

The Magazine of the Mackinac Center for Public Policy NOVEMBER/DECEMBER 2015

# IMPACT



## LEADING THE WAY

Mackinac Center Takes Center Stage at Annual Meeting of State-Based Think Tanks

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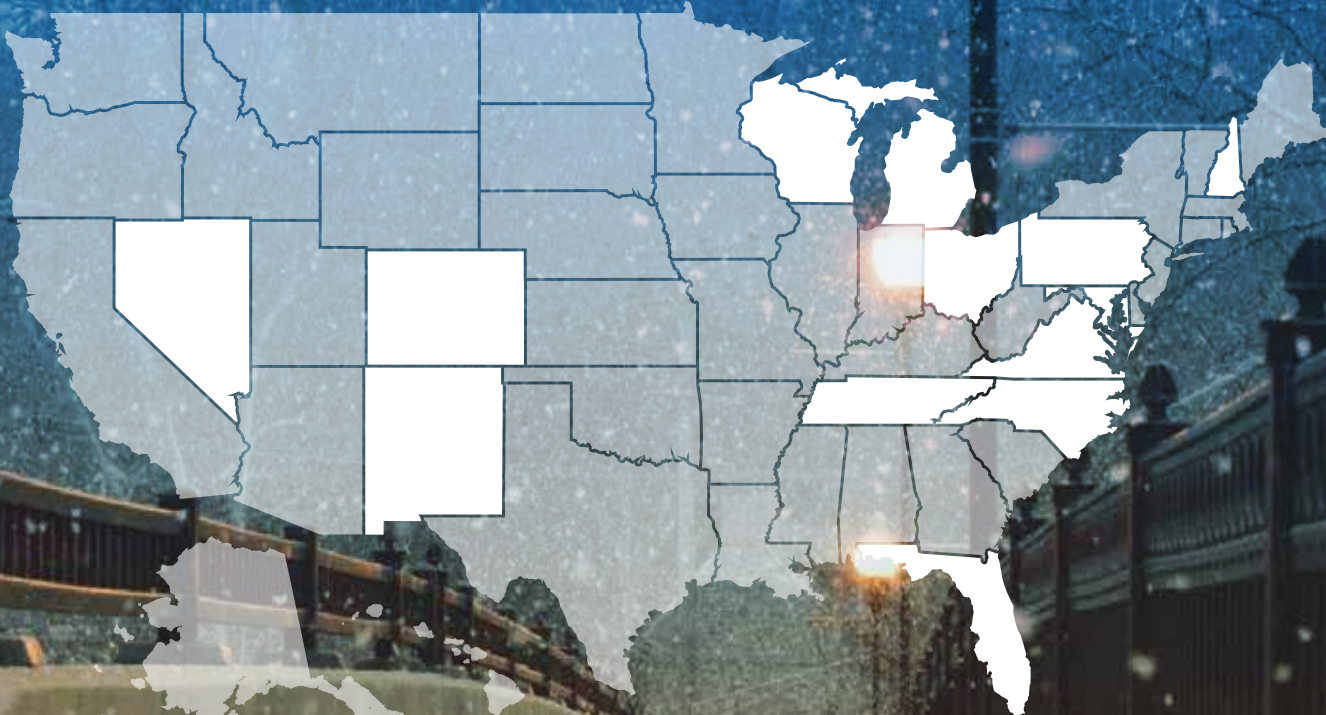
**Civil Asset Forfeiture**  
Mackinac Center's Work Pays Off in Reform

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## ArtPrize Seven

 **GENEVA RUPPERT RECOMMENDS** ARTPRIZE

Hundreds of thousands of people visit Grand Rapids every autumn to see the biggest art exhibition in the world. This year, artists installed 1,550 pieces at 162 venues across the city. The wide variety of their work displays the talent and creativity of humanity: long-exposure photographs of fireworks; portraits made entirely of textiles and leather sewn together; and even a collection of parodied Michigan tourism posters, with blunderous slogans like “See Michigan before we sell the U.P. to Wisconsin!” The ingenuity is obvious, but perhaps more impressive is the public-private partnership behind the festival. The ArtPrize nonprofit partners with the city government of Grand Rapids to create an atmosphere conducive to massive installations and crowds. ArtPrize Eight runs from Sept. 21-Oct. 9, 2016. Mark your calendars!

FROM  
THE  
WEB

### Blog

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

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WHAT FOLKS ARE SAYING  
ABOUT THE MACKINAC CENTER

**“I’m a Mackinac Center guy...I appreciate the Mackinac Center’s leadership on a variety of different issues, whether it’s education, tax policy, public safety... and particularly on this issue of forfeiture as well.”**

— Attorney General Bill Schuette on a media conference call for the civil asset forfeiture bills.





## The Idea of Liberty

"Americans and Europeans alike sometimes forget how unique is the United States of America. No other nation has been created so swiftly and successfully. No other nation has been built upon an idea – the idea of liberty." –Margaret Thatcher, 1991

Two weeks ago I joined hundreds of lawyers, judges and policy experts for a gathering of the Federalist Society in Washington, D.C. The occasion, the Barbara K. Olson Memorial Lecture; the speaker, Sen. Tom Cotton of Arkansas.

The Federalist Society established this annual lecture 15 years ago to honor a life cut short. A lawyer and commentator with a distinguished career in public service, Barbara Olson was a great friend of the Federalist Society and the ideas it espouses – individual liberty, limited government and the rule of law. Olson died on Sept. 11, 2001, a passenger on American Airlines Flight 77, which crashed into the Pentagon.

Cotton used his address to highlight America's exceptional promise, both for those born here and those who would come: "We should take pride that we live in a nation people are willing to die to reach, not escape." Our duty, he said, is to do more than simply pay tribute to Olson and the thousands killed that day, but to live lives that preserve and advance liberty. Cotton's remarks were especially poignant as news of the Paris terror attacks came to us that very day.

Later that night my colleague Patrick Wright and I walked down to a symbol of a different era of crisis. Abraham Lincoln's words etched in marble and Dr. King's 1963 speech at the Lincoln

Memorial remind us again of the idea of liberty – the proposition that "all men are created equal."

Our last stop was the Tomb of the Unknown Soldier to watch the changing of the guard. I've made dozens of trips to D.C. and yet this was my first time viewing the ceremony. The guard relinquishes his watch and passes orders to the new sentry: "Remain as directed." Through rain, snow or terror ... remain as directed.

Against this backdrop is the hysteria of students on campus who demand intellectual childproofing to shield them from contrarian viewpoints. Trigger warnings, safe spaces, shouting down opponents and lodging protests over graduation speakers all flow from the same troubling assumption that truth can be attained through a militantly enforced silence. Occupy Wall Street has devolved to Occupy My Bubble.

It would be easy enough to deride the childish expectation that all disagreement can be avoided. Instead, we should recognize an opportunity to defend one of the pillars of the idea of America. As a free people we are eager to embrace vibrant debate. Justice Louis Brandeis explained this when he wrote, "Freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth. ... Discussion affords ordinarily adequate protection against the dissemination of noxious doctrine." Those who would silence speech would suffocate democracy.

Sacrifice, equality, duty and free expression. Ideas worth the founding of a nation, and worth our vigilance today. ■

**MICHAEL J. REITZ**

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# Helping Teachers Exercise Their Legal Rights

Michigan’s right-to-work law, a long-time Mackinac Center priority that was enacted in 2012, lets employees refuse their support to unions with which they disagree. But that right is an empty promise if unions can find ways to deny people the ability to leave. The unions tried just about every trick in the book to hide this right from their members or create obstacles to exercising this right. Foremost among these unions was the Michigan Education Association, which insisted that employees could only exercise their newfound rights during one month of the year, August.

After right-to-work passed, the union made no effort to inform its general membership of its rights, or about the hoops it imposed on members who wished to leave. When teachers stopped sending in money without following the union’s obscure instructions about leaving, the MEA came after them for unpaid back dues, hiring collection agencies to pursue the teachers and hurt their credit ratings.

DERK  
WILCOX

The Mackinac Center challenged the so-called August window through lawsuits in several tribunals. One such lawsuit, brought on behalf of four teachers from the Saginaw school district, was brought in the Michigan Employment Relations Commission, the state’s administrative body that oversees many of the state’s labor laws. The four teachers — Matthew Knapp, Susan Romska, Jason LaPorte, and Kathy Eady-Miskiewicz — had tried to get out of the MEA after the month of August. But like most teachers, they simply didn’t know about the requirement hidden in the union’s bylaws.

The Mackinac Center Legal Foundation argued on behalf of these teachers that the new law superseded any of the MEA’s internal procedures. It also alleged that the MEA, as the legal representative of these teachers, had a duty to inform them of their legal rights and the proper procedures for exercising them.

On September 23, 2015, the MERC agreed unanimously with our argument that employees have the right to resign from a union at any time. It held that the MEA had unlawfully restrained teachers from exercising their rights. It also noted that while the union “had legitimate business reasons for establishing the annual window period for membership resignation, those reasons cannot take precedence over public employees’ statutory rights.”

The MEA requested a stay from the Court of Appeals, which was denied on Nov. 10. The Court of Appeals will reconsider MERC’s decision next year, but until then teachers and other public employees may resign from their unions when they see fit — not simply when the unions tell them that they can. ■

Derk Wilcox is the senior attorney at the Mackinac Center.

# Three Join Board of Scholars

The Mackinac Center is proud to add three new, distinguished academics to its growing board of scholars, members of which guide, review and contribute to the center’s research.

These new members are **Sarah Estelle**, **Dan Crane** and **Dave Hebert**.



**Estelle** is an associate professor of economics at Hope College. Trained as a labor economist at Hillsdale College and the University of Virginia, Estelle’s research interests include education choices, risky health behaviors and parents’ investment in their children. She is the faculty advisor for the student group Markets and Morality.



**Crane** serves as the associate dean for faculty and research and the Frederick Paul Furth, Sr. professor of law at the University of Michigan Law School. He has published six books and over 60 articles and book chapters on antitrust and economic regulation. He previously taught at law schools in New York City, Chicago, Lisbon and Berlin.



**Hebert** is an assistant professor of economics at Ferris State University with degrees from Hillsdale and George Mason University. His research interests include public finance, public choice, comparative institutional analysis and nonmarket decision-making.





## INTERVIEW WITH A SUPPORTER

Larry Buist, Co-Founder of Buist Electric



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 **Larry Buist**.

In 1964, struggling to find work and feed their families, Larry Buist and his brother Roger decided to take matters into their own hands. They started Buist Electric in an old service station in Byron Center that came with 2,000 square feet of warehouse space. Soon, they had a thriving business.

Over the years, the company grew from the two brothers to almost 100 employees, and from an old service station to multiple warehouses and locations in both Byron Center and Kalamazoo. With the slogan “Raising the Standard,” Buist Electric became an employee-owned company at the end of 2005.

Born in Dorr, Michigan, Buist moved with his family to a farm in Byron Center at the age of six, and credits his father with instilling in him a drive to succeed. “Working on a farm is one big education that I would not have wanted to miss out on,” he says. “It taught me to work hard and be honest. My dad ... always gave me credit for everything I did. He always assured me that I could do anything I set out to do.”

But he also learned that success isn’t everything: “My mother and her brother Fred taught me the most about caring for others. ... Any time there was someone with a problem, they would take them under their wing, whether it be for a meal or for living with them, as long as they needed to.”

Though Buist believes experience is the best teacher, he says his guiding

principles come from the Bible.

“Everything I need to know to have a successful life, both personal and in business, is found in God’s Word,” he says. “I strive to use my God-given talents to glorify his name in all I do.”

When asked what he loves about Michigan, Larry Buist doesn’t know where to begin: “the four seasons, beautiful scenery, lakes, islands, waterfalls, history,” he says. He also appreciates the conservative ethics of the Grand Rapids area, which he considers a land of opportunity, “whether it be getting a good education or getting into [and staying in] the work force. We have excellent health care facilities and research institutes.” But the best part of it? “My family is all in Michigan.” And these days, it’s a pretty extensive one — Larry and his wife, Judy, have been married for 54 years and now boast two daughters, seven grandchildren, and five great-grandchildren.

Buist first heard of the Mackinac Center through the Associated Builders and Contractors, a trade group supporting businesses that operate on the standard of the merit shop: run safe, ethical, profitable businesses for the good of the community. He continues to support the center because he values the promotion of “policies and ideas that are needed,” by industries and the government alike.

For more information about making a gift, go to [Mackinac.org/donate](http://Mackinac.org/donate). ■

## Michigan Already Benefitting from Right-to-work

On Sept. 1, Director of Labor Policy F. Vincent Vernuccio joined a Wisconsin legislator and a national expert in labor economics to discuss Wisconsin’s new right-to-work law at The Heritage Foundation.

James Sherk, a research fellow at the foundation, presented findings from his most recent report, which criticizes a claim by the Economic Policy Institute that right-to-work reduces wages. According to Sherk, the institute inadequately accounted for differences in the cost of living between right-to-work and non-right-to-work states. Vernuccio and Sherk sparred with the Economic Policy Institute when they testified before the Wisconsin Senate as it considered right-to-work in February 2015.

Wisconsin State Sen. Chris Kapenga, a key backer of worker freedom in the Badger State, described how the move to enact right-to-work played out in Wisconsin’s 2015 legislative session.

Vernuccio drew on statistics from the Mackinac Center’s Assistant Director of Fiscal Policy James Hohman showing the benefits of right-to-work. Michigan’s economy had the highest drop in unemployment of any state, dropping from 14.9 percent at the end of the recession in June 2009 to 5.0 percent in September 2015.

Employment in Michigan is up. Calculating the numbers from when right-to-work took effect in March 2013 until December 2014, Michigan’s employment levels increased by 141,990 people or 3.3 percent.

Data from the Bureau of Labor Statistics show that since right-to-work’s implementation, Michigan’s private sector average wage increased 3.2 percent. Average weekly earnings increased 5.3 percent. And the Federal Housing Finance Agency reports that over the last five years, home values in Michigan have grown eighth fastest in the nation.

Higher home values, better wages, greater job growth and a lower employment rate: All of these show that Michigan is on the right track, and right-to-work is part of the reason. ■

## Choosing CHARTERS.com

Ask your friends what a charter school is and you will likely get an array of answers. Some may not know that they are public and tuition-free. Others may not know that more than half the students living in Detroit attend a charter school or that the highest-rated high school in the Mackinac Center's Context and Performance Report Card is a charter school (Star International).

Here are some other facts:

- In Michigan, more than 151,000 students attend 373 public charter schools. Public charter school enrollment has increased every year for the last 20 years.  
*Source: Michigan Department of Education*
- Controlling for socio-economic status, 42 percent of charter schools are outperforming traditional schools in learning gains in math, and 35 percent do so in reading.  
*Source: CREDO – Stanford University*
- On average, charters spend about 25 percent less per pupil than traditional public schools, despite serving a larger portion of low-income students.  
*Source: CREDO*

In addition to presenting facts such as these, ChoosingCharters.com features stories from parents, students and teachers about their reasons for being involved in public charter schools.

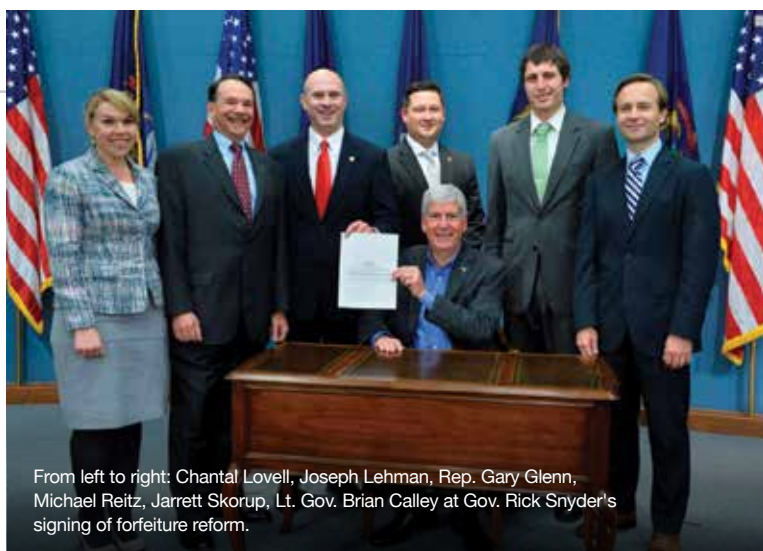
"Me and my sister, we took the classes, and we were able to gain 39 credits from the dual enrollment program," said Marissa Anderson, a Chandler Park alumna.

Grand River Prep senior Ojalon Potter said, "One of the things that I like the most I think are the teachers. They will bend over backwards to make sure you succeed and that's always helpful for everyone, and I love it."

Senior Briana Smith said, "Each month we've become a better person. We've learned how to do things that are outside of our comfort zone."

One of the parents at Star International Academy, Haidar (Ronald) Kourssan told us, "At Star, a large percentage of the students are from immigrant families where they do need help, and help is available here. When my daughter graduated, Star got more scholarships than any other high school in the area."

For these folks, their reason for choosing charters is clear. What's yours? Share your story and find out more by visiting ChoosingCharters.com. ■



From left to right: Chantal Lovell, Joseph Lehman, Rep. Gary Glenn, Michael Reitz, Jarrett Skorup, Lt. Gov. Brian Calley at Gov. Rick Snyder's signing of forfeiture reform.

## Civil Asset Forfeiture: Mackinac Center's Work Pays Off in Reform

On Tuesday, Oct. 20, members of the Mackinac Center team attended the signing of a package of bills dealing with asset forfeiture in Lansing.

The Mackinac Center for Public Policy has been fighting for reforms to Michigan's civil forfeiture laws for 20 years. These laws currently allow the government to transfer property from innocent citizens to the state without a criminal conviction and are ripe for abuse.

Last year, our news website Michigan Capitol Confidential broke stories about a state resident whose property was seized for over a year, even though he was not charged with a crime. Other articles highlighted similar stories. This year, we met with legislators, hosted events, participated in public debates, teamed up with a coalition of allies, highlighted polling on the subject, and published a study about the use of forfeiture in Michigan.

The Legislature listened and responded, overwhelmingly passing seven bills that raise the standard of evidence before assets can be forfeited and require new transparency once this property is taken over by the state.

Good progress has been made, but it doesn't go far enough. We believe civil forfeiture should be eliminated entirely, with property only forfeited after a criminal conviction. Legislators should also look at other reforms, like changing laws related to "bonding." Not to be confused with bail bonds in criminal cases, bonding in asset forfeiture refers to the money that people must pay to get their property back from a government office. But in a state that had among the worst-rated forfeiture laws in the country, the new reforms represent a significant move in the right direction. ■

Portions of this article first appeared on the Mackinac Center blog.

Michael LaFaive is director of the Morey Fiscal Policy Initiative for the Mackinac Center.

# Michigan Trails Only Pennsylvania in Contracting Out for School Services

A telephone survey of more than 2,300 conventional public school districts across five states, including Michigan, has revealed widely varying rates of using competitive contracting for noninstructional services. The survey investigates the degree to which districts contract out for food, custodial and bus transportation services. The Mackinac Center began surveying districts in the Great Lake State in 2001.

We expanded our survey this year to include Georgia, Ohio, Pennsylvania and Texas. This was due to its popularity and usefulness, not just among other states' school officials, but also among research groups who wanted to know: Is our state a leader or laggard when it comes to competitive contracting?

The Michigan survey shows yet another overall rate increase over the previous year. Nearly 71 percent of Michigan's conventional public schools now contract out for at least one of the three major noninstructional services. This is up from 66.6 percent in 2014. The survey research is typically

conducted between May and August. Every one of Michigan's districts responded to our questions.

What we found this year is that Michigan — while maintaining a robust contracting rate — is not the overall leader in our gang of five states.

That honor goes to Pennsylvania, with a contracting rate of 75.2 percent statewide. The reason Pennsylvania's rate is so high is that districts are very comfortable with bus contracting. A survey-leading 66.4 percent of all districts in the Keystone State contract out for busing. More than 44.0 percent of districts in the state contract out for custodial work and 9.0 percent contract out for food services.

By contrast, the Buckeye State came out at the low end of the spectrum. Only 16.6 percent of the state's 614 conventional public school districts contract out for at least one of the three major noninstructional services. Ohio State may be national football champs but on the field of school contracting Buckeyes get trounced by Wolverines.

Michigan school transportation, food service and custodial service contracting rates are 26.6 percent, 42.8 percent and 52.2 percent of all districts, respectively. In Ohio, only 6.5 percent of school districts contract out for transportation services, 10.7 percent contract out for food services and 4.2 percent contract out for custodial services. While Ohio has the lowest overall rates of contracting, they do not have the lowest rates in every category. That distinction goes to Georgia.

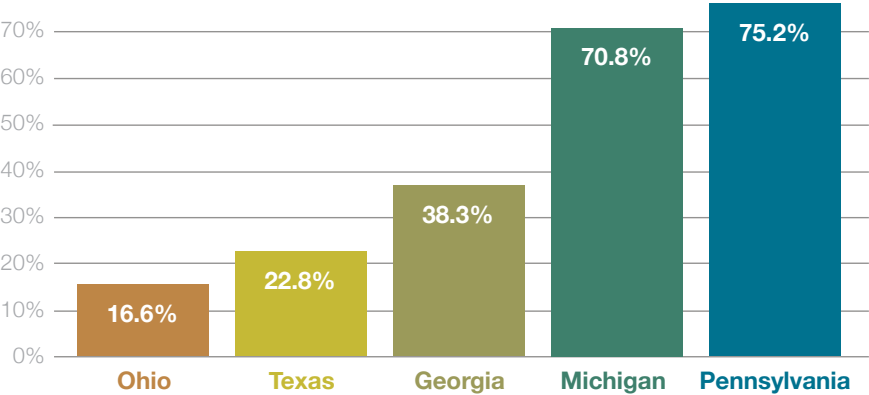
The Peach State isn't so peachy when it comes to contracting for food and transportation services. Of the 180 school districts, only 2.2 percent contract for food services and only 1.7 percent contract for transportation services. But Georgia is not overtly hostile to contracting in general. A surprising 36.7 percent of districts there contract out for custodial services.

Texas was the largest state surveyed, both by number of districts and geography. More than 22 percent of all districts contract out for one of the three major services.

The survey results were covered in a variety of op-eds and news stories, from the Columbus Dispatch in Ohio to the Austin-American Statesman in Texas, Atlanta CEO in Georgia and The Detroit News here in Michigan.

As the results show, competitive contracting for noninstructional services is proceeding at uneven rates. Regardless, districts across the nation are finding it to be a tool for managing their affairs. ■

## States' Percentage of Contracting







Joseph Lehman and Kendra Shrode share a hug during Michigan Night at SPN Annual Meeting.

# Kendra Shrode

## Loyal Freedom Fighter

Twenty-three years and eight months ago, a young widow with a houseful of rambunctious children and a new college degree knocked on our door and helped us make one of our very best decisions. She persuaded us that day to hire her, marking the first among hundreds of instances of us being glad we took her advice. My only disagreement with Kendra Shrode now is her decision to retire at the end of November.

JOSEPH LEHMAN

As I told our staff in an email announcing her retirement, in the early days Kendra answered every phone call, greeted every

guest, and opened every piece of mail. Her responsibilities grew with our size and influence. Kendra developed and executed sound financial and operational procedures, helped hire and develop new staff, became a trusted friend to dozens of our most faithful supporters, organized events, coordinated travel and board meetings, executed mailings, and became an organizational leader known throughout our movement. She has been our foremost storehouse of institutional memory. Kendra met every large and small task with competence and professionalism. Usually behind the spotlight rather than in its glow, she worked to help others achieve more. Few may know that she volunteered to forgo pay and even loan the Mackinac Center money to keep things going through

some dry times in our earlier years. If I could say only one word about Kendra, it would be “loyal.” In many ways Kendra has been the glue that holds us together. Elsewhere I’ve likened team members to stones in a great cathedral. Some stones are assigned high and lofty places. Others, even out of view, support other stones. But between them all is the mortar that binds them one to another, without which no stone can serve its purpose.

If we took the full measure of the mortar between all the stones, we would probably find it greater than the measure of the grandest stone in the most visible place. And so it has been with Kendra Shrode. ■

Joseph Lehman is the president of the Mackinac Center.

# Looking Back

## Inspired by Heroes Far and Near

Who would have imagined in 1992 that saying “yes” to a job offer would lead to an almost 24-year career at what I have long called the very best position imaginable? This is an exciting time for me as I ponder the future — and reflect back on my many years here.

KENDRA SHRODE

My life at the Mackinac Center has been all about three things: the VISION, the MISSION and the PEOPLE. The opportunity at the center offered me my first look inside the nonprofit world. Before coming on board, I was employed by a major manufacturing company. While working for a large corporation has its rewards, nothing compares with the satisfaction one receives by being a team member at a nonprofit organization whose mission is to improve the lives of

Michigan’s citizens. Our vision of a better Michigan leads us to provide a free-market perspective, giving our citizens superior opportunities to evaluate policy decisions and make more-informed choices. Our mission commits us to achieve this vision. My life has been enriched by the stellar people and real-life heroes I have had the great pleasure of meeting during my tenure here. One in particular was Sir Nicholas Winton, a British humanitarian who organized the rescue of 669 children, most of them Jewish, from Czechoslovakia on the eve of World War II in an operation later known as the Czech Kindertransport. My other heroes have been closer to home. They include the current and past co-workers who have enriched my life both professionally and personally; the contributors who have made the Mackinac Center stronger each and every year; the vendors who have partnered with us; and last but not least, the strong board of directors who have had the wisdom to

place people with a vision, a strong work ethic, and an outstanding character in positions of leadership. These leaders have included my three supervisors: the late Joseph P. Overton, who first hired me; President Emeritus Lawrence W. Reed, with whom I have traveled the world; and current President Joseph G. Lehman, who made the transition between leaders look easily achieved. It has been a privilege to work with them. All of these local heroes have made the Mackinac Center a place I have called home these many years. I leave with the full knowledge that the legacy of the center is in good hands! I leave a large chunk of my heart on the corner of Gordon and Main and will continue to follow each victory achieved. After all, as a Legacy Society member I have a vested interest in what is to come! In closing, I will steal a favorite word from President Lehman . . . “ONWARD!” ■ Kendra Shrode is assistant to the president, has worked for the Mackinac Center for almost 24 years, and will retire at the end of November.



## Mackinac Center Welcomes 1,000 Freedom Lovers to Michigan

The State Policy Network is a national organization that provides support and training to free market think tanks like the Mackinac Center. Every year, it hosts a meeting for freedom lovers from all 50 states to come together and exchange ideas, celebrate successes and strengthen weaknesses.

SPN first hosted its annual meeting in Traverse City in 1993, with only a dozen participants. At this year's meeting in Grand Rapids, hosted by the Mackinac Center, SPN had another first: over 1,000 participants.

As the host organization, Mackinac Center experts gave presentations on numerous panels, received countless accolades from other organizations and members of the movement and capped one night of the conference by throwing a Michigan-themed party for attendees at the beautiful Meijer Gardens. Read on for more about what we achieved and learned at the annual meeting, held in late September and early October. ■

## Mackinac Center Experts Share Expertise with National Audience

**Geneva Ruppert**

The Mackinac Center was thrilled to see several of its leaders on panels throughout the annual meeting.

President Joseph Lehman sat on a panel titled "The Board-CEO Relationship in High Performing Organizations." He also presented the Overton Award to Kristina Rasmussen, the executive vice president of the Illinois Policy Institute.

Vice President for Legal Affairs Patrick Wright discussed his experience representing Mackinac Center Legal Foundation clients for the panel "How Policy Changes Lives."

F. Vincent Vernuccio, director of labor policy, spoke on a panel that included Rebecca Friedrichs, the main plaintiff in next year's major Supreme Court case *Friedrichs v. California Teachers Association* (see page 12). The panel, "Labor Unions in the Modern Workplace," covered some themes from Vernuccio's study on unionism in the 21st century, released earlier this year.

Andrew Koehlinger, the project director of the Mackinac Center's legislative watchdog app, VoteSpotter, spoke on "Public Policy in a Mobile-First World," discussing the exciting capabilities and future of VoteSpotter and similar government transparency apps. ■



Mackinac Center Director of Labor Policy  
F. Vincent Vernuccio speaks for the panel  
"Labor Unions in the Modern Workplace."



Patrick Wright, vice president for legal affairs, speaks for the panel "How Policy Changes Lives."

## Casting Our Message to Connect With the Next Generation

Anne Schieber

Whenever I speak to a group of people, I try to gauge my audience to see if I'm making a connection. Seeing people doze off is never a good sign. That is why I so much appreciated being one of 12 semifinalists in the second annual "Great Communicators Tournament," presented at SPN and sponsored by Think Freely Media. The tournament got us wonks to make the moral case for a policy argument and gear it to a younger crowd with wide-ranging political ideologies and an attention span of let's say, Twitter.

In my case, I was given a 130-page policy brief and asked to turn it into a 4-minute oration worthy of Cicero. For me, however, it was not to be, as I did not advance to the finals. But I learned a great deal, such as that a garden analogy might be lost on millennials. I will try again next year, encouraged by the words of Henry Ford: "Failure is the only opportunity to begin again, this time more intelligently." ■

## Michigan Team Becomes "Champions of Policy"

Jack McHugh

An ad hoc Michigan team took the prize in a "Champions of Policy" competition. Three other teams competed from the nearly 1,000 public policy professionals attending. Judges came from the same rich pool.

Teams had to devise a policy to increase economic growth and employment in an imaginary state, and show how they would persuade people that it's a good idea. Extra points were added for realism, and the final results were close.

The Michigan team included:

Wendy Day, a former school board member who placed third in the nationwide "Great Communicators" contest.

Former state representative Leon Drolet, who, among other things, has made sure that a legislatively initiated constitutional amendment to reform eminent domain laws really did what it promised.

Jack McHugh, editor of the Mackinac Center's MichiganVotes.org, which offers people nearly 50,000 descriptions of bills and votes in Michigan Legislature over a 15-year period.

SPN liberty fellow Matt Faherty, who recently earned a degree in history and economics from the University of Chicago, coached the team on which costs and benefits of the proposed policy were important to millennials. ■

Continued on next page.



Andrew Koehlinger (left), VoteSpotter project director, is seen here with Reed Galen, a blogger and consultant, speaking on "Public Policy in a Mobile-First World."

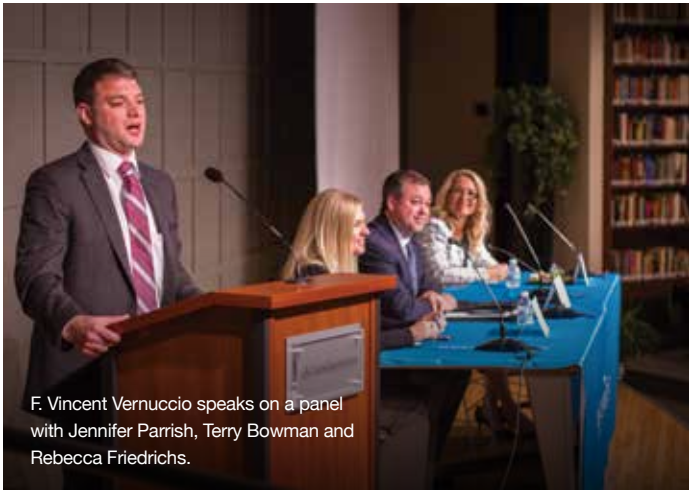




SPN ANNUAL MEETING



Joseph Lehman addresses guests at Michigan Night, at the Frederick Meijer Gardens.



F. Vincent Vernuccio speaks on a panel with Jennifer Parrish, Terry Bowman and Rebecca Friedrichs.



Pictured here is F. Vincent Vernuccio, Rebecca Friedrichs, James Sherk, Ben DeGrow and Ray LaJeunesse on the panel called "Labor Unions in the Modern Workplace."



President Joseph Lehman sat on a panel titled "The Board-CEO Relationship in High Performing Organizations." To his right is Clifford Taylor, chairman of the Board of Directors of the Mackinac Center.



Dick DeVos and Joseph Lehman.



## Legislature Actively Considers Criminal Justice Reforms

This session, the Michigan Legislature has actively considered criminal justice reforms championed by the Mackinac Center, attracting attention from national observers.

“As one of the first states in the country to begin the process of cleaning up its criminal code, Michigan is leading the way for criminal justice reform at the state level,” said Peter Bisbee, the membership director for the Federalist Society for Law and Public Policy. “By addressing civil asset forfeiture, overcriminalization, and mens rea, Michigan has set the example for common-sense criminal justice reforms. Even Congress is looking to Michigan’s example as lawmakers on Capitol Hill search for criminal justice reforms that can garner bipartisan support.”

These efforts have culminated in all branches of government recognizing the need for reform. In May, Gov. Rick Snyder called for reforms to address prisoner re-entry, preventative solutions and the problem of overcriminalization. Michigan Supreme Court Justice Stephen Markman has urged the Legislature to improve the definitions of criminal intent in the penal code. House Republicans this year announced several bold criminal justice reforms in their House Action Plan, with Speaker of the House Kevin Cotter

championing civil asset forfeiture reform.

On Oct. 20, Snyder signed legislation that reforms the state’s civil asset forfeiture system. The governor noted the importance of property rights protections as he signed the bill. (Page 7)

The Michigan House of Representatives unanimously passed House Bill 4713, which addresses the issue of criminal



Michael Reitz testifying on HB 4713.

intent (mens rea, as it’s referred to in Latin). The bill recognizes that the severity of punishment for a crime should be related to the defendant’s culpable mental state. When a criminal law is silent on the element of intent, the bill sets a standard of proof for conviction of a crime. Testifying on the bill, Mackinac Center Executive Vice President Michael Reitz noted the importance of carefully written criminal laws.

HB 4713 brought together a diverse coalition of support. Testifying after Reitz, Shelli Weisberg of the ACLU of Michigan said: “The ACLU completely and fully

supports the bill and I completely and fully support everything you just heard from the Mackinac Center.” The bill is now awaiting consideration in the Senate.

The House also addressed the problem of overcriminalization — a statutory regime that increasingly criminalizes behavior for regulatory purposes. According to research published by the Mackinac Center, Michigan

has more than 3,100 criminal statutes. In response, several representatives formed a work group to identify unnecessary or outdated criminal laws.

After a review of the criminal code, the House passed a package of seven bills that repealed old laws. Among the criminal prohibitions: using “indecent, immoral or insulting” language in the presence of a woman or child; performing

“The Star Spangled Banner” publicly unless it is played in its entirety; promoting or participating in a walkathon; and improper posting of a camp registration card on state-owned land. This bill package is moving through the Senate.

We also anticipate examining Michigan’s prison population, as it compares to other states. A study from the Pew Center on the States found that Michigan’s sentences and average prison stays have increased over time and exceed the national average, resulting in higher correctional costs. ■

## Research Director Debates Lansing Mayor on Corporate Welfare

As longtime critics of taxpayer-funded corporate welfare, we were surprised when the Michigan Economic Developers Association invited us to speak at its annual conference on Aug. 20. Making our case to this group seemed like a thankless task. But when we learned that we’d be debating the issue with current mayor of Lansing and former Democratic gubernatorial candidate, Virg Bernero, we couldn’t resist. Michael Van Beek, director of research, took the job.

Van Beek made a strong case against taxpayer-funded economic development programs,

drawing on the center’s past work. The case is simple: These programs are unfair to businesses that do not get special tax favors, and decades of economic research consistently shows that they don’t grow the economy.

Bernero used anecdotes from his experience as mayor to make his case. And, like many supporters of taxpayer-funded corporate welfare do, he stated that he must hand out select tax breaks because everyone else is doing it too.

To this Van Beek reminded the crowd of an adage they probably heard from their mothers:

“If everyone else jumped off a bridge, would you, too?” He added that since the research shows these programs don’t work, we should let other cities and states waste their taxpayers’ money and invest in infrastructure instead.

All told, the debate was a hit. The folks at the MEDA were gracious and welcoming, and the debate moderator, Jeff Williams of Public Sector Consultants, also did a fantastic job. While the audience did not pick a winner, the experience made clear that the Mackinac Center is the leader in fighting against unfair practices in the marketplace. ■





## Which is Better: Finding Fault or Providing Help?

If you have never heard Arthur Brooks speak, you're missing out. He's the president of the American Enterprise Institute and was one of the featured speakers at the State Policy Network annual meeting that was held in Grand Rapids in early October. Over the past 40 years, he said, the global incidence of extreme poverty has declined by 80 percent, due in large measure to property rights, entrepreneurship, and trade. (Isn't that something to celebrate, by the way?) In other words, freedom benefits people who need help the most.

It's little wonder, then, that Brooks tells freedom-supporters that we should fight for people rather than simply against things.

It's all too easy for us (sometimes it's second nature) to blame failed government policies when things don't turn out right or when government programs don't produce the results intended. This was my temptation when I read about Flint's water crisis. The city switched its source from the Detroit water system to the Flint River. People complained that the water looked funny and made them sick. Eventually, the city switched back to Detroit water, costing taxpayers millions.

It got even more tempting after reading a letter to the editor of a newspaper, titled "Flint water crisis a disgrace." It was about an account of two Flint teachers who asked people at an MEA meeting for money to buy bottled water for Flint residents. While the letter-writer said \$680 was raised, he went to say, "Having to pass the hat for clean drinking water for residents of our very own state? Incredible. Unacceptable, too."

He was fighting for the people of Flint, which should be applauded. The teachers who organized this collection and those who gave to it are fighting for people too. But rather than commending these voluntary acts,

the letter-writer criticized them altogether, blaming others (including, curiously, the Mackinac Center) for the situation in Flint. The voluntary kindness of others, he said, is not the answer.

His assertion is incorrect. People did not have to "pass the hat." They did not have to give voluntarily. But they chose to, and that should be praised.

It doesn't take a lot of time or effort to find waste in government at all levels. But that's what we normally do when there's a problem. Yes, we need to point out where the problems are and offer better arguments as to why freedom-based solutions are better than centrally planned solutions that are backed by government force. It's not enough, though, if we wish to be for people.

Those looking for a government solution to Flint's water problems blamed government officials' desire to save money as the problem. Those looking for a freedom-based solution blamed the government for making a poor decision and mismanagement.

But what about all of the people involved?

We have those without clean water who need solutions. We need to be for them. All of us. We have those who stepped up voluntarily to raise money to provide clean water for those who don't have it. We need to be for them. All of us.

To those who raised money and provided clean water for those who don't have it: Bravo! You have my respect. You are an example of what civil society is all about: Creating nongovernmental, voluntary solutions that enrich the lives of others.

So in part, I agree, Flint's water crisis is a disgrace. But the kind acts of those who cared enough to respond outside of government are nothing to look down on. ■

### BY THE NUMBERS

**2,247**

Number of conventional school districts in Michigan, Pennsylvania, Georgia, Ohio and Texas.

**47.3 percent**

The percentage of school districts in Michigan, Pennsylvania, Georgia, Ohio and Texas that contract out their food, custodial or transportation services.

**66.4 percent**

The percentage of districts in Pennsylvania that contract out for transportation services, the highest level of privatization found in the survey.

**1.7 percent**

Only three of Georgia's 180 districts contract out transportation services, the lowest level of privatization found in the survey.



## Your Gift of Stock has Added Benefits

Not only are Americans among the most generous people in the world, they are particularly generous during the holiday season.

That's true here at the Mackinac Center, where we see a spurt of giving from our friends at the close of the year.

You might think of donations in terms of cash gifts, but there are other ways to make a commitment that will have significant impact. A gift of appreciated stock can be an excellent way to support the Mackinac Center while also providing additional benefits to you as the contributor.

When making this type of gift, not only will you support the principles of free markets and limited government, but you may benefit personally in two additional ways.

The first benefit is the ordinary tax deduction of the actual cash value of the gift being made. The additional benefit is the potential 15 to 20 percent savings in capital gains tax, which comes if the shares

are transferred directly from your account to the Mackinac Center. As always, we advise that you consult with your accountant or financial adviser to determine gains that may occur in your individual case.

Many donors have supported the Mackinac Center with gifts of appreciated stock over the years, directly benefiting the work to bring greater freedom and prosperity to our state.

If you are interested in making a gift of stocks or shares of a mutual fund to the Mackinac Center this year, please call us at 989-631-0900, and ask for the advancement department. You also can send an email to Lorie Shane, managing director of advancement, at [shane@mackinac.org](mailto:shane@mackinac.org).

We will provide the information you need and assist in handling your request quickly and directly through a Midland financial firm.

Thank you again for all you do for liberty. ■

Jim Walker is vice president for advancement at the Mackinac Center.

**JIM WALKER**