

IMPACT

THE ROAD SHOW

Mackinac Center analysis of ballot proposals reaches beyond Michigan

Detroit Free Press

Chicago Tribune

The New York Times

THE WALL STREET JOURNAL

Los Angeles Times

Center analysts gave no fewer than 100 talks in Michigan about the recently defeated ballot proposals, logging thousands of miles from Alpena to Kalamazoo.

The Mackinac Center's overall strategy was to educate voters with ballot proposal studies, commentaries, Op-Eds, videos, Web chats, TV appearances and a popular Web page MIballot2012.org.

A large-scale advertising campaign generated 4,000 ads from October to early November in Detroit, Lansing, Saginaw, Grand Rapids and northern Lower Peninsula markets.

see other side



Overall, Mackinac Center analysts gave some 150 interviews, drew national media attention from coast to coast, and The New York Times followed up on Proposal 2 after the election, calling its defeat "an embarrassment" for organized labor in the cradle of unionism.

KEEP TRACK OF THESE AND OTHER MACKINAC CENTER ACTIVITIES ON OUR WEBSITE!



RIGHT-TO-WORK

It's not a war on workers. It's a fight for more and better jobs
— Helping Make Michigan Home again. Story on page 10

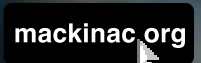
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Page 7

Celebrating in 2013!





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A New Beginning

25 YEARS IN THE MAKING

Welcome, readers, to the new Mackinac Center magazine **IMPACT**. In our efforts to serve our supporters better, we took the time to restructure our old **IMPACT** newsletter into a more engaging and educational tool for those who love freedom, free markets and a more frequent read.

This issue holds our latest research, including our lead feature on Michigan's long struggle to adopt a right-to-work law, which was just passed in December (Page 10). This has been an undertaking years in the making, and we hope you enjoy the fruits of the Mackinac Center's labor for worker freedom for many more years to come.

Our new magazine format allows us one other benefit: letting us get personal. These inaugural pages hold an in-depth

donor interview (Page 6), thoughts from our educational St. George, Mike Van Beek, on battling teacher union contract dragons (Page 8), and election takeaways from the fiscal, legislative and labor perspectives of our lead analysts on those respective issues (Page 7).

Let us know how you like the new magazine on the Mackinac Center's Facebook page or Twitter handle (@MackinacCenter)! Our goal is not to stop here, but to keep innovating for and inspiring those who inspire us — YOU.

As always, we wish a warm and hopefully freer year to one and all this season.

For Liberty,
Lindsey Dodge, **EDITOR**



 **LINDSEY DODGE RECOMMENDS "THE MACHINE"**

"If you haven't seen the short video "The Machine," created by Reason and the Moving Picture Institute, go to the Mackinac Center's Pinterest page and find it under our "Video" board to watch. It's 4 minutes and 30 seconds that will teach you more about how teacher unions work than most American History classes."



2013 marks the 25th anniversary of the Mackinac Center! Twenty-five years of fighting to empower everyone with liberty and opportunity! Mark your calendar for Oct. 9, 2013 — we'll be hosting a gala in Lansing at the Kellogg Center and you're invited. We look forward to 25 *more* years to help make Michigan a better place for everyone.

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**

"Enormous progress has been made with state-based think tanks (By the way: Congrats to the Mackinac Center in Michigan!) over the last couple decades. The fight in Washington may be bogged down, but the fights on the ground in the various states are going better than we might of hoped."

— Jonah Goldberg, from National Review's online blog "The Corner," on Michigan's passage of right-to-work.



Reform Starts in the States, Not in Washington

It's downright discouraging to consider how hard it is to start reforming Washington. That's why we have to remember that reform doesn't begin in Washington at all; it begins in the states. Washington is where reform ends.

The Mackinac Center's founders understood that you can't make headway in Washington by ignoring where people in Washington come from – the states. Nearly every elected official in DC cuts his or her political teeth at the state level. They field test policies and political strategies there, accumulating legislative records that sometimes read more like rap sheets than actual accomplishments.

State-level politicians who win elections in spite of their support for anti-taxpayer policies take their habits with them to the federal level. Free-market reformers shouldn't then be surprised when it's difficult to reform the federal government, because the die was cast in the states.

Federal fallout is one big reason it's utterly essential to study state policy and keep an eye on those who enact it.

The Mackinac Center was one of the first free-market think tanks established outside the DC beltway. From very humble beginnings in the 1980s, institutes like ours are now in every state, and the states are where we are seeing progress. Here is some very good news from the November elections.

- Three former state think tank leaders were just elected to a governorship and two U. S. Senate seats in Indiana, Arizona and Texas, respectively.
- More than 20 state governments (including Michigan's) continue to resist the Obamacare takeover. Voters in four more states passed specific measures to limit Obamacare's implementation.
- Washington state voters rebuked public

school employee unions by approving that state's first charter public school law. Georgia voters also expanded charter public school options.

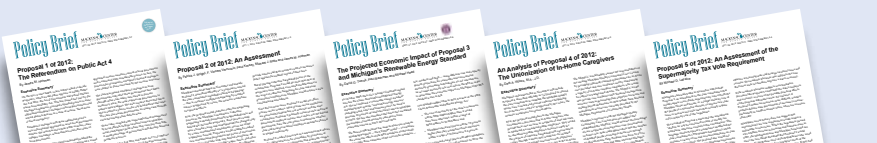
- Wisconsin voters reaffirmed Gov. Scott Walker's reform agenda by returning control of the Senate to his party and retaining his party's majority in the Assembly.
- This issue of IMPACT contains the good news about Michigan voters' verdicts on two ballot measures that would have enshrined costly union privileges into the constitution. Two state Supreme Court justices committed to the rule of law were re-elected. And, of course, the monumental news that the Legislature got serious about a right-to-work law.

As I predicted last quarter on this page, the unions' overreaching November ballot proposals unleashed a loud and overdue public conversation about the role of unions in our economy and government. I wrote the unions would likely lose control of the conversation they started and that is exactly what happened. The political momentum of the unions' 15-point loss on Proposal 2 helped transform Michigan into the nation's 24th right-to-work state.

Look for a two-year battle to defend the law from union attempts to overturn it. If the Legislature decides to keep pushing freedom-friendly reforms, look for plenty of ideas from our shop on how to do so. For both defense and offense, the Mackinac Center is needed now more than ever before.

And ask yourself, now that right-to-work is law in Michigan – of all places – then can anyone doubt it is also possible to turn around the federal government? It is possible, maybe even inevitable, as long as freedom fighters in the states keep working with your support. ■

In addition to our educational election website, MIballot2012.org, the Mackinac Center published studies on five of the ballot proposals that faced voters this fall. Each carried the weight of peer reviews, expert analysis and a guarantee of quality scholarship.



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LINDSEY R. DODGE Editor

DANIEL E. MONTGOMERY Designer

The Mackinac Center has been publishing Viewpoints for 25 years. Writing on a variety of public policy concerns, our scholars articulate the best remedies for what's ailing government. Since we believe principle-based ideas are timeless, we dusted off one of our first Viewpoints in honor of our 25th Anniversary.

Originally published Jan. 1, 1988 // Author: Lawrence W. Reed, President Emeritus

The Perils of Predicting

With a new year just around the corner, the air is filled with the prophecies of economic fortune tellers, but the raw materials they use to prophesy are in need of repair.

Given the record, it sometimes seems we might be no worse off if we let the economists predict the weather and the meteorologists predict the economy. Economists have made notoriously faulty forecasts throughout the history of the discipline. Indeed, if they really knew as much about the future as some of those finely-detailed predictions suggest, then they should be routinely reaping vast fortunes in the stock and commodity markets. The fact that economists are not a wealthy class and that the few forecasters among them who are well-off usually make more money making their predictions than actually investing in them, is a telling point.

Maybe that's what the financier Bernard Baruch had in mind when he said, "An economist is a guy who thinks he knows more about money than those of us who have it."

I make these critical remarks as an economist, and one who has made more than a few forecasts which dramatically missed the mark.

The future will always be more uncertain than most economists will admit, but other reasons also explain why forecasting is in disrepute these days. The theories which form the bases for interpreting economic statistics are often faulty, but equally important is the fact that those economic statistics themselves are frequently defective. Here's a sample.

Much attention is paid each month to the government's Index of Leading Economic Indicators, but the LEI is out-of-date and inaccurate. It overweights the influence of the stock market and undervalues the role of global economic developments. It does not account for the growth of the service sector in the U.S. or the declining role of manufacturing. The figures which go into the computation of the index do not take inflation into account. Inventory increases are factored positively into the LEI, though they sometimes are negative for the economy. All things considered, the remarks of Paul Samuelson of M.I.T. draw the appropriate conclusion: "You could have the index saying the economy is going one way when the real economy is going another way."

Export data from the Commerce Department is of routinely poor quality. Even the International Monetary Fund has argued that the U.S. has consistently undercounted its exports by about 13 percent, which would mean as much as \$30 billion worth this year alone.

The unemployment rate is meant to be a key indicator of national economic health but it counts striking workers among the jobless. It counts members of the military stationed in the U.S. as employed. And most economists believe it probably does not accurately reflect true joblessness in the inner city, distressed rural areas, or among migrant workers and illegal immigrants. At the same time, the official rate lists a large number of people as out-of-work who are just voluntarily moving from one job to another.

Retail sales reports from the government are regularly based on a woefully inadequate sampling. The Federal Reserve's figures on factory utilization fail to consider the capacity of firms to increase output by simply using more efficient machinery. The "errors and omissions" category in such widely-watched numbers as the balance of trade is often large enough to seriously jeopardize the total figure. And discrepancies between the government's figures and private industry's figures — in one area after another — are often significant.

Finally, revisions in government statistics are common, sometimes massive and usually quite belated. GNP figures for the first quarter of 1988, for instance, showed the nation's output rising at a 2.3 percent pace. Only a month later, it was revised to 3.9 percent and that's not likely to be the last revision. Under pressure to come up with numbers quickly, federal agencies habitually jump the gun, issuing numbers that are so premature and haphazard that their value is dubious at best.

Forecasting the economic future will never be a real science, let alone an exact one, especially if the historical numbers we use are defective. The thing to keep in mind as we hear all the year-end forecasts is this: the only thing certain about the future is that it will remain uncertain until it gets here. ■

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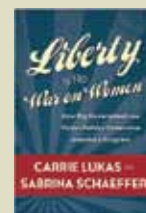


The Mackinac Center is proud to stand alongside fellow freedom fighters from around the United States. Every day, the country benefits from the fine work of men and women in the policy trenches — in every state in the nation — working to give everybody access to life, liberty and the pursuit of happiness.

Here are some of their most recent publications:



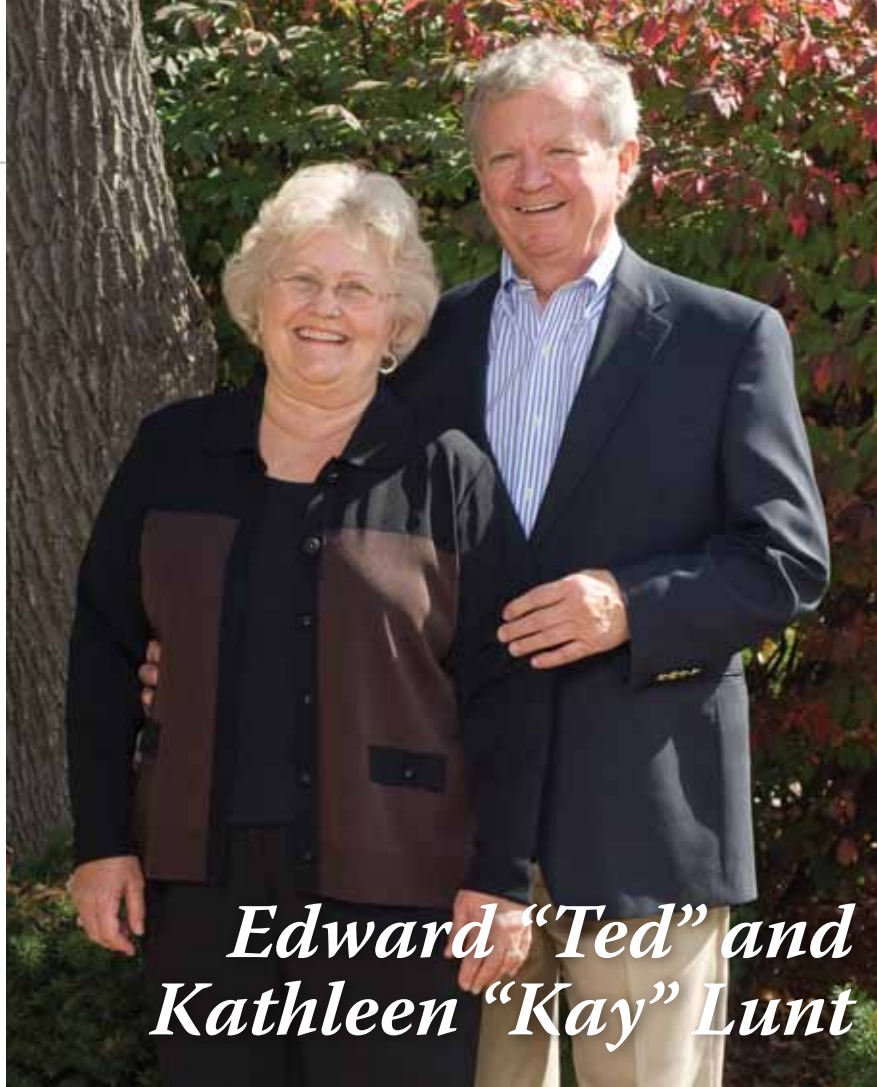
The Nevada Piglet Book 2012
by Geoffrey Lawrence
(Nevada Policy Research Institute)
A shocking collection of Nevada's waste, fraud and abuse in 2012.



Liberty Is No War on Women: How Big Government and Victim-Politics Undermine America's Progress
by Carrie Lukas and Sabrina Schaeffer
(Independent Women's Forum)
A refutation of the alleged "war on women."



Saving the American Dream: The Heritage Plan to Fix the Debt, Cut Spending and Restore Prosperity
(Heritage Foundation)
A posited strategy to solve the national debt crisis, simplify taxes, and reduce government spending.



Edward "Ted" and Kathleen "Kay" Lunt

With each issue of IMPACT, the Mackinac Center interviews one of its supporters to highlight the people behind what we do in support of free markets. This issue, we feature Edward "Ted" Lunt of Midland, who owns "Pirate's Cove Adventure Golf."

Mackinac Center: Tell us about your work experience.

Lunt: I'm really an entrepreneur. We got into this golf business in 1982. We've got 26 of them all over the East Coast, from Bar Harbor, Maine, all the way down to Orlando. I worked 22 years as an accountant. My father was one, and I headed in that direction, but it wasn't for me. I'm an entrepreneur at heart. So in 1982, I decided to chase my dreams.

Mackinac Center: Was it difficult convincing a bank to finance this amusement venture?

Lunt: At first, yes. They told me, "You're nuts! This is miniature golf in Michigan." But we did it.

Mackinac Center: How did you convince them?

Lunt: We tested the daylight out of the market. We decided to build the first one

in Traverse City. We went to the highway department to get their statistics and counted the cars by the site we were looking at, how many campsites were in the area, how many hotel rooms, you name it, condos. We figured if 1 percent came by with three people playing, it would work.

We presented our financial projections, and they just laughed me out of the room. So I cut the projections in half, then went back to the same banks and they said, "That's more realistic." But the reality of it was my original projections were a whole lot closer to what actually happened. That's one of my proudest moments. We knew what we were talking about.

Mackinac Center: Is it miniature golf or putt-putt?

Lunt: Neither. It's "adventure golf" [laughs]. When we started, we did not want to be "putt-putt" or miniature golf, we wanted something different. There's an ad agency

in Traverse City that recommended "Pirate's Cove Adventure Golf." That name has taken off like Kleenex to tissue. You go across the country and you'll find names like "John's Adventure Golf." The name got picked up. We could never copyright it. It was too general. But they said we can say "Pirate's Cove: The Original Adventure Golf." We want to give guests an experience, not just a simple activity. It's for kids and adults.

Mackinac Center: Going from accounting to the entertainment business seems like an unlikely career shift. Was it difficult making that transition?

Lunt: No. That was easy [laughs]. I was never meant to be a bean counter. I needed something I could be proud of. Even after thirty years, we still run them, all of them. We still own them. My son goes around and visits all of them to make sure everything is running smoothly. I just like to keep my fingers in because it's fun. We employ around 500 people. We're proud of that.

Mackinac Center: How did you learn about the Mackinac Center?

Lunt: A friend had told me about them, so I investigated and found out that I agreed with what they were doing. Years ago, I was on its Mid-Michigan board of advisors. They said they were a think tank, so I wanted to give them things to think about [laughs].

Mackinac Center: What value do you believe the Mackinac Center provides?

Lunt: I think they bring tremendous value. I think it's a great organization. It fights the battles that no one else does. That's why I like them and that's the value. I believe in what they teach, but I don't have the time or energy or the resources to do anything about it. So I'm really glad to have the Mackinac Center out there.

Mackinac Center: With businesses and locations all over the country, why do you stay in Michigan?

Lunt: Friends and family. We have a place in Petoskey that we go to in the summer. We love Midland. It's a nice town. I'll never sell my house here. It's nice to go to the farmer's market on Saturday morning and run into five people you know or go to the mall and bump into old friends. It's just friendly. It just works for us. ■

ELECTION RECAP

Mackinac Center analysts' personal takeaways on ballot proposals

LABOR

Obama wins, unions lose – the 2012 election recap

By F. VINCENT VERNUCCIO – Michigan was among the states that sent President Obama easily back to the White House, not to mention a Democratic senator to Washington. The same voters who voted Democrat, however, rejected union overreaches and supported government labor reform.

All five constitutional amendments on the ballot were defeated, but Proposals 2 and 4, both heavily backed by unions, attracted the most attention.

Besides the presidential election, Proposal 2 was organized labor's first priority on November ballots. The proposal would have upheaved representative government in Michigan by enshrining collective bargaining in the state constitution, giving government unions an effective veto over elected officials. If unions had been successful in Michigan, they likely would have tried similar efforts in some of the 18 other states that allow ballot-initiated constitutional amendments.

Proposal 4, equally damaging in its own right, would have permitted the continued stealth unionization of home-based caregivers by the SEIU. The majority of these workers are friends or family members of their patients, and certainly not government employees. Prop 4's defeat keeps about \$6 million per year in the hands of caregivers – not in union coffers.

Both proposals received more “no” votes than the “yes” votes President Obama received in Michigan, meaning that many of his supporters were unwilling to rubber-

stamp the overreach by Big Labor. The New York Times went so far as to call the Proposal 2 defeat “an embarrassing loss for labor” in the “cradle of unionism.”

The defeats show that momentum is with the reformers. The tide is turning, and will potentially begin to favor workers, taxpayers and job creators above moneyed special interests.

FISCAL

Proposal Losses Invite Concerns for Taxpayers

By MICHAEL D. LAFATTE – Voters on Nov. 6 said “no” to each of the six Michigan-specific ballot proposals presented to them. Those ballot proposals covered labor, energy, transportation and fiscal policies. While all topics ultimately involve taxpayer dollars of some sort and level, Proposals 1 and 5 hit closest to the fiscally minded.

Proposal 1 would have affirmed Public Act 4, the law that gave emergency managers more power to make financial changes in local units of government. Proposal 5 would have mandated a supermajority vote requirement for the Legislature to raise taxes.

Proposal 1 narrowly collected more “no” votes than “yes” votes and thus the state reverted back to the previous emergency financial manager law (Public Act 72 of 1990), a law that grants far less power to EFMs. Proposal 5 appears to have gotten swept up in anti-initiative enthusiasm and the pithy slogan “one is a yes, no on the rest” or some version of it.

Going forward, the Michigan Legislature has already introduced a new emergency manager law that gives locally elected officials more power over the process.

LEGISLATIVE

GOP Retains “Trifecta-Plus” Control of Michigan Government

By JACK McHUGH – Michigan will retain its “trifecta-plus” status for the next two years, where one party (the GOP) has control of both houses of the Legislature, the governorship and the state Supreme Court. Republicans did lose five seats in the House of Representatives, however, going from a 64-46 majority to 59-51 (the Senate was not up for election this year).

That was not unexpected following the Tea Party “wave” election of 2010. Importantly, no prominent legislative reformers were defeated (including Rep. Mike Shirkey, R-Clark Lake, targeted for his identification with a grass roots right-to-work movement).

The most significant impact on future legislation was the sound defeat of Proposal 2, discussed elsewhere in this issue. While government employee unions have hardly become a paper tiger, even after this rebuke from the electorate, many Democratic voters showed themselves quite willing to diverge from union orthodoxy. This will make it easier for the Legislature to build on the financial reforms of the past two years.

Among other things, the Proposal 2 defeat meant that making Michigan a right-to-work state was possible – and legislators were able to pass that right-to-work law in December – a stunning development in a (previously) union-dominated state whose Legislature voted as recently as 2005 to name a highway after the 1936 Flint “UAW sit-down strike.” ■



DID YOU SEE IT?

On Oct. 30, the Mackinac Center broadcasted an hour-long live, interactive webinar on the 2012 ballot proposals from its office in Midland.

For more information, email the editor at dodge@mackinac.org and request to receive our email publications.



Alcohol and Merit Pay

OH, THE THINGS YOU FIND IN A TEACHERS UNION CONTRACT

For the last couple of months, I spent a good portion of each day reading public school teacher contracts. Slogging through legalese can be painful, but fruitful, and goes to show how the Mackinac Center operates as one of the state’s most effective watchdogs of government labor unions.

The Center maintains a database that contains every public school union contract in the entire state – more than 5,000 contracts dating back to 2004. Every year, we update this database by adding new contracts and posting all of them online. In an average month, users access this online database about 2,000 times.

With this enormous amount of information at my fingertips, I was able to analyze more than 100 union contracts and make two important discoveries. The first was that the Bay City contract gives teachers the luxury of being under the influence or in possession of alcohol on school property five times before they can be fired. Likewise, they can be in possession of illegal drugs on school property two times before the district can let them go.

If Proposal 2, the so-called “Protect Working Families” constitutional amendment, had passed, this provision would have remained in effect in Bay City. Our coverage of abuses

like this went a long way to educate voters about what they might be unleashing if they let union contracts trump state law.

The second discovery related to Michigan’s new merit pay law, which requires schools to use job performance as a “significant factor” when setting teacher compensation. I found that the vast majority of districts were paying teachers almost exclusively based on years on the job and college credentials and ignoring merit entirely. Although they are educated and trained as professionals, under union contracts, teachers are paid like interchangeable assembly-line workers.

What’s worse, almost all of the districts that did use merit pay were making a mockery of it. For instance, many districts’ definition of merit pay was a bonus of less than 1 percent of an average teacher’s salary. A few districts paid proven teachers only a few bucks extra. What an insult to the profession! Fortunately, there are legislators who are now working to make sure great teachers are properly rewarded.

This level of analysis and research is one that only the Mackinac Center provides to the public. These contracts impact a large portion of how each district operates, so collecting and analyzing them is critical to understanding how districts function and, in some cases, dysfunction. ■

m.e.d.

michigan education digest

Each Tuesday, the Mackinac Center emails a free roundup of education news from around the state. Go to mackinac.org/subscribe to get it delivered to your inbox. Here’s a sampling of education headlines.

Oct. 16, 2012

State refuses request for names of ineffective principals

Oct. 2, 2012

Teacher union contract would allow some alcohol and drug use

Oct. 2, 2012

Federal meal guidelines cause student (and stomach) grumbling

Sept. 18, 2012

Roscommon teachers leave Michigan Education Association

Aug. 28, 2012

Oxford district’s AstroTurf could cost some their homes

July 31, 2012

Teachers unions give \$1 million to ‘Protect Our Jobs’ initiative

Sept. 4, 2012

First charter district opens today in Muskegon Heights

PROGRESS FOR MICHIGAN

The Widening Advancements for Youth program (subject of a recent Mackinac video — viewable at mackinac.org/15949) opened a new charter school in Detroit that will use “blended learning” and personalized instruction to educate students who’ve struggled in traditional classroom settings.

WATCH THE VIDEO WITH THIS QR CODE!



The Overton Window of Political Possibility

The Overton Window, as coined by the Mackinac Center, 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. Meaningful policy change may take decades. Or, as in the case of a teenage hot dog vendor, policy may shift rapidly in a matter of weeks.

1. Situation

Cities across the nation adopt policies that protect favored businesses from competition by stifling entrepreneurial endeavors. An ordinance in Holland, Mich., prohibits food carts not connected to brick-and-mortar restaurants in the city's downtown commercial district.

2. Nathan's Cart Shut Down

On July 17, 2012, 13-year-old Nathan Duszynski opened a hot dog stand in order to earn money to assist his disabled parents. Ten minutes after opening, however, Holland city officials ordered Nathan to shut down his food cart. In defending the city's policy the mayor of Holland stated: "[Local businesses] asked that the success of this space not be infringed upon by those who don't choose to share in the costs of maintaining the attractiveness of this space."

3. Mackinac Center Response

On July 25, the Mackinac Center released a video report on Nathan's plight. The video went viral, with more than 100,000 views in just a few weeks. The story was picked up by Fox News, USA Today, Reason.com, the Huffington Post, National Review Online and several Michigan newspapers. The Center stressed that municipalities should encourage small business growth – not strangle it to protect existing businesses from competition.

4. Holland Response

On Aug. 15, the Holland City Council voted unanimously to allow Nathan to operate his food cart under a temporary permit. The mayor also announced plans to reach a long-term resolution for mobile food carts.



5. Resolution

Nathan opened his hot dog cart on Aug. 23 with broad community support and media coverage. The mayor of Holland stated that the Mackinac Center's coverage of the issue helped "color the lens" for the national attention the story received. ■

CAPCON

Learn more about Nathan's story at MichCapCon.org

Find out more about the Overton Window at mackinac.org/overtonwindow

WATCH THE ORIGINAL HOT DOG VIDEO HERE





*From the cover:
Tuesday, Dec. 11, 2012: Several
thousand protesters in Lansing
gathered on the grounds of the state
Capitol to protest a right-to-work bill.*

RIGHT-TO-WORK

HOW A LONGSHOT PRINCIPLE BECAME A LEGISLATIVE POSSIBILITY

When Indiana became the 23rd state to adopt a right-to-work law early in 2012, many thought such an option was a long way off for Michigan. With the 5th highest unionization rate in the country, comparatively high taxes and a reputation as the cradle of collective bargaining, Michigan seemed like too far a reach for even the most committed worker freedom advocates.

Now Michigan is the 24th state to adopt a right-to-work law, which protects employees from getting fired for refusing to financially support a union.

Mackinac Center President Joseph Lehman put it best when he said, "When I left the house for the state capitol last Tuesday morning, Michigan didn't have a right-to-work law on its books. By the time I got home around midnight, it did. Gov. Rick Snyder's signature on those bills marked the apogee of a two-decade arc drawn from the politically impossible to the politically inevitable."

Back in 1995, Mackinac Center President Lawrence W. Reed landed a Mackinac Center Op-Ed on right-to-work legislation in the Detroit Free Press. He wrote:

The only thing unions have to fear from right-to-work is the free choice of the very workers union leaders say they are in business to help.

In 1995, only 19 states had a right-to-work law and none of them were in what had by then come to be known as the Rustbelt; the Indiana Legislature almost passed a right-to-work law which was vetoed by then-Gov. Evan Bayh; and the Teamsters and allied AFL-CIO unions had gone on strike against The Detroit News and Detroit Free Press. How far was the state conversation from a right-to-work law in Michigan that the unions could strike against legacy media and still feel the national conversation was in their hands?

The conversation has officially changed since the "Workplace Fairness and Equity Act" was signed by Gov. Snyder on Dec. 11, 2012, and much of the policy education is due to the Mackinac Center's relentless commitment to the economic benefits a right-to-work law would bring to the beleaguered state of Michigan.

But anyone who says there isn't much

fight left in unions clearly is forgetting New Hampshire in 2011, where after massive media campaigns from the unions, a right-to-work bill was vetoed by Democratic Gov. John Lynch. Or the referendum in Ohio that would have brought public employee health care costs in line with private-sector averages, among other things, which 61 percent of voters rejected.

But the truth is, a right-to-work law is beneficial to all workers, and the Mackinac Center has been pro-worker since 1988.

The benefits of a right-to-work law are not only offering opportunities to young workers in state, increasing wages, lowering unemployment, increasing disposable income or attracting new business, though it does all of those things. There's a moral component, too. It is simply not justifiable in an advanced country like the United States that a worker can lose their job for declining to pay union dues or agency fees. That sort of institutionalized groupthink should be anathema to our legal system, and is anathema in a growing number of our states.

Unions themselves are victims of their own groupthink. The first and longest-serving president of the American Federation of Labor, Samuel Gompers, once said, "There may be here

and there a worker who for certain reasons unexplainable to us does not join a union of labor. This is his right and no one can dare question his exercise of that legal right."

Or refer to the touted champion of labor relations, President Franklin Delano Roosevelt, who despite being politically subject to the other great labor state, New York, said "Meticulous attention should be paid to the special relations and obligations of public servants to the public itself and to the Government. ... The process of collective bargaining, as usually understood, cannot be transplanted into the public service."

Imagine these labor-heroes' consternation at hearing that millions are spent on anti-right-to-work media campaigns by labor unions themselves, or that the Michigan Public School Employees Retirement System has saddled taxpayers with a \$22.4 billion unfunded liability. The country has come far from where it started in promoting workers' rights.

The amount of money that goes straight to union pockets is staggering, but there is hope for their stranglehold on state budgets: the first state to allow public-sector collective bargaining was Wisconsin in the 1950s, but even a last-minute smear campaign alleging that Gov. Scott



See, read or watch our extensive right-to-work coverage at mackinac.org/right-to-work

Walker had fathered an illegitimate child couldn't save the union recall attempt this past June. Now, with the failure of union-backed Proposals 2 and 4 and with a right-to-work law in Michigan, it is conceivable that the Great Lake State will become a destination for our children and our children's children once more, and not just a nostalgic pang from reruns of Pure Michigan commercials.

The proof is in the pudding: union membership is in decline across the board. The number of union members is 12 percent nationally and a meager 6.9 percent in the private sector. Even in a strong union state like Michigan, there are almost 50,000 fewer union members compared to 2009.

This is perhaps due to unions' antiquated business model. Currently in forced unionism states, like Michigan was, they can take their members for granted because workers who don't pay them will be fired. A right-to-work law forces these union leaders to practice "servant leadership," because the possibility of not being paid for poor service is a viable alternative.

A right-to-work law is bigger than unions, because it will now help the entire state be more attractive to employers. We face an entrenched unemployment rate that has plagued us for far longer than the national recession, and returning jobs to Michigan ought to be our number one priority. Michigan was the only state to lose population during the last decade, according to the Census. How much longer were

we willing to tolerate young graduates and workers fleeing the state in search of employment before concrete measures were taken to ensure opportunities at home?

Just look to Indiana - which, if truth be told, is not known for having glorious weather in comparison to Michigan. The state has added 43,300 jobs since January, while Michigan has lost 7,300. Indiana's manufacturing sector is growing; Michigan's is declining. And above all else, the Indiana manufacturing worker is out-earning the Michigan manufacturing worker, even with the numerous new jobs added.

A right-to-work law means more and better jobs. It creates opportunities that allow future generations to stay and prosper in Michigan, and it empowers union members to expect the most from their representatives and their employers.

But the new right-to-work law will not go into effect until April, giving unions over 90 days to negotiate new or extend old contracts. It is entirely possible that they will choose contract extensions and union security clauses over their members' benefits. The Mackinac Center will be here to defend the reform against all attacks and educate residents of Michigan about the benefits of the law. We hope that, by serving the taxpayers of Michigan above all others, we will arm them with the most powerful bargaining tool: choice. ■



The Center seeks to empower all workers to choose what's best for them and their families.

A Snapshot From the Center

Dec. 11, 2012: Protesters at a right-to-work demonstration in Lansing take a lap around the Michigan Capitol.





Transparency Law Escapes Big Labor Chokehold

BY MICHAEL D. LAFAIVE AND TED P. O'NEIL

One of the least reported, but most frightening, aspects of the now-defeated Proposal 2 was its potential impact on Michigan's Freedom of Information Act. Proposal 2 would have given primacy to stipulations in collective bargaining agreements over state laws such as the FOIA, making it possible for government union leaders to suppress information that was once available to both journalists and everyday citizens.

The Mackinac Center for Public Policy was the first organization in the state to point out this unique angle to Proposal 2, shortly after the Michigan Supreme Court approved its placement on the ballot. In addition to posting stories on its website, the Mackinac Center also distributed its FOIA-Prop 2 work through Michigan Capitol Confidential, a special Op-Ed to The Detroit News and by issuing a joint press release on the subject with the Michigan Press Association.

Sunshine Review, a leading advocate of government transparency, also promoted The Detroit News piece.

The MPA represents member organizations such as Heritage News and is dedicated – as its homepage says – to “Preserving press freedoms ...” among other duties. Government transparency is key to the work of journalists everywhere, so the MPA had a keen interest in the potential damage Proposal 2 could inflict.

Jim Young, Michigan Press Association president and publisher of the Oceana Herald-Journal, argued that, “Even with the FOIA in effect, governments can make it hard to report vital news that affects Michigan citizens directly. Proposal 2 offers a change to the constitution that could have chilling effects on citizens’ right to know.” The press release was picked up in stories by both the Detroit Free Press and Lansing’s Gongwer political newsletter.

Michigan’s Freedom of Information Act law has its roots in the 1970s Watergate-era desire to make government more open. It gives scholars, journalists and just plain folk access to public documents subject to some obvious boundaries, such as personal tax information.

Michigan’s FOIA is extremely powerful, despite public officials’ attempts to make it less so. It was the FOIA that helped the Detroit Free Press acquire electronic communications between former Detroit Mayor Kwame Kilpatrick and others that ultimately brought an end to Kilpatrick’s administration.

Mackinac Center analysts use the FOIA to some degree almost monthly, collecting data on everything from school district contracting to government pay, not to mention corporate welfare subsidies for new manufacturing plants to movie

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studios. Indeed, Mackinac Center’s research arguably led to the unraveling of a movie studio subsidy package in which we discovered, through a FOIA request, that the film subsidy program director agreed with the Mackinac Center. “So disappointing,” she wrote in an email. “It looked so promising. But it’s not. This time I am agreeing with the Mackinac Center.”

“Bob, I’m concerned about (redacted). It is certainly (redacted). Can we talk about this? I think it will not (redacted). Moreover, (redacted). Moreover, it demonstrates (redacted).”

Michigan Capitol Confidential has also used the FOIA to the advantage of taxpayers, requesting several years ago that school districts begin publishing their checkbook registers online. Dozens of districts complied, and the Legislature eventually passed a law requiring districts to post several layers of financial data on their websites.

FOIA requests, however, are not always met with such pleasant outcomes. Inquiries sent to the labor studies departments at three Michigan colleges in 2011 drew bomb and death threats to the Center and a protest outside of our headquarters. The Mackinac Center drew support from some unlikely sources at the time when Jack Shafer, media critic at Slate.com, wrote in response, “There’s no such thing as a bad FOIA request.”

Sometimes these FOIA requests lead to almost amusing cover-ups from our state’s top players. The Mackinac Center requested information through the Freedom of Information Act from Michigan State University and was rebuffed with a series of redactions.

In 2011 Michigan State University redacted 100 percent of an email that was two pages in length, and redacted most of several other emails in question. This “response” was designed to be a finger in the eye of the Mackinac Center, as the Center had recently caught one of its scholars plagiarizing and made that fact public. Technically, MSU responded to the Mackinac Center’s FOIA request, but the information contained therein was useless. In one of the documents – which can be found on our website – a heavily redacted email reads:

Bob, I’m concerned about (redacted). It is certainly (redacted). Can we talk about this? I think it will not (redacted). Moreover, (redacted). Moreover, it demonstrates (redacted).

In 2010 the Mackinac Center and the MPA teamed up to try and preserve the sanctity of Michigan’s FOIA, only to have the Michigan Supreme Court refuse to hear the case. The Mackinac Center Legal Foundation and MPA filed a joint amicus brief at the Michigan Supreme Court in 2010 in a case involving Howell Public Schools. Chetly Zarko, a citizen journalist who has since passed away, sent a FOIA request

to the Howell schools requesting emails generated on government-owned computers and sent by teachers union officials there regarding contract negotiations.

Zarko made his request to try and determine if union business was being conducted using taxpayer-funded equipment. The Michigan Court of Appeals had ruled that Zarko’s request should be denied, claiming that the content of the emails was not official school business and so did not qualify as a public record.

The Michigan Supreme Court let the appellate court’s decision stand, a “disastrous” ruling according to Patrick J. Wright, director of the MCLF. He pointed out that government officials could use the decision to hide illegal activity, since it would also not qualify as “official business.” Unfortunately, this legal win did not stop government unions from trying to limit transparency into their affairs, such as with Proposal 2.

The bottom line is that if FOIAs were not an effective tool for monitoring the work of our government, state and local officials wouldn’t work so hard to avoid the embarrassing truths sometimes revealed by this transparency law. Big Labor may not have set out to subsume the FOIA with its support of Proposal 2, but we are confident it would have taken little time for Big Labor or Big Politicians to do so. ■

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EXHIBIT A
Read the full story of the MSU email at
MichCapCon.com/14506



Tax v. Price: The Morality Cost

2012 could be called, by those with wary eyes toward Washington, D.C., “the year of the tax.” With Taxmageddon, the so-called “fiscal cliff” and of course the Supreme Court’s decision deeming Obamacare’s individual mandate “a tax,” it seems tax increases are on the horizon, whether we like it or not.

Certain legislators and legacy media’s didactic insistence that raising taxes is the only solution reflects their dawning realization as to how much debt the federal government actually faces.

But this attitude disregards the reason they need more money (they spend too much), as well as the source of the money to begin with (taxpayers). There is the kind of desperation of a cornered bandit in an alleyway, reaching for a trash can lid as his weapon.

But even the taxpayers’ money comes from somewhere, and generally it’s from a job and investment – or value, if you will. And what can the taxpayer do with this money? Perhaps they’ll buy a car. Or an e-book. Or perhaps they’ll radically overspend by most people’s standards and buy a \$7 cup of coffee. Who knows? The amount of money being spent comes down to how much that individual is willing to pay for something – how much they value something – which we can approximately call that object’s “price.” So in effect, price comes down to personal choice. Someone chooses to participate in the exchange or not.

Not so with taxes. A tax is what the government is willing to make you pay for something. While some people are willing to pay certain taxes, and other people are willing to pay other taxes, it matters little

which person you are: At the end of the day, you pay both taxes because you have to. Understanding the value of choice in a moral action makes it easier to understand why market price is, fundamentally, more moral than taxation.

Those who vilify this notion will push it to absurdity and ask then whether any tax is moral, and whether government should cease to exist. In reality, however, we are born to a government that exists for our service, and while we pay for the right, we too rarely get a choice in how it spends our money. More than ever, it seems legislators want to entirely dismiss the “exchange” element in favor of “take, take, take.” (That is: tax, tax, tax.)

Take for instance the heavily lampooned subsidies in Michigan for the Chevy Volt. With an inordinate amount of offered subsidies, potentially costing taxpayers up to \$250,000 a piece, the Chevy Volt sold only 6,000 cars by December of 2011. Now, if you compare that to another “green energy” vehicle like the Toyota Prius, you see the stark difference between empowering the consumer and dictating their choice. In 2000, before the federal government got in the business of subsidizing retail sales of electric or “green” cars, the Prius sold twice as many vehicles as the Volt did in 2011 (and it’s now the third best-selling car in the world). One solution is one-sided, the other two-sided: which will be more constructive towards order, peace and prosperity?

The one that honors both participants in the exchange. ■

MIballot2012.org

Ballot Education by the Numbers

The Mackinac Center set a priority of educating citizens about the details and effects of the measures on the November ballot. Here are a few statistical takeaways.

5

Policy briefs on the individual ballot initiatives

150

media interviews

69

Percentage of voters who recalled hearing the Mackinac Center’s story about a school union contract that allowed teachers to come to school drunk five times before being fired

28

Percentage of Obama voters that voted “No” on Prop 2, the proposal to enshrine collective bargaining in the Michigan state constitution



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