

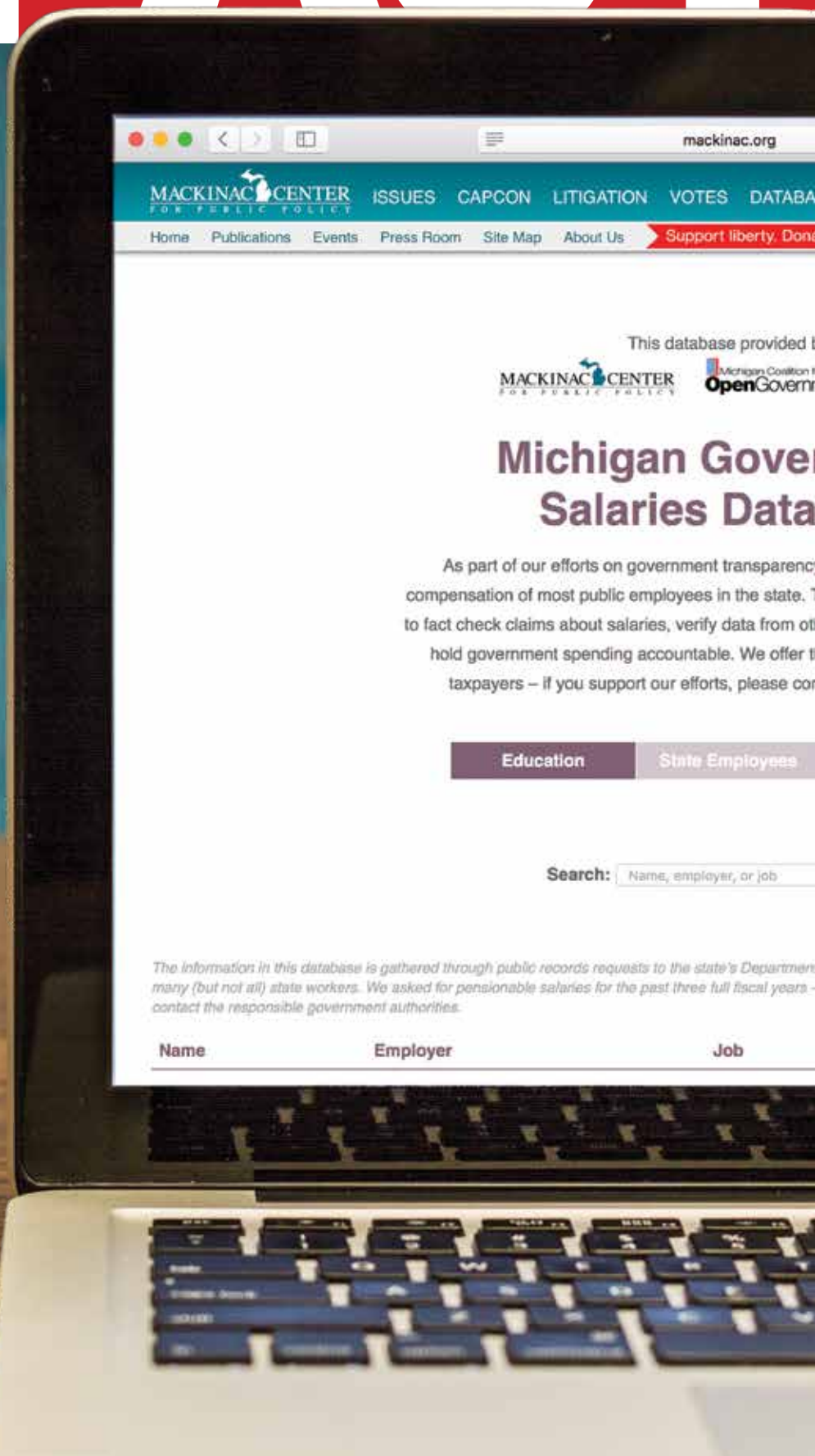
# IMPACT

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# Upcoming events from the Mackinac Center



**WHEN:** Wednesday, June 14, 2017  
11:30 a.m. - Check-in and lunch available  
Noon to 1:00 p.m. - Program with Q&A

**WHERE:** Radisson Lansing Hotel at the Capitol  
Michigan II & III  
111 North Grand Avenue  
Lansing, MI 48933

Lunch is free and is included with reservations.  
Please register online at [mackinac.org/events](http://mackinac.org/events), email  
[events@mackinac.org](mailto:events@mackinac.org) or call 989-698-1905.

## *Planning for Life* WORKSHOPS

We all have a legacy. What will your legacy be – a plan by default, or a plan by design?

We invite you to attend one of our complimentary estate planning workshops, open exclusively to our members and friends. If you are beginning to think about your will or estate plan, or need to update your current documents, you will leave this workshop energized and equipped to collaborate with your own professional advisers.

These events are complimentary and nothing is sold. Refreshments will be provided. Preregistration is required.

Seating is limited, so please reserve your space today for any of the events below. You are welcome to include a guest.

For more information or to register, please visit [mackinac.org/events](http://mackinac.org/events) or contact Lorie Shane at 989.698.1909 or [events@mackinac.org](mailto:events@mackinac.org).

**WHEN:** Thursday, June 22, 2017  
11:30 a.m. – 1:00 p.m.

**WHERE:** Park Place Hotel  
300 E State St  
Traverse City, MI 49684

**RSVP DEADLINE**  
Fri., June 16 at 12 noon

**WHEN:** Wednesday, November 1, 2017  
9:30 – 11:00 a.m.

**WHERE:** Westin Southfield Detroit  
1500 Town Center  
Southfield, MI 48075

**RSVP DEADLINE:**  
Fri., October 20 at 12 noon



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## 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.

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## Databases

Labor contracts, superintendent salaries, school grading and more. Our online databases provide easy access to important information.

**Mackinac.org/databases**



WHAT FOLKS ARE SAYING  
ABOUT THE MACKINAC CENTER

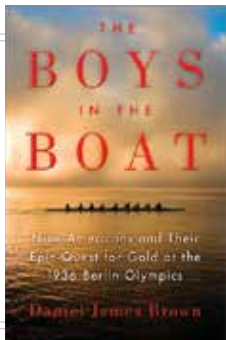
“Thanks @MackinacCenter for posting new version after it got bad data from ORS. Happy to have corrected info online.”

— Chris Gautz  
*Public information officer for the Michigan Department of Corrections*

### BEN DEGROW RECOMMENDS “THE BOYS IN THE BOAT” BY DANIEL JAMES BROWN

“Freedom is a team sport,” my former think tank colleague likes to say. This 2013 New York Times best-seller highlights eight-man rowing as the ultimate example. Success demands both intense endurance and absolute precision from eight sets of oars, all working in sync.

Daniel James Brown narrates a compelling tale of mostly blue-collar college kids who emerged from Pacific Northwest backwaters to claim 1936 Olympic rowing gold. Motivated freedom fighters can take away a key lesson: It’s not enough to move in the same direction. Our virtuous cause is best served by harmonious communication, implicit trust and deep fortitude.







Joseph G. Lehman

## “Everything Is Too Political”

As long as there is government, there must be people in charge of it. It follows that there also must be politics, because politics is the means of acquiring and maintaining the power to control government.

But does it also follow that politics must infringe on every aspect of our lives? Only if government encroaches every aspect of our lives. That’s what I think every time I hear someone say, lately, “Everything is too political.”

Donald Trump’s bombast and election cranked up the heat on what had been a simmering case of the politicization of daily life. An illustrative New York Times headline read on Nov. 15, 2016, “Political Divide Splits Relationships — and Thanksgiving, Too.”

Trump’s rise only made obvious for the political Left what has unnerved the Right for years — government and those who run it seem uncontrollable. Large and small examples abound. Airline service disputes famously turn into law enforcement confrontations. Seven decades ago, only 5 percent of Americans needed a license to work, but now the proportion is about 25 percent.

It seems nothing is too embarrassingly intimate for government to regulate. Even the capacity of your toilet flush or flow of your shower head are dictated to you by bureaucrats. You’ll never be able to name them or hold them to account, but they’ve been empowered by the delegation or abdication of Congress.

As government grows, more of the stuff of daily life becomes political. Why, for

instance, is driving a Prius down the highway a political statement? Because entire political factions have organized around obtaining and defending massive subsidies for expensive autos that conform to regulators’ notions of right and wrong. Trash recycling is political for similar reasons. Government tuition assistance for well-to-do students at elite universities is another example. Bathroom choice was not political until government involved itself. What used to be voluntary has in some sense become, or is becoming, mandatory and contentious. And mandates can only be enforced by government.

That which might have been accomplished by social custom, mutual benefit, or voluntary persuasion is increasingly accomplished by force. And that is what makes people lament how political things have become.

Those who romanticize government as “simply the word for those things we choose to do together” have it wrong. Getting together for a potluck is something “we” might choose to do together. Dragooning every American into a compulsory new health insurance scheme (for instance) that tens of millions would never willingly choose is something that only those who run government can choose to do.

If you find yourself wondering why everything seems so political, take another moment to ask whether people have for some reason just decided to view everything through a political lens. Or maybe it’s because it’s harder and harder, as government grows, to go through life without encountering its footprints and approaching footsteps. ■

JOSEPH G. LEHMAN

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GENEVA RUPPERT Editor

ILIA ANDERSON Designer

# 106-Day FOIA Delay Results in Lawsuit for University of Michigan

Photo by Ken Lund

When it comes to college sympathies, the Mackinac Center is split and takes no official side in the Michigan State University-University of Michigan rivalry.

JARRETT  
SKORUP

But both are public entities, so we side with the taxpayers who fund the colleges when it comes to holding them — and the other 13 public universities in the state — accountable.

That's why we have sued the University of Michigan for violating state transparency laws.

Shortly after the November election, University of Michigan President Mark Schlissel joined many students in protesting the election of President Donald Trump. The Mackinac Center works with (and against) elected officials of all political persuasions, but when the public university president used his position to host university-sponsored events and disparage the president-elect, we were curious.

A week after the presidential election, our news reporter filed a Freedom of Information Act request to find out what led to these political actions. In his request, he asked for any emails Schlissel sent regarding the president-elect.

By law, the university had five days to respond (which it failed to do), could request a 10-day extension

(but only if it first responded within five days), and could require payment for documents (which it did). The university deposited our check before Christmas.

Despite repeated claims that the information was coming, we still hadn't received it by March 1. So we filed a lawsuit.

We eventually received some of the information we requested. According to the university, it took 2 hours and 45 minutes of staff time to find four emails. And after 106 days, we had documents.

But that's not the end of the story. The university neglected to send over other documents that it labeled "advisory."

"We believe that in this particular instance, public interest in encouraging frank communication between University employees outweighs the public interest in disclosure," U-M said in a statement.

We disagree that it should take that long to gather and send public information and believe the university is violating state open records laws. It would also be interesting to see what U-M is trying to hide in its advisory emails. Is a public entity politicking with taxpayer dollars?

Mackinac Center attorney, and University of Michigan graduate,

Patrick Wright sums up the case:

To borrow a phrase from the University of Michigan's football coach, the Mackinac Center will fight for governmental transparency "with an enthusiasm unknown to mankind." The documents are important, but at this point, it's really about the delay. People and the press have a right to information no matter how embarrassing or inconvenient it might be to the public officials involved.

This is the second open records case the Mackinac Center is pursuing. The other involves a few documents that the state of Michigan took four months to deliver.

Both cases are vital for the people of Michigan. At a seemingly increasing rate, public entities are delaying the release of government information for months on end. An easy fix would be for the Michigan Legislature to clarify the FOIA law, putting in even stricter caps on when a public office must send out information and providing clear penalties if it doesn't comply.

Until then, our legal team will keep standing up for taxpayers and their right to access public information. ■

Jarrett Skorup is marketing and strategic outreach manager at the Mackinac Center.



Frank Straub, Ph.D, director of strategic studies at the Police Foundation, discusses its recent study on foot patrol policing.

# Event Shows Value of Community Policing

In March, the Mackinac Center hosted an Issues and Ideas Forum on a study produced by the Police Foundation on the use of foot patrol policing.

Over the last several years, police departments across the country have faced heightened scrutiny and fractured trust within their communities after some highly publicized and divisive incidents. The Police Foundation’s mission is to advance policing through innovation and science; naturally, it began looking for ways to bolster public trust in police across the country, as well as their effectiveness. One solution is foot patrol policing.

The concept of foot patrol: Put officers on the streets in neighborhoods, encouraging them to interact with residents and build relationships. The Foundation studied foot patrol programs in five cities: Cambridge, Massachusetts; Evanston, Illinois; New Haven, Connecticut; Portland, Oregon; and Kalamazoo, Michigan.

Kalamazoo embarked on an ambitious program. Chief Jeff Hadley explained the department’s goals at the forum, which include having an officer knock on every door in the city. Within the first few months of the program, he said, an officer out on foot patrol received a tip that solved a shooting, passed to him in a note during a handshake.



Chief Jeff Hadley of the Kalamazoo Department of Public Safety describes the impact of foot patrols in Kalamazoo.

Hadley pointed out that the trust built through foot patrols benefited both citizens and police. A resident had enough trust to pass along information, and the officer now had tangible proof that knocking on all those doors was worth the trouble.

Frank Straub, a Police Foundation official who holds a doctorate in criminal justice, noted that the people in the best spot to solve the problems in a neighborhood are the people who live there. The answer to violence in a park might be as simple as

installing better lighting at night. Rather than arresting homeless people, wasting time and energy on a punishment that ultimately will not solve the problem, it could be better to teach officers how to connect people to services that could help them move forward in life.

Foot patrol has been a great success in the cities the Police Foundation studied, and it hopes to translate that success into a new way to enforce laws everywhere. ■



# The Risks and Rewards of Line 5 and Fossil Fuels

## Do they improve human health and protect our environment?

Protests and government indecision over whether key pipeline projects — like the Dakota Pipeline and Keystone Pipeline — would be approved have ensured they remain a popular news item. While pipelines operate safely most of the time, an accident can lead to a major oil spill or natural gas explosion.

This was the case when a ruptured pipeline released crude oil into Talmadge Creek and the Kalamazoo River in 2010. After multiple millions of dollars and several years of enforcement and cleanup efforts, over 1.2 million gallons of oil have been recovered from the river. Honest concern about infrequent but potentially substantial accidents help drive the resistance to pipelines.

But if it is possible for human health and the natural environment to be affected so heavily by an accident, it is reasonable to ask: Why would we ever expose ourselves to the risks of using pipeline technology?

We can answer that question by considering if it would be better to forego the use of the fuels we move by pipelines. If we don't use the fuels, we won't need the pipelines. If the answer to that question prompts us to continue using them, we should then ask a second question: Are there safer ways to transport fuels?

We should understand what life is like without access to oil, gas or other petroleum-based fuels. Alex Epstein's book "The Moral Case for Fossil Fuels" tells a story about how limited access to energy restricts the use of essential medical technologies such as ultrasounds or incubators. Fewer options for treatment mean less care for patients, which can lead to deaths that could have been prevented.

Lacking access to an ultrasound machine in a Kenyan hospital, doctors could not tell when one expecting mother began to have complications during her pregnancy. By the time the mother and doctors could tell the unborn child was struggling, a rushed

cesarean section proved to be too little, too late. Doctors were unable to keep the baby from suffocating in utero.

Another child was born at the same hospital, substantially underweight and unable to survive without an incubator. Lacking access to reliable electricity, the hospital never even considered purchasing this type of equipment, and the child could not be saved. Either of these outcomes would be extreme and unusual in North American hospitals. But without reliable energy, the Kenyan hospital staff could do little more than grieve with the families.

Petroleum is the base of many products we use today, including transportation fuels, electricity, plastics, synthetic rubbers, chemicals, medicines and toiletries. All but the most basic of North American activities would cease without it. Additionally, we need fossil fuels to make many products that are not petroleum-based, including minerals and agricultural products. Only the most rudimentary, locally produced products would be available to us without oil and natural gas.

So, we must continue using petroleum, but are there other — safer — options to transporting oil and gas? As I noted in my March 13, 2017, statement to the Michigan Pipeline Safety Advisory Board, "The benefits of using liquid fuels clearly outweigh the harms, and transporting those fuels by pipeline is safer than other comparable options. A 2013 Manhattan Institute study showed that road transportation has a twenty-times- higher incidence rate and rail transportation has double the rate of incidents of pipelines."

I continued, "The Association of Oil Pipeline reports that today, 99.999 percent of all petroleum products transferred by pipeline arrive at their destination safely. This is no small feat when one considers that there are over 9,700 miles of pipelines in the state of Michigan, and 2.6 million miles of pipelines across the United States."

There are times when using these fuels will have negative effects. But as the Kalamazoo River example shows, it is possible to suffer a substantial setback, then use the energy and technologies that we have to repair the damage and work to avoid similar failures in the future.

We recognize that while there are risks associated with the use of petroleum-based fuels and products, there are also many lifesaving and life-extending benefits. Therefore, we must continue to use them if we wish to improve human well-being and — yes — to protect the environment. ■

Jason Hayes is director of environmental policy at the Mackinac Center.

**JASON  
HAYES**



## Vocational Village

39

# Not Your Average Campus Tour

My visit to Vocational Village — Michigan's in-prison skilled trades program

Behind the razor-wire-lined double fence of the Handlon Correctional Facility in Ionia, Michigan lies something that could change the lives of prisoners, area businesses and even the corrections system. It's the Vocational Village, which equips inmates for work in the skilled trades.

My tour guides are Michigan Department of Corrections legislative liaison Kyle Kaminski and Acting Deputy Warden Scott Yokom. As we head to the library, Kaminski tells me that roughly 80 percent of the prisoners who have completed the new program find jobs.

In the library, a diverse group of men study. This space is part classroom, part study hall, and through it the men can earn a degree in ministerial leadership from Calvin College. Three men talk with us, enthusiastic about their education. One of them,

**KAHRYN  
RILEY**

serving a life sentence, plans to develop programs at other Michigan prisons to reach younger inmates. "They may be in here, but their minds are still on the streets," he tells me. "They need to know how much an education can open up for you and how important it is."

Everything about the school, including tutors and 4,000 books, comes as a donation. The students are quick to tell me that they have the same curriculum as on-campus students. "Except we don't have as many distractions as they do," one man quips. The prisoners average a 3.6 GPA — higher than their on-campus counterparts.

A few minutes later, we head to the vocational office, where prisoners practice interviewing, update their resumes, and look for jobs. The Corrections Department is building

relationships with local employers, many of which struggle to find skilled laborers. Kaminski tells me that the West Michigan bias towards restorative justice and rehabilitation means that Villagers are more likely to get a second look from hiring managers.

Our next stop is a large carpentry shop, where some men are painting and others are making cabinets for Habitat for Humanity houses. The carpentry students have framed up part of a house for the plumbing and electrician students, who are practicing how to bend pipes.

We say goodbye and head to a brightly lit garage. Like every shop I visit, it has a study area, a classroom, a lab and an instructor. The subject matter is broken up into increasingly advanced modules, with lab stations of varying complexity. Every instructor is good-humored



and clearly well-practiced at talking to visitors. The students are serious and courteous and occasionally step forward with a piece of work they want me to see.

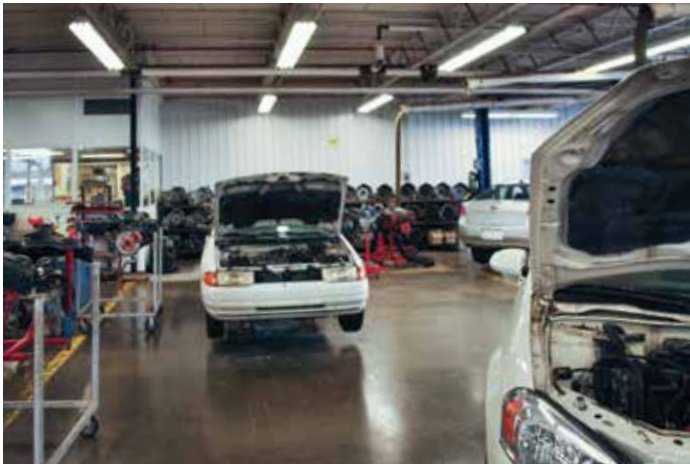
One student shows me an air conditioning system, which his instructor had removed from an engine and reassembled so students could study it more closely. Yokom tells me, “We don’t want these guys to end up at Jiffy Lube. They’re qualified to become professional mechanics.” The auto

tech students, like everyone I’ll see today, will leave prison with national certifications in their fields.

Students train using the same equipment, including welding tools and computer numerical control machines, that they’ll use in the field. With this practical experience and their certifications, Yokom says, the students are ready to work the day they arrive at their jobs. “Some of our partner employers tell us that our students are more qualified

than employees that come from community colleges.”  
  
As I leave the prison, my mind returns in the classroom building. I hadn’t been sure what to expect when I ventured behind the razor wire, but what I found was an atmosphere of focus and optimism. The students were proud of their work and grateful for the program and their instructors. And I’m gratified that this program is earning wider attention. ■

Kahryn Riley is a policy analyst at the Mackinac Center.





As part of our efforts on government transparency, we obtained data on the compensation of most public employees in the state. This information helps the public to fact check claims about salaries, verify data from other open records requests, and hold government spending accountable. We offer this database as a public resource for taxpayers – if you support our efforts, please consider [making a donation](#).

**Search:**

The information in this database is gathered through public records requests to the state's Department of Management and many (but not all) state workers. We asked for pensionable salaries for the past three full fiscal years – the information is posted for the most recent year. We encourage you to contact the responsible government authorities.

Name \_\_\_\_\_

Employer

Job



# New Salary Database Shows Value of Government Transparency

Someone who decides to work for a public entity takes on a higher responsibility than someone in the private or nonprofit sectors. That's because the government has the power to force people to do things — pay taxes, go to school, obey the laws.

Citizens are forced to pay for and live with the government they have, but they have rights, too. One long-established right is to gather information about the public entities they pay for.

With that in mind, the Mackinac Center recently teamed up with the Michigan Press Association and the Michigan Coalition for Open Government to release a database of salaries for government workers. We gathered the salary information of 300,000 public employees, which anyone can find at **[MichiganGovernmentSalaries.com](http://MichiganGovernmentSalaries.com)**.

The database isn't complete. It includes nearly all school and community college employees, most state police and corrections officers, a lot of judges, and about half of other state employees. We are working to gather salary information on the rest of state workers as well as those at public universities and local governments.

This type of work isn't new. A few years ago, the Lansing State Journal published the salaries of state workers. In Illinois, Ohio, California

and Nevada, the salaries of public employees and even their pensions are published online by private and nonprofit watchdog groups.

## JARRETT SKORUP

When we released the data, the reaction was fierce.

The information is very popular — our website received about 500,000 hits within a few days. But of the hundreds of thousands of salaries, we quickly found out that the state had given us 4,500 which were incorrect. In most of those cases, the reported compensation was much higher than was actually the case. Sometimes it was off by hundreds of thousands of dollars. Those workers were rightfully upset and we moved quickly to correct the record. Ultimately, the state admitted that it had erred and the media record was corrected.

But we wondered: How common was it for the state to mess up this data? We got the information from the state pension system, and we hope the state isn't overpaying pensions or tracking compensation incorrectly. Correcting this type of misinformation is exactly why we released the database.

We also received positive reactions from citizens:

- "I want to congratulate you on the state salary database. It is definitely needed. It's too bad the state sent some bad data. It's scary to think that this is the data that the state uses to compute pension payments with."

- "Fabulous work with the database! You could drive tons of traffic to your website daily, by serving as the central location for public salaries. No other resource is available like this in Michigan."
- "As a retired public school official, I am perfectly content with your most recent database of wages. I really liked the website — it was easy to maneuver through it and search. Thanks again!"
- "If you're an employee of the government, it's very likely everything about you may become public knowledge. I like to get it from a source like the Mackinac Center that has a reputation for credibility, rather than from another organization without credibility. It's more reliable."
- "I don't have an issue [with the database]. When I worked at Northwestern Michigan College, Buckley and Charlevoix Schools, my salary was public. The positions are supported by tax dollars. So, I have no problem with the access."

Whether it's scrutinizing the state's data or fact-checking the record from the dozens of false claims in the media about public sector compensation, people can now help keep their government honest and transparent. And that's a good thing. ■

Jarrett Skorup is marketing and strategic outreach manager at the Mackinac Center.





# Mackinac Center Hosts Corporate Welfare and Special Interests Working Group

Scholars from think tanks across the country visited the Mackinac Center in late March to discuss corporate welfare and other policies that may harm economic growth and development.

The working group shared recent research and other materials in the field, described forthcoming products and considered opportunities to educate lawmakers and the public on superior policy alternatives.

For the uninitiated, “corporate welfare” is a catchall term for policies that — through one mechanism or another — shower fiscal favors on relatively few and often politically well-connected businesses and industries. These financial favors come at the expense of all other taxpayers and can include direct subsidies, tax credits, tax abatements, low-interest loans and tax increment financing schemes. In addition to being unfair, they’re expensive and the most scholarship on the topic shows that such programs are ineffective.

The Mackinac Center for Public Policy has been a state leader in making these facts public. Indeed, its first economic development study was published in 1989. Since then, it has published two full, scholarly analyses of the state’s Michigan

Economic Growth Authority subsidy program, one on state tourism promotion subsidies and another on the 21st Century Jobs Program. It has also published hundreds of other commentaries and policy briefs on the subject.

Leaders from think tanks across the country discussed their own original research on their states’ film subsidy and tax increment financing programs, “Quick Action Closing” funds and more. While the amount of research done by think tanks is impressive, scholars at universities and other organizations are also publishing on the subject, and most are finding little to no positive impact from these expensive government operations.

Despite all of this evidence, lawmakers, including those in Michigan, continue to take up legislation that falls under the corporate welfare rubric. It seems sometimes that lawmakers are impervious to facts. After all, they continue to adopt and expand these programs in most (though not all) states.

Overcoming the incentives politicians face to embrace corporate welfare programs in the face of their poor track record and expense was a major theme of the working group. The think tank leaders discussed

ideas such as creating a state compact whereby legislatures agree to not pilfer industry and businesses from other states using these programs.

Politicians defending corporate welfare programs often say, “We can’t unilaterally disarm” by eliminating the program, but working group participants have never heard any of them call for a multilateral disarmament conference. That is the idea behind the compact.

In addition to addressing corporate welfare programs, the Mackinac Center’s working group also examined other policies that can thwart economic growth. These include occupational licensure laws, Certificate of Need programs and territorial monopolies granted to well-connected special interests. All of these policies restrict free association and thwart economic growth and development — and not always to protect public safety, which is often how they are sold to the public.

Finding the most effective ways to address the shortcomings of such policies is the reason for starting a working group. This group is off to a good start and readers of IMPACT can expect to hear more about its work. ■

# MYTHS AND TRUTHS

## OF PUBLIC SCHOOL FUNDING

Stop me if you've heard this one before: "How do you cure insomnia?"

Answer? "Ask a policy wonk how school funding works."

Out of respect for policy wonks everywhere, I don't often try to test the truth behind the humor. But I

hope that it's not just people like me who would lose sleep in anticipation of a new project we're launching. We'd like to see "How School Funding Works" become the go-to layperson's guide for understanding how Michigan's public school tax dollars — currently more than \$19 billion each year — operate.

Last summer the Mackinac Center conducted a series of man-on-the-street interviews in West Michigan. Our former roving reporter Anne Schieber-Dykstra asked several people whether public schools need more money. Most offered some kind of affirmative answer.

Then she posed the question: How much do you think schools currently spend per student? People gave a wide range of responses, most of them considerably lower than the actual amount. When given the correct figures, many interviewees suddenly expressed concern about how that money was being used.

One reason why it's hard to build support for education reforms is that people are focused on raising more money for schools, a desire driven by not knowing how much schools have available to them. Michigan schools on average spend more than \$12,000 per student on operations. The figure rises past \$13,000 if you include construction projects.

A widespread knowledge of how much schools actually spend would go a long way toward improving discussions about education policy. Some people could even take that information and help their

friends and neighbors become more informed when the next local tax election comes around, or a policy dispute sweeps the

state. Everyone, including reporters, would benefit from having a better understanding of some common terms and how the pieces of school finance fit together.

A decade ago, the Mackinac Center's Fiscal Policy Director Michael LaFaive and then-Education Policy Director Ryan Olson teamed up to produce "A Michigan School Money Primer." The result was a definitive guide that precisely broke down the many streams of dollars flowing in and out of the state's public schools.

All these years later, much of the material remains current and useful. For that reason, the thick yellow booklet occupies prime shelf territory in my office. Along with the data and primary source materials provided by Michigan government agencies, it still stands as a handy reference guide.

But very few people have the background, time and inclination to benefit from these sources. So a brief updated layperson's version of the School Money Primer has a great deal of value to offer.

For a variety of reasons, the school funding system contains some complex features. It begins with the different money sources. The sales tax, income tax and property tax all yield significant pots of cash. But to what extent, and how do the different

streams of money affect how much ends up at the door of the school district office?

Informed citizens may notice that over the years, the federal government has taken a bigger role in funding and dictating to schools. How big is the federal financial footprint on school district budgets, and what are most of those revenues actually used for?

Some may have read articles that cite a per-pupil spending number, and even refer to it as the foundation allowance. What is the foundation allowance, though? Does the amount differ a lot from district to district, and how much of the overall revenue does it represent? The foundation allowance is just the beginning of Michigan school district budgets, not the end. The series introduces readers to the often elusive but important segment of state education funding known as categorical grants.

Other major topics that merit a closer look in the "How School Funding Works" series include intermediate school districts, special education and school capital construction.

The site's seven blog-length essays can be read straight through without a great deal of exertion, or simply consulted one at a time to better understand a specific topic.

Perhaps, once you read through "How School Funding Works," you will not only stay more alert through those wonky conversations, but also wow your friends with a little extra insight.

"How School Funding Works" will be available soon at [mackinac.org/schoolfunding](http://mackinac.org/schoolfunding). ■

Ben DeGrow is director of education policy at the Mackinac Center for Public Policy.

**BEN  
DEGROW**





## Mackinac in the News

The Mackinac Center's commitment to holding government accountable reached audiences throughout Michigan as media outlets covered its latest lawsuit and the new database it provides as a service to taxpayers.

Accountable government requires transparency and effective journalism requires timely transparency. That's why the Mackinac Center Legal Foundation filed a lawsuit against the University of Michigan in March after waiting over 100 days for a response to a simple records request. As explained by campus newspaper The Michigan Daily, the suit stemmed from a Freedom of Information Act request filed by a Michigan Capitol Confidential reporter seeking university President Mark Schlissel's emails containing the word "Trump" between July 1 and Nov. 16, 2016.

The same day the Center filed the suit – 106 days after filing the FOIA request – the university supplied four emails, but the lawsuit will continue due to the unreasonable delay. "There's no way it could possibly take 100 days to provide four emails," Mackinac Center Legal Foundation Director Patrick Wright told Michigan Radio. The Michigan Review and Campus Reform covered the lawsuit, as did radio stations WJR, WBCN and WILS.

The Leelanau Enterprise, Detroit Free Press, The Detroit News, WZZM-TV and the Grand Haven Tribune also shared the importance of government transparency when they covered the release of the Michigan Government Salaries Database by the Center, the Michigan Coalition for Open Government and the Michigan Press Association.

"The bottom line is that public salaries should be available in a transparent way. Why? Because the employer of public workers is us, the citizens," Lansing State Journal columnist Judy Putnam said of the database.

The online, searchable database contains salary information for approximately 300,000 public employees.

"I like to get it from a source like the Mackinac Center that has a reputation for credibility, rather than from another organization without credibility. It's more reliable," local government watchdog Steve Mikowski told The Leelanau Enterprise.

The Mackinac Center's new occupational licensing study, "This Isn't Working," also received attention from media throughout the state. Gaylord Herald Times Publisher Jim Grisso was one author who wrote about the arbitrary rules, noting that Michigan barbers must go through more training and testing than commercial pilots.

The Detroit News' editorial board explained how licensing requirements are harmful to workers, saying, "Detroit should quit punishing itself and spark jobs through licensure reform."

The Mackinac Center's Director of Labor Policy F. Vincent Vernuccio was quoted in The New York Times about unions' relationship with and opinion of President Donald Trump. Other Center policy experts were quoted by or had op-eds published by The Associated Press, MLive, Bridge Magazine, Crain's New York, Crain's Detroit, The Hill, CBS Detroit, the Midland Daily News, the Traverse City Record-Eagle and many others. ■



*Chantal M. Lovell*

Chantal Lovell is communications manager at the Mackinac Center.





# Detroit's Newest Entrepreneurs Shine at Second Business Fair

You may remember reading about the first Detroit Children's Business Fair in *IMPACT* late last year. Everyone involved had so much fun, we couldn't wait a whole year to do it again!

On Saturday, May 13, 18 businesses run by 40 young entrepreneurs gathered at the Detroit Historical Museum to sell their goods and services. The fair was open to children ages 6 to 14, who sold everything from purses to slime.

Children's Business Fairs were started by Acton Academy in Austin, Texas, and have since spread across the country. They're a fun, safe way for kids to learn about entrepreneurship and the self-worth that comes out of work. But they also have the opportunity to win prizes!

This year, we handed out six awards.

In the older age group, the award for best business potential went to Kraftabulous Kreations. Ceciley, the owner, makes paracord bracelets, glasses cases, wallets and crossbody purses that one judge described as "way better than Vera Bradley!"

Chemical Free Zone, run by siblings Ali, Muhammad and Fatan, won the prize for best

*continued*





business potential in the younger age group. The kids make natural bug repellent sprays, a must for health-conscious Michiganders as we head into the hot, humid summer months.

For outstanding originality, the older age group prize went to Relaxing Essentials by Z. Azalyiah, the owner, sold “bombs” for the bath, shower and toilet, along with anti-stress balls.

In the younger age group, Hot Heads won the award for outstanding originality. Run by classmates Jade, Emilio and Miguel from Escuela Avancemos!, a Detroit charter school, Hot Heads makes lava lamps.

The final awards, for best presentation and creativity, also went to Escuela Avancemos! kids. Pic Detroit, run by Ali, Erik and Jay Jay, sold beautiful, artistic photographs they had taken around their school and throughout southwest Detroit.

In the younger age group, the award for best presentation and creativity went to NML Productions, run by Noah, Marco and Luigi. They sold homemade oobleck, a unique non-Newtonian fluid that doesn’t respond to touch and force as expected.

While not every child won a prize, they all did great work and learned a lot from the experience. Most importantly, they had fun! ■



We produced a video of this wonderful event that includes interviews with the young entrepreneurs and more shots of the fair in action. Find it online at [detroitchildrensbusinessfair.org](http://detroitchildrensbusinessfair.org) or go directly to [youtu.be/xcxDEMLmLV4](https://youtu.be/xcxDEMLmLV4).

For a full gallery of photos, please visit [detroitchildrensbusinessfair.org](http://detroitchildrensbusinessfair.org) or find us on facebook at [facebook.com/detroitchildrensbusinessfair](https://facebook.com/detroitchildrensbusinessfair).











# Pure Michigan Reform Ideas Gaining Traction

The Mackinac Center for Public Policy saw two of its ideas regarding the state's Pure Michigan tourism subsidy program gain a foothold in Lansing during the last quarter. The program finances advertising for the state's tourism industry with public dollars. Two lawmakers called for an independent investigation into the program, and then a few days later, a third called for eliminating the program's funding altogether.

The first action was taken by state Reps. Steven Johnson, R-Wayland, and Martin Howrylak, R-Troy, on April 28 with a letter to the Auditor General of Michigan. The representatives called on the office to investigate the methodology used by the Michigan Economic Development Corporation's contractors. One of those contractors, Longwoods International, calculates an alleged return on investment for Pure Michigan but refuses to precisely explain how the ROI calculation is made.

Mackinac Center scholars Michael LaFaive and Michael Hicks have written extensively about this over the past two years, pointing out that such secrecy violates one of the most basic tenets of scholarly publication: transparency. That's unacceptable because the MEDC uses the ROI numbers to justify \$34 million in annual public expenditures for the tourism industry. In essence, the agency is telling lawmakers and the public: "This is an effective program and you'll just have to accept our word for it. Now give us more money."

The lawmakers, by contrast, think state auditors ought to investigate the methodology used by the MEDC's contractor or conduct their own study into Pure Michigan's efficacy. LaFaive and Hicks have long suggested that lawmakers prohibit the MEDC from being the agency that hires the contractors used to evaluate its programs. The agency has an incentive to game the evaluations to make its own programs look good — and has a record of doing so.

In March, LaFaive watched Rep. Jim Tedder, R-Clarkston, ask a reasonable question about Pure Michigan's effectiveness to two representatives from

the state's "jobs" bureaucracy. Tedder, who chairs the House Tax Policy Committee, asked at a public hearing how the ROI claims are quantified. The response to Tedder by Jeremy Hendges, chief deputy director of the Michigan Department of Talent and Economic Development, was basically inaccurate.

Hendges claimed that the state had Michigan State University double-check the work of Longwoods. The problem with his assertion is that the validation study was performed on a Longwoods analysis of state advertising that predated Pure Michigan. The validation work of that earlier campaign, too, was full of problematic assumptions and conflicts.

LaFaive, director of fiscal policy for the Mackinac Center, explained all of this in response to Hendges in an April 18 online essay titled "Dear House Tax Committee: Pure Michigan Return on Investment Not Validated." He personally emailed a link to that essay to each member of the committee, of which Johnson and Howrylak are members. His essay may have been the inspiration for the representatives' request that the Auditor General get involved in a review of Longwoods methodology, if not the program itself.

On May 2, the Pure Michigan program got another wake-up call when state Rep. Henry Yanez, D-Sterling Heights, introduced an amendment during budget discussions to eliminate wholesale the \$34 million previously recommended for it. The amendment was voted down in a voice vote, but the Mackinac Center viewed its very introduction as a step forward in the long-running debate over the efficacy of the program.

In November 2016, the Mackinac Center released a study demonstrating that state funding for tourism promotion was an ineffective development tool. Specifically, Center scholars found that for every \$1 million increase in state promotion expenditures, there was a corresponding rise of just \$20,000 in economic activity in the accommodations industry of the average state, including Michigan. This represents a huge negative return on investment. ■

## Taxing Tourists at Sleeping Bear Dunes

The Mackinac Center is again challenging the constitutionality of an assessment on the rental of rooms at hotels, motels and inns. Michigan enacted the Community Convention and Tourism Marketing Act in 1980. The law allows regional tourism bureaus to charge lodging establishments an assessment on the rental of rooms to pay for advertising they undertake, whether an establishment chooses to belong or not. The assessment was once capped at 2 percent of the cost of the rental price, but the limit was later raised to 5 percent.

David Gersenson operates two inns in the Glen Arbor area near the Sleeping Bear Dunes National Lakeshore, the Sylvan Inn B&B, and the Lakeshore Inn. The inns had been subject to the 2 percent assessment, or "tourism tax," and then the local tourism bureau, the Sleeping Bear Dunes Visitors Bureau, voted unanimously to raise the tax to 5 percent. With the Mackinac Center Legal Foundation's help, Gersenson is challenging the constitutionality of the assessment because it violates his free speech rights. The United States Supreme Court has held that compelling a business to pay for advertising that it does not want is a violation of the First Amendment if the tax is only going to fund advertising speech.

It may have made sense for regional tourism bureaus to advertise before the internet, when advertising beyond your region was a daunting task. But today, inns and tourist attractions can advertise easily on social media and search engines. Too often, tourism bureaus have been referred to as "the tourism mafia" that use the funds compelled from the room renters to favor one facility over another. Other times, their efforts are simply ineffectual. In any event, no one should be forced to pay an advertising agency for a service they don't want or need.

The case against the Sleeping Bear Dunes Visitors Bureau is the second tourism tax lawsuit for the Mackinac Center Legal Foundation. The first was brought in Indian River but was dismissed when the plaintiff sold his property and was no longer subject to the assessment. ■



# The Limited Government Optimist

My college, like most, assigned summer reading for incoming first-year students. My cohort read “Half the Sky,” a book about women in developing countries written by Nicholas Kristof and Sheryl WuDunn.

There are two ways to read this text, and at a women’s college such as the one I attended, the majority of students ended up taking one viewpoint: Life is really depressing.

They’re correct. Half the Sky describes the sometimes insurmountable odds that women in other parts of the world face – lack of freedom, civil rights, basic medical care and the sense that they have a say in their own lives. Westerners observing these struggles quickly realize how difficult it can be to improve their circumstances through charity work or cultural change. It’s frustrating, but sending old clothes and medical supplies to developing countries doesn’t solve the structural problems women often face there.

My classmates were despondent. Some of them couldn’t bring themselves to finish the book, feeling powerless to help improve the circumstances of their sisters across the globe. They didn’t see the value in reading about problems they couldn’t fix.

A small minority dissented from this view, myself included. I found the book strangely uplifting, precisely because I couldn’t do anything about the problems it presented, and I didn’t have to. These women were coming up with their own ways to improve their circumstances. They were in the best position to know what would improve their quality of life, and they didn’t need me or my classmates interfering with their work.

Pessimism is an easier path than optimism. Finding the good things in a tough situation can be really difficult – especially for a proponent of limited government. Government rarely reduces its size. It’s understandable to feel powerless in the face of policy that harms people, but is difficult to change.

Resisting government growth is not necessarily a winning battle. It is the nature of government to increase in size and accumulate power. Just look at the number of laws on the books. How many ever get repealed? The nature of my job forces me confront this reality every day. It can be exhausting.

But it’s important not to let the difficulties lead to defeatism and acquiescence. The liberty advocate must be an optimist. We believe in the power of people to improve their own lives. We believe in the power of communities to make the best decisions about the problems facing them. If we thought people were helpless, stupid or incompetent, then we would advocate for an increase in government.

Instead, we see the ingenuity and creativity of people. Too many humans still exist in deplorable circumstances on this planet, but the condition of the human race is improving at an accelerating rate. We are becoming more prosperous, healthier, happier and freer and there is no compelling reason to worry that this will not continue. Life is good, and getting better.

These days, I choose to remember that to believe in liberty is to be an optimist. Remembering that (and bearing it out in everyday life) is the best way to show people that more freedom is worth a try. ■

## BY THE NUMBERS FOSSIL FUELS

**540,000**

Barrels per day of liquefied petroleum gas and crude oil going through Line 5.

**78 percent**

Only a portion of the fossil fuel running through Line 5 goes to Michigan, but it pumps the equivalent of 78 percent of what would be the state’s consumption of liquefied petroleum gas and gasoline.

**10th**

Michigan’s rank among the states in total energy consumption.



# Women in Philanthropy



LORIE  
SHANE

Melanie Sabelhaus is a woman of many causes and contagious enthusiasm.

Over the course of 30 years, she has dedicated her time and passion to raising millions of dollars for nonprofit groups ranging from Johns Hopkins to the Red Cross to the United Way. (She did all this in addition to launching and taking

public Exclusive Interim Properties, a housing company doing business in 60 countries, as well as serving as deputy administrator of the U.S. Small Business Administration.)

But when several Mackinac Center leaders had the privilege of meeting Sabelhaus at a recent philanthropy seminar in Chicago, her message was not about the nuts and bolts of raising money.

Her message was about the importance of women's philanthropy to the future of our country.

Consider, she said:

- The trend of local and national women's giving circles, where women pool their resources to make gifts that will have major impact.
- Surveys that show the growing influence that women have in their family's charitable giving decisions.
- The growing number of female wealth managers at major corporations, who influence corporate giving.
- The growing number of women in key roles at charitable foundations.

- The statistics showing that women live longer than men and that the largest gifts typically come through bequests and estates.

"Women of today are passionate, they are committed, they are change agents, and they are leaders," Sabelhaus said. "Time, talent and treasure — we have it all."

Her observations made me think of the many women who have been change agents and leaders in their support of the Mackinac Center.

From the women who have donated their time and talent to serve on our board of directors, to the foundation officers who have challenged us to think big, to the small business owners and other women in our President's Council, we see firsthand the impact of women who make our state and nation a place of greater freedom and opportunity.

Yet we know there are many friends of freedom we haven't met yet.

Do you have ideas for engaging more people — women and men — in the fight for free markets and limited government? Would you consider hosting a "friendraiser," sharing IMPACT with your circle of friends or arranging a speaking engagement? Please contact me at [shane@mackinac.org](mailto:shane@mackinac.org) or 989-698-1909 so we can share ideas.

Thank you again for all that you do for the cause of freedom. We are truly grateful. ■

Lorie Shane is managing director of advancement at the Mackinac Center.