest in freedom and liberty?

Gillie: I learned entrepreneurship from my father as I worked with him from a very young age. There, I saw the benefits of a free economy, but I also saw and heard the problems of excess government taxes and regulations first-hand. Not "fitting in" as a youngster also influenced my thinking. Then in college I was influenced by the new Libertarian Party's educational efforts.

MCPP: What value do you think the Mackinac Center gives people?

Gillie: It gives people studies and facts regarding freedom and liberty, which helps influence how laws are made and administered to the benefit of the general welfare of all of society.

MCPP: What policies would you like changed in Michigan?

Gillie: Anything that would increase individual liberty. I believe there is one change that the State could accomplish that would be absolutely FREE of cost to them and would help them and people as individuals. Simply train all levels of State employees to be a bit more flexible, talk nicer and treat citizens with respect as they do their job.

MCPP: What kind of discussions takes place at the restaurant?

Gillie: Interacting with so many employees and hundreds of customers daily involves discussion on every subject you can imagine. Politics is a common one and there are a lot of different sides represented but it always has amazed me how much more common sense and freedom-loving the average person is compared to politicians and government in general. It makes one wonder where government gets its mandate to do the many crazy things it seems to do on an increasingly regular basis. The politicians that visit the restaurant often blame an unaccountable bureaucracy that has evolved over the years to rule over us more than any elected official possibly could. Scary thought. ■

SEVEN PRINCIPLES OF SOUND PUBLIC POLICY

In 2001, former Mackinac Center President Lawrence W. Reed gave a speech at the Detroit Athletic Club, a world-renowned forum for sharing ideas. He laid out seven principles of sound public policy that subsequently received a flurry of media attention for their clarity, brevity and truth. Now a hallmark of any research the Mackinac Center conducts, and emblematic of our focus on principle rather than politics over the years, we want to share these seven thoughts with you, our readers, once more.

ONE

Free people are not equal,
and equal people
are not free.

TWO

What belongs to you, you
tend to take care of; what
belongs to no one or every-
one tends to fall into disrepair.

THREE

Sound policy requires that we
consider long-run effects and
all people, not simply short-
run effects and a few people.

FOUR

If you encourage something,
you get more of it; if you
discourage something,
you get less of it.

FIVE

Nobody spends somebody
else's money as carefully
as he spends his own.

SIX

Government has nothing to
give anybody except what
it first takes from some-
body, and a government
that's big enough to give
you everything you want is
big enough to take away
everything you've got.

SEVEN

Liberty makes all the
difference in the world.

For the full essay, visit
www.mackinac.org/3832.



A Fresh Look at Government Transparency

The Mackinac Center and ACLU open gov't town halls

So the Mackinac Center and the ACLU walk into a bar together ...

While you might think the two organizations would be mortal enemies — we championed right-to-work for two decades; they've gone to court trying to overturn it — we're on the same page when it comes to the importance of government transparency.

That's why the ACLU — along with the Michigan Press Association, The Center for Michigan/Bridge Magazine and the Michigan Coalition for Open Government — teamed up with the Mackinac Center to host four town hall meetings across the state in July and August to highlight the Freedom of Information and Open Meetings acts.

"The Mackinac Center and the ACLU don't agree on much, but it's a lot more than you think," Mike Steinberg, legal director for the ACLU of Michigan, told the audience at the first town hall meeting on July 17 in Jackson.

The Center, as part of our Open Government Initiative, invited the eclectic group of panelists to join us for the town hall meetings because an open government is a better government.

"We've long been a proponent of such transparency, and now we think it's time to increase our efforts to equip citizens with training to ensure the accountability of elected officials," said Executive Vice President Michael Reitz.

The FOIA and OMA statutes are Watergate-era laws — written in the "mimeograph age," President Joseph G. Lehman recently joked — that badly need updating for the 21st century.

"Those laws were written before everyone had

email and a computer," Reitz said. "Too often government is able to use technology as a firewall when it wants to prevent people from getting information they are entitled to."

Reitz said the Center will conduct a comprehensive study that will recommend changes the Legislature should make to the laws, including needed improvements on how fast a government entity must respond to a FOIA request and what they can reasonably charge, as well as stronger penalties for agencies that wrongfully withhold public information and improved access for citizens to electronic records.

This isn't the first time the ACLU and the Center have partnered on an issue, however. ACLU of Michigan Executive Director Kary L. Moss spoke at one of our Issues & Ideas forums in 2002 on the topic of civil liberties, and she was also a speaker for our 2005 high school debate workshops. Alvin Bronstein, director emeritus of the National Prison Project at the ACLU Foundation, spoke at a March 2009 Issues & Ideas forum on alternative prison sentencing for non-violent offenders, a reform that could save Michigan taxpayers millions of dollars.

The Center and the Michigan Press Association have also partnered on transparency projects in the past.

We filed a joint amicus brief at the Michigan Supreme Court in 2010 in a case involving teachers using taxpayer-funded computers to conduct union business via email. The MPA also joined us in a statement last fall about the potential damage Proposal 2 would have had on FOIA had it passed. ■



Michigan Votes

The Devil in the Details

MEDIA MATTERS

State, national and international media quickly turned to Mackinac Center experts within minutes of paperwork being filed to put Detroit into Chapter 9 bankruptcy late on a Thursday afternoon in mid-July. Fiscal Policy Director Michael LaFaive did two interviews with National Public Radio that ran on the nationwide program "All Things Considered," and was cited in the Financial Times of London and the Times of India, as well as in MLive. He also did several radio interviews around Michigan, covering the Detroit, Lansing and Flint markets.

James Hohman, assistant director of fiscal policy, was cited in The Daily Caller and on Fox Business, and also did interviews with the Los Angeles Times and Washington Examiner. He earlier had appeared on CNBC to discuss Detroit's financial woes, highlighting that Center experts have recommended for a dozen years a number of steps the city could have taken to avoid bankruptcy.

Labor Policy Director F. Vincent Vernuccio appeared on Fox Business.

National media picked up on a Michigan Capitol Confidential story about Michigan's "teacher of the year" who makes \$21,000 a year less than the average teacher salary in his district due to an antiquated union salary schedule that rewards longevity rather than performance, with citations in The Daily Caller and Reason.

Also on the national front, Executive Vice President Michael Reitz was cited in The Wall Street Journal on Michigan Republicans in the state Legislature caving on Obamacare's Medicaid expansion. That followed then-Education Policy Director Michael Van Beek's Op-Ed in The Journal about what other states can learn from the success of Michigan's charter public schools (Van Beek has since been promoted to director of research). By our count, that's 13 hits in The Journal in the last 12 months, including two "Cross Country" Op-Eds.

Editor Lindsey Dodge and Senior Legislative Analyst Jack McHugh wrote on Op-Ed for The Detroit News spelling out the disastrous effects expanding Medicaid would have on Michigan for years to come.

President Joseph G. Lehman wrote in The Ripon Forum about the "dashboards" favored by Gov. Rick Snyder, observing that the accountability measures have both positive and negative aspects.

Vernuccio's Op-Ed in The Washington Times highlighted the financial problems union multiemployer pension funds are facing and how unions — despite being flush with money — refuse to pitch in and help, instead suggesting that their own retirees get less money each month.

No fewer than a dozen media outlets statewide reported on the Center's new Elementary and Middle School Context and Performance report card, which measures school performance while taking the socioeconomic status of students into account. Audrey Spalding, recently promoted to director of education policy, was cited in a recent proposal by State Superintendent Mike Flanagan to consolidate school districts into countywide systems. The Center's 2007 study on the issue was cited in the initial story about the plan in the Detroit Free Press. ■

Monitoring progress, especially in public policy, is often in the details.

Last year two Impact articles described "25 Reforms in 2011" and "17 for '12: Legislature Keeps up Reform Pace."

Among the momentous changes listed were a new right-to-work law, business tax cuts and reform, eliminating artificial caps on the number of charter schools, limiting government and school employee health benefits, corporate welfare cuts, increasing the power of municipal emergency managers, repealing a state "item pricing" law.

In contrast, a scan of new laws passed so far in 2013 reveals nothing approaching the same magnitude. Perhaps the most important change was a complex measure that Mackinac Center analysts did not regard as a "reform": Granting Blue Cross Blue Shield its long-held desire to be freed of the extra scrutiny that came with being the state's "insurer of last resort."

A new law establishing minimum standards for court-appointed lawyers for indigent criminal defendants does count as an important and unambiguous reform, if one that will affect far fewer people. Far less impactful for most are new laws revising property tax breaks for forest property owners, limiting local government "capture" of regional property tax levies imposed for the Detroit zoo and art museum, imposing sanctions on liquor and lottery dealers who accept food stamps, and subsidies for private marina dredging.

In a way this is not surprising, because the 2011-2012 Michigan Legislature was unique in several ways. It was heavily influenced by the surge of ethical populism culminating in the "Tea Party election" of 2010. This wasn't limited to Michigan: Don't forget the union-reform drama in the streets of Madison, Wisconsin in early 2011, and the U.S. House of Representatives' vote on the "Ryan Budget" with its major market-oriented reforms in the federal Medicare program, long considered a "third rail" of politics, that is, untouchable.

Moreover, for the first time since 2002, in 2011 the GOP held all the marbles in state government – House, Senate and a Republican governor. After eight years of Democratic Gov. Jenifer Granholm, there was a huge pent-up demand for free-market friendly reforms among both the grass roots "base" and the business-related special interest groups that tend to support Republicans. In the wake of those reforms, a slow period of digestion is not surprising.

No one should feel complacent, however – Michigan isn't "fixed" yet. In particular, a creeping expansion of government continues, with higher state spending and fee hikes, more state and local "authorities" intruding into our lives and pocketbooks, and as this issue goes to press, a big push to implement Obamacare with a huge expansion of the Medicaid medical welfare program. Now more than ever, eternal vigilance remains the price of liberty. ■

Jack McHugh is senior legislative analyst for the Mackinac Center.

JACK MCHUGH

MichiganVotes.org

Visit MichiganVotes.org or scan this QR code to discover more important votes in the Michigan Legislature.

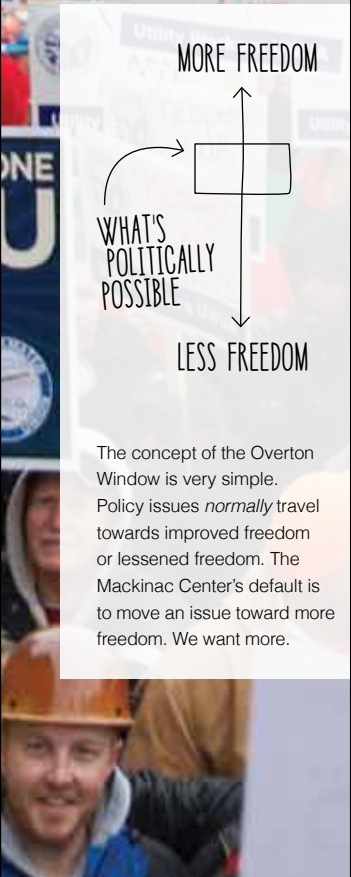
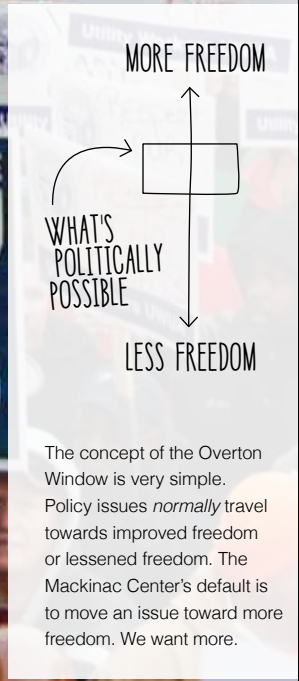


Workers are no longer forced to pay for union services that they don't want or don't need. It is only through the work of many years and countless freedom fighters that this was brought about. >>>

>>> The Overton Window of Political Possibility

The Overton Window of Political Possibility is a model to explain how changes in public policy occur. When evaluating the options within any specific public policy issue, only a relatively narrow window of options will be considered politically acceptable by politicians. The window of acceptable policies is not primarily defined by the politician's preference, but by what he or she can support without jeopardizing re-election. As society embraces new ideas, the Overton Window shifts to include additional public policy options that were previously deemed unacceptable.

Gov. Rick Snyder's signature on **right-to-work legislation** stunned many outside observers. But that final development was the product of years of analysis and education about the benefits of worker freedom. The Mackinac Center worked with a broad coalition of scholars, grassroots activists, business leaders and union members to educate voters and legislators on the importance of worker choice.



THIRKELL ELEMENTARY: THE SCHOOL THAT COULD

The cafeteria at Detroit Public Schools' Thirkell Elementary may be the quietest in the state. It certainly is the quietest school cafeteria I have ever visited. On a school day in early June, parent volunteers and teachers milled among students, who spoke quietly to one another while eating lunch.

**AUDREY
SPALDING**

This is just a small example of the educational environment at Thirkell. Throughout the day, staff members and students treat one another with respect. Parents, teachers and students all say that the warm atmosphere and focus on student learning at Thirkell is due to the leadership from Dr. Clara Smith, the school's principal.

"She is a great leader," said Shailiaja Pritchett, a parent and school volunteer. "She demands excellence from everybody." Indeed, Smith's office walls are covered with awards, photos and thank-you cards from parents and community members.

With the recent release of the Mackinac Center's Elementary and Middle School Report Card, parent and teacher accolades are confirmed: Thirkell was the top-ranked school in the state of Michigan.

The Center's report card provides parents, policymakers and the general public with a simple way to accurately compare the performance of schools throughout the state. By capturing the socioeconomic background of students as well as test scores, the study is a better measurement for schools' real-world effectiveness than state reports.

In early July, I joined the Mackinac Center and former Detroit Public Schools Emergency Manager Roy Roberts to honor the eight DPS schools that were ranked among the top 100

elementary and middle schools on the Center's report card. While it is true that the district is struggling as a whole — DPS scored below average — these schools are bright spots of sustained success.

I'll admit that it is hard not to linger on the public school failures in our state.

After all, nearly 50 Michigan school districts are in a spending crisis. Most egregiously, the Pontiac School District spends more than \$16,000 per student, and yet has difficulty providing toilet paper in school bathrooms, let alone an appropriate learning environment. As the Center has highlighted in the past, other school districts have mocked merit pay for teachers, or have refused to enroll students who are in need of better educational options.

Yet we cannot ignore positive change. These schools face daunting challenges, and have managed to produce impressive results. Taking a closer look at successful schools can reveal education policies and practices that have enabled them to thrive.

Smith told me that the ability to interview and

choose teachers has been critical. "The most important thing that has happened is that we have had the opportunity to interview and select our staff," she said. "Once you have that opportunity ... it opens up the doors for excellence."

DPS adopted this policy in 2012 as a result of legislative changes to the teacher tenure law. These state reforms allow school leaders to make personnel decisions based on teacher quality — rather than seniority.

Smith also noted that her school's focus on discipline and respect allows teachers to spend more time teaching and less time disciplining students. She says that this focus ensures that students are "ready and willing to learn." While Thirkell's emphasis on discipline is not something that should be legislated, other schools could look to these practices as a model to follow.

Lastly, Thirkell enjoys a level of autonomy that most conventional schools do not. DPS spokesman Steve Wasko told me that the district now allows successful schools more flexibility, including the ability to expand. Thirkell will be expanding to enroll sixth graders next year, and fifth graders are especially happy about this change. Keith Hightower, a fifth grader, said that his mother was happy he could enroll again because his grades have been improving during the years he has spent at Thirkell. Sonia Carter, a longtime parent volunteer, told me that the parents are "very happy" about the change.

In addition to helping identify truly successful schools, the Center's report card provides clear and intelligible rankings that do not penalize schools for educating needy students. We take student background into account by using the percentage of students at a school who qualify for a federally subsidized free lunch to predict test scores, and then grade the schools by whether their students did better or worse than expected. Four years' worth of MEAP test scores in all subjects for grades three through eight were used to calculate a school's score.

By taking student family background into account, the Mackinac Center's report card enables parents to compare schools, helps school officials assess school performance and provides policymakers with school rankings that measure real educational success.

A school's "Context and Performance score" indicates how far above or below projections an elementary or

"She is a great leader. ... She demands excellence from everybody."

middle school performed, given its student population's socioeconomic status, with 100 set as the average. The full report card and searchable database is available online at www.mackinac.org/CAP2013.

Accurately measuring school performance is becoming increasingly important in Michigan. School rankings are now used to identify schools for mandatory reform, which can include replacing the school principal. Legislators are also considering expanding the statewide Education Achievement Authority, and proposed legislation would determine which schools would be taken over by the EAA.

At Thirkell, almost 90 percent of students are from low-income families, yet students consistently score above the state average on MEAP tests. Adjusting for student background makes Thirkell's success even clearer, with a CAP score of 137. In stark contrast, the state's Top-to-Bottom ranking places Thirkell in the bottom 2 percent of Michigan schools. It is difficult to square the state's low

ranking with the school's academic performance, parent satisfaction and high marks on other report cards, including one published by Excellent Schools Detroit.

"I have children who go to other DPS schools," said Shailaija Jackson, a parent volunteer. "I have had a million schools try to steal me. But I like to be here because I fell in love with the dedication from Dr. Smith." Jackson spends most days volunteering at Thirkell with other parents, and has been doing so for the past nine years.

The nine EAA elementary and middle schools included in this report card were among the lowest-scoring schools. All nine received F's, and Burns Elementary-Middle School, formerly a DPS school, was the lowest-ranked school in the state. Since MEAP tests are administered in the fall, the low scores of EAA schools likely do not reflect the reform district's performance, but rather the performance of the schools prior to takeover.

Similarly, schools in the Muskegon Heights and Highland Park school districts posted very low scores. Both districts were converted to charter districts this year, and their low scores are also likely due to past performance. However, when the Center re-publishes this report, special attention will be paid to whether school scores change over time.

Careful steps will need to be taken so that state school reform efforts do not include the takeover of successful schools (like Thirkell) that serve needy students. As reform efforts move forward, the Center will watch to help ensure that a serious error is not made. But for now, we are proud to honor educational success, wherever it may occur. Teachers, parents and administrators at Thirkell are changing lives, and we hope that struggling Detroit-area schools follow their example. ■

Audrey Spalding is director of education policy for the Mackinac Center.

Top Ten		Elementary & Middle Schools	
1	Thirkell Elementary School Detroit / Conventional	A	137.0
2	Iris Becker Elementary School Dearborn / Conventional	A	134.9
3	Crestwood Accelerated Program Crestwood / Selective	A	132.8
4	Webster Elementary School Livonia / Conventional	A	129.4
5	Lowrey Middle School Dearborn / Conventional	A	128.8
6	Ross-Hill Academy-Elementary Detroit / Charter	A	128.6
7	Glenwood Elementary Kentwood / Conventional	A	126.2
8	Davison Elem.-Middle School Detroit / Conventional	A	125.6
9	Martin Luther King, Jr. Education Center Academy Detroit / Charter	A	125.4
10	Center for Economicology Grand Rapids / Selective	A	124.9

© 2013 Mackinac Center for Public Policy

See the other Top Ten rankings at mackinac.org/TopTen



POLICY CHANGES HIGH SCHOOLS

We featured several top-performing high schools from 2012. Watch by scanning the code or visiting youtube.com/MackinacCenter.



Calumet High School

"A Culture of Hard Work"



North Huron Schools

Individual Support and Community Education



Cesar Chavez Charter School

Faith and Flexibility



Jeffers High School

"We Are in the Student Business"



Twenty-Fifth

"If we don't step forward to defend the fundamental essence of capitalism, its indispensability and its extraordinary upside as businesses become more conscious, we will soon find our lives dominated and diminished by dangerous and distorted forms such as crony capitalism or some form of state capitalism." John Mackey, co-CEO Whole Foods Market

John Mackey will be the keynote speaker for our 25th Anniversary Gala on October 7. Reserve your seat today at mackinac.org/25th!

The Mackinac Center: 25 Going On 50

I first heard of the Mackinac Center when I moved to Midland in 1989 to work as a reporter at the Midland Daily News. I was drawn to its message that fit in so well with my take on things – liberty, freedom, limited government and free markets. Through professional and personal encounters I came to meet what many consider “The Big Three” in the Center’s history: Larry Reed, Joe Overton and Joe Lehman.

My departure from journalism to work in politics brought me in even greater contact with the Center’s message, a message that at times has

TED O’NEIL

been ignored in Lansing to the detriment of the only state I’ve ever called home.

In 2005, while in between jobs, I became aware that the Center was looking for someone to write and edit Michigan Education Digest, our weekly email compilation of education news, and Michigan Education Report, which at the time was a quarterly newspaper focused on education policy. I’d just finished a year as a substitute teacher, which gave me a better understanding of why it is so important to get education policy correct.

After a year in that role I joined the Center’s communications team and for the past year my main responsibility has been handling our media outreach.

As a native Michigander I was equally filled with pride and awe when we became the 24th right-to-work state. Growing up in a Reagan Democrat family in Macomb County whose economic fortunes were closely tied to the auto industry, I vividly remember when in the late 1970s and early 1980s bookstores and others in metro Detroit would advertise “We sell Sunday Texas newspapers.” Those newspapers were quickly gobbled up and discarded save the classified section. It was said at the time 1,000 people a week were moving from Michigan to Texas. It was my first realization that, as we like to say, policy affects lives.

There’s a large frame hanging in the Center’s lunch room with four yellowed newspaper stories dated March 23, 1997. They were written by Midland Daily News reporters, yours truly included, highlighting the Center’s 10-year anniversary. Soon we’ll start answering questions from reporters who are doing stories about our 25th anniversary.

But here’s the great thing about working for the Mackinac Center and the great thing about readers like you who support us – we’re already thinking about what reporters will say and write to mark the accomplishments of our 50th anniversary. ■

Ted P. O’Neil is the Mackinac Center’s media relations manager.

25 Years of Freedom-Fighting

For 25 years, the Mackinac Center for Public Policy has prided itself in advancing liberty and opportunity for all people. For this year’s 25th Anniversary Gala, themed “Liberty Changes Lives,” we will be featuring stories of how liberty improves the well-being of all those with whom it comes in contact. With that in mind, we want to share some favorite “Mackinac Moments” over the years from those who work here, laugh here, and can officially put “professional freedom-fighter” on their resume.



“Standing with my colleagues on the capitol lawn during the right-to-work protests.”

MIKE REITZ
Executive Vice President

“Going into Detroit and getting to honor some of the teachers and administrators for performing so well.”

DAN ARMSTRONG
Marketing and Communications Team Leader



“I’ve been with the Mackinac Center since 1999, and am of the Larry Reed generation. ... Because I have worked at the Center for this long, it has been very evident that the Overton Window does, in fact, work. The freedom to choose the best educational setting for a child, the freedom to choose to leave a union that isn’t being of service, the freedom to use a piece of property as one wishes, the freedom to receive untaxed income that can be used for personal goals and charity, the benefits of reducing corporate welfare to encourage free-market competition and reducing personal welfare to encourage self-improvement – these are the things that will bring Michigan to a higher place with yet-unimagined opportunity.”

KARA MALKOWSKI
Member Services Assistant

“It would be easier to pull together a top 5 favorite moments at the Mackinac Center, but I did love it when our social media staff hit the ground running and managed to get our most video hits ever, as well as nods from a number of national online and print publications, on a “hot dog” video. It was the story of a young boy who tried to open a hot dog stand in Holland, Mich., and was shut down by the city government initially. The video spoke to an unexpected number of people, which is what made it special. Everyone was behind that little kid to give him a hand up.”



LINDSEY DODGE
Editor

The Mackinac Center for Public Policy wishes to express its heartfelt condolences on the passing of Teresa “Teri” Olson, wife of Joseph P. Olson, co-founder of the Mackinac Center and currently on its board of directors. Teri was a big supporter of the Center before it even started and long afterwards. She is also credited with naming us – lore has it that, when told the name needed to sound really Michigan and immediately attract attention, Teri responded, “I can’t think of anything more Michigan than ‘Mackinac.’” We would like to extend our gratitude to Teri for helping to bring to life the first free-market think tank in Michigan.





Mackinac Center Cigarette Smuggling Studies Earn Global Audience

When Mackinac Center scholars embarked on a study of Michigan cigarette excise tax rates and related cigarette smuggling in 2007, they could not have dreamed where it might take them.

Paris and the 9th Annual Eurasia Fiscal Expert Seminar at the Organization for Economic Cooperation and Development was the most recent stop taken by study co-author Todd Nesbit. Nesbit is a senior lecturer in economics at Ohio State University and an adjunct scholar with the Center. He was asked to present Mackinac Center findings last spring and did so to the great interest of his audience.

While in Paris, other organizations asked if he would consider speeches or roundtable discussions in the countries of Georgia, Ukraine and Russia.

Nesbit's invitation to Paris came after presenting the Mackinac Center's cigarette tax and smuggling study results at the Vienna, Austria Tax Stamp Forum.

The remarkable interest these organizations have taken in the work of a state-based think tank is probably a function of Europe's own rampant smuggling problem and the Mackinac

Center's unique and durable statistical model. Indeed, Nesbit's Vienna invitation came after presenting our findings in Maryland, shortly after its January release.

MICHAEL D. LAFAIVE

Our model compares legal-paid sales per capita by state with reported smoking rates in those states. The difference, what we call a "residual," is our total smuggling rate. The model is unique in its approach and has proven itself to be a robust work. The Mackinac Center sometimes uses the model to make forecasts about future smuggling rates and state revenue changes based on proposed excise tax increases.

One fairly recent forecast we made involved the state of Illinois. In May 2011, Kristina Rasmussen of the Illinois Policy Institute and I published an essay about the proposed \$1 excise tax increase being considered by the Land of Lincoln.

We argued based on the Mackinac Center's statistical modeling work that smuggling would leap to 26 percent of the total market in Illinois from just under 6 percent. At the time, Illinois officials expected new revenues of \$320 million as a result of the increase in cigarette taxes. We predicted a revenue change closer to \$247.3 million in new revenues.

Illinois adopted the excise tax hike despite our protestations and it has now been in effect for 12 months. What happened to state excise tax revenues? They increased by only \$236 million, almost 26.3 percent less than what was predicted by Illinois state government. The actual figures were only 4.7 percent lower than the Mackinac Center for Public Policy's forecast.

Many people and politicians may point to the decline in sales and revenue and declare victory in Illinois. "See, people are quitting," they will argue. That is true but not to the degree people think. One scholars' work in this field shows that as much as 85 percent of after-tax changes in cigarette sales may be attributed to avoiding higher taxes, and not from kicking the habit.

The Mackinac Center for Public Policy has produced three studies on cigarette smuggling since 2008. Each contains a statistical model designed to measure the rate of smuggling in 47 of the 48 contiguous states. In the 2013 analysis Todd Nesbit and I conclude that just over 29 percent of all cigarettes consumed in Michigan in 2011 were smuggled. ■

Mackinac Center Events Round-Up

At the end of May, the Mackinac Center announced a new project, the Open Government Initiative. Executive Vice President Michael J. Reitz spearheaded this new effort to bring government transparency into the 21st Century.

The Center has committed to producing a comprehensive study that will show the problems with Michigan's current Freedom of Information act and Open Meetings act laws, which were written in the Watergate-era and are in desperate need of updating.

The Mackinac Center Legal Foundation is also working to identify opportunities to improve the accessibility of public information.

The public cannot exercise its rights, however, unless it knows about them. That's why the Center partnered with the ACLU of Michigan, Michigan Press Association, Michigan Coalition for Open Government and the Center for Michigan to host town hall meetings regarding government transparency in July and August. Local media personalities moderated the events, which

were aimed at informing the public of their rights to public information.

Michael Steinberg, legal director for the ACLU of Michigan, said during the Jackson Open Government event, "The Mackinac Center and the ACLU don't agree on much, but it's a lot more than you would think."

The Mackinac Center hosted events in Jackson, Grand Rapids, Traverse City and Troy.

Following a highly successful launch of the Mackinac Center's first Public Elementary and Middle School report card (mackinac.org/18826), Detroit Public Schools invited Education Policy Director Audrey Spalding and Marketing and Communications Team Leader Dan Armstrong to a ceremony at DPS's Thirkell Elementary. (You can see the video of the July 9th event at vimeo.com/70002386)

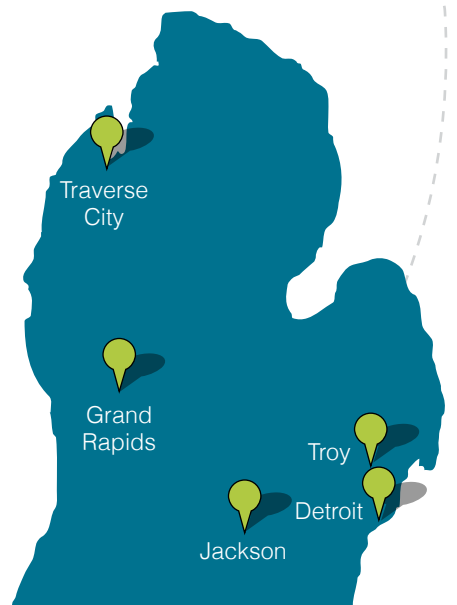
Eight schools from DPS earned spots in the top 100, and each received a certificate from the Center.

Among the guests were DPS Emergency Manager Roy Roberts, who said, "I want to thank the

Mackinac Center. You've done great work in this area. You do it in a lot of areas."

"The Mackinac Center praises good education wherever we find it. And we found it in Detroit," said Armstrong.

"This is real success, and you are changing lives," said Spalding to an enthusiastic crowd. ■





The Road to Reason

Aristotle said, "The law is reason free from passion."

That'd be nice, right?

We see overtly emotional responses in the news (and in the comments sections of online articles) every day. Ranging from smarmy to outraged, people can't seem to get enough of the keyboard warring.

So how do we get the conversation where it needs to be? In the realm of rationality and focused on everybody, not just "my camp" or "your camp."

First, we have to practice what we preach.

Anyone who keeps up with the Mackinac Center on social media has undoubtedly observed how fraught with tension the topic of teacher evaluations is. Recently, Michigan Capitol Confidential reported that Grand Rapids Public Schools will be using an evaluation system for their teachers that takes performance, rather than seniority, into account. The evaluations will take more than straight test scores – it will measure student improvement, first and foremost.

The responses were almost entirely defensive and rife with epithets such as "If you believe that the Mackinac Center is nonpartisan, then I have oceanfront property for sale in New Mexico."

Our response was consistently educational and nonaggressive, but we have a long way to go toward changing the tone of these conversations. Our goal isn't to be push-overs, but rather proselytizers for freedom.



Each of these ladies brings a unique, personal story to the debate on Medicaid expansion. To hear what they have to say, go to youtube.com/MackinacCenter.

One method we're using to reach people resistant to messages of liberty and freedom in public policy is personalizing the issue. This means starting from the assumption that stories are a great way to get people to see things from a different perspective than their own.

An example of this would be our "Policy Changes Lives" videos (which we feature on the Mackinac Center's new Medicaid expansion home page: www.mackinac.org/Medicaid_Expansion). Our concerted effort is to find people who normally would be silenced or whose stories go unreported, and bring them to the forefront. This includes a public school

in Detroit that emphasizes respect for teachers so that the focus can be education, to two sisters waiting outside the ICU for their sister, whose Medicaid insurance doesn't cover routine dental care but only emergency care. Since that's where she'll receive medical care, she allowed her illness to worsen and the cost was astronomical compared to the basic care she could have received earlier.

It's harder for people to become apoplectic and partisan when they're presented with

real stories and real people.

Part of what makes right-to-work so powerful is the sheer number of union members who have come out of the woodwork, demanding their union represent them again or they will abandon the union. This is a triumph for the individual voice over the collective one.

As always, we remain optimistic. As Winston Churchill said, "It does not seem to be much use to be anything else." So onward we strive, bearing you, our supporters, in mind every step of the way. ■

BY THE NUMBERS Taxpayers

\$20,000,000: State taxpayer incentive offered to shoot the movie "Transformers 4" in Michigan

\$12,226,500: The fiscal year 2014 state taxpayer support for Lake Superior State University

\$1,107,857,700: State "revenue sharing" with Michigan's local governments in fiscal year 2014

\$189,618,145: Estimated amount of revenue sharing going to the City of Detroit in fiscal year 2014, 17 percent of the total

701,475: Population of the City of Detroit, 7 percent of the total state population

COMING SOON

We're developing a brand new mobile app that allows you to interact with your legislators in a new way. Stay updated on current votes that you care about and make your opinions known.

Go to mackinac.org/newapp for more information and to receive updates on the app.



< BACK

MACKINAC  CENTER
FOR PUBLIC POLICY



Your

Legislator

- Senate Bill 401** Insulate D collection from federal ban liquidation

To require "art institutes" in the state t ethics for museums published by the of Museums. Reportedly this is a ... n

Legislator voted NO

Agree with his vote?  Or disagree

- Senate Bill 114** Revise co rental tax assessments