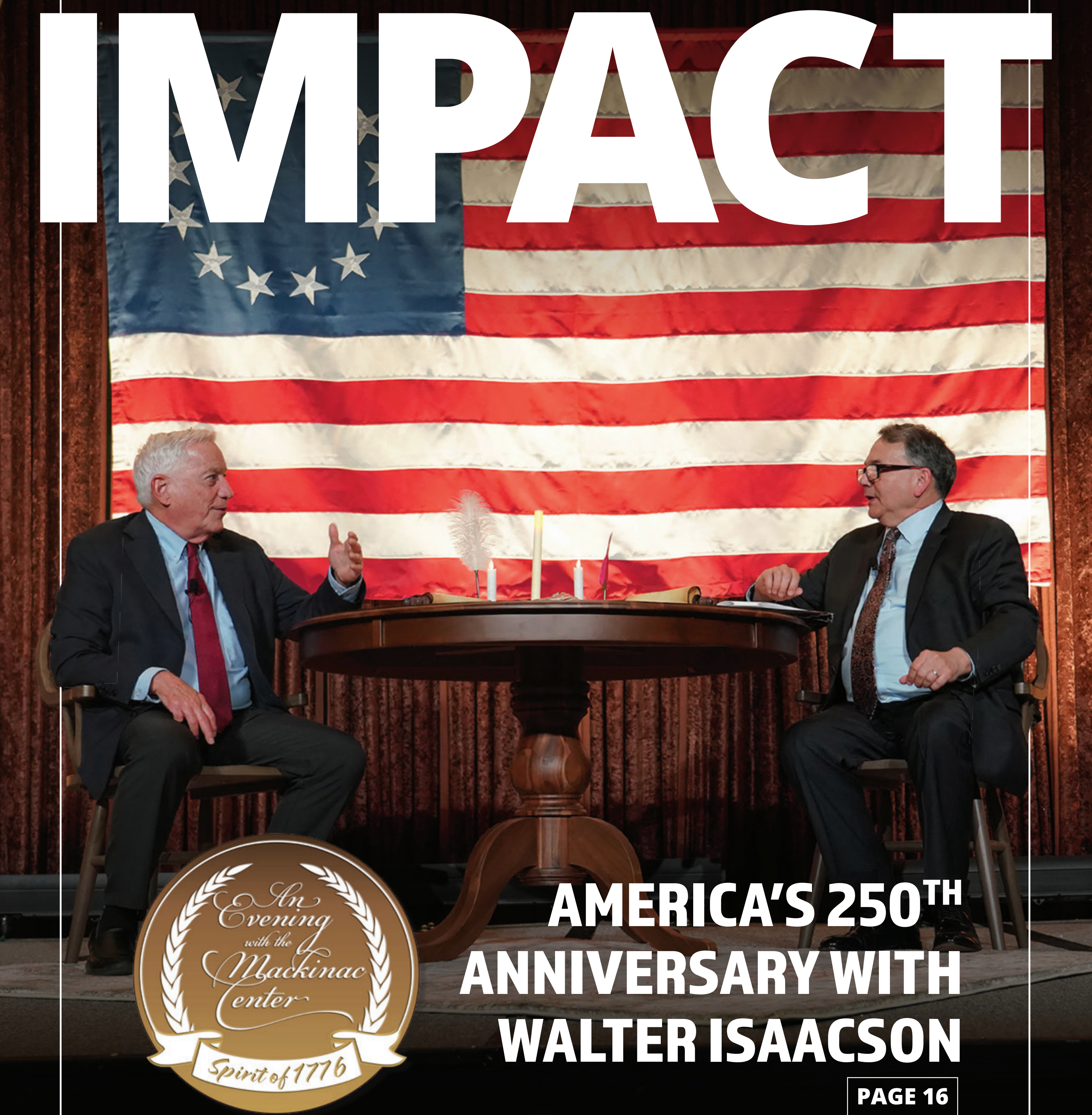
MAY/JUNE 2026

IMPACT



AMERICA'S 250TH ANNIVERSARY WITH WALTER ISAACSON

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MACKINAC CENTER
FOR PUBLIC POLICY

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MACKINAC IN THE MEDIA

THE WALL STREET JOURNAL.

Make Politicians Debate Again

"More enterprising elected officials should agree to debate each other, as often as possible. Their example could inspire others, reminding Americans that we can disagree without being disagreeable and argue without being arrogant jerks."

Michael J. Reitz, Executive Vice President

Los Angeles Daily News

Gavin Newsom Has a Hollywood Subsidy Blooper Reel

"There's simply no real-world, independent, evidence that subsidizing Hollywood benefits anyone."

Michael D. Lafaive, Senior Director of the Morey Fiscal Policy Initiative

The Detroit News

A 'Champion of Education?' Whitmer's Record Tells a Different Story

"Higher spending doesn't lead to better education results, especially when it isn't paired with accountability or other good policy ideas. In Michigan, the state has spent more while seeing achievement decline."

Molly Macek, member of the Mackinac Center's Board of Scholars

Detroit Free Press

Judge Blocks Funding for 2 Ballparks; Case Could Impact Other Grants

"Lawmakers cannot funnel taxpayer dollars to favored projects and private interests without meeting the constitutional supermajority requirement."

Patrick Wright, Vice President for Legal Affairs

Washington Examiner

Shrinking Unions Grasp Hold of Power Through ESG Activism

"Unionized workers, many of whom have no choice about membership, should not have to worry about unions co-opting their retirement money under the guise of ESG."

Jarrett Skorup, Vice President for Marketing and Communications

The Center Square

Michigan House Advances GOP Energy Reform Package

"The reforms are exactly what Michigan needs to reduce energy costs and ensure reliability by allowing dependable energy plants to operate while removing mandates that favor intermittent, costly energy sources like wind and solar."

David T. Stevenson, Director of Energy and Environmental Policy

LETTER FROM THE EXECUTIVE VICE PRESIDENT

Photo by Kyrie Reitz

I, Pencil Sharpener

A family trip took us to Hocking Hills State Park in Ohio. We hiked a few caves and trails, but heavy rain sent us indoors for most of an afternoon.

Which is how we discovered the Paul A. Johnson Pencil Sharpener Museum in Logan. With 5,000 unique items, this museum is the first, largest and only pencil sharpener museum in the world.

The story goes like this: Rev. Paul Johnson retired in 1988. His wife, Charlotte, decided he needed a hobby, so she bought him two metal pencil sharpeners and thereby triggered a 20-year effort. After Paul's death, Charlotte entrusted the collection to the Hocking Hills Regional Welcome Center, where tourists like me could enjoy it.

Enjoy it we did. Shelf after shelf of antique pencil sharpeners, featuring U.S. presidents, superheroes, famous landmarks like the Liberty Bell and the Mackinac Bridge, animals and aliens.

The collection reminded me of the classic essay "I, Pencil" by Leonard E. Read.

Read founded the Foundation for Economic Education in 1946. As one of the first free-market think tanks in the United States, FEE fostered strong associations

"No one person can create an object even as simple as an everyday pencil."

with heavyweight economists and authors such as F.A. Hayek and Milton Friedman.

Read's essay "I, Pencil," which he wrote in 1958, tells the story of a pencil's family tree and its manufacturing process.

The story illustrates the beauty of voluntary cooperation in a market economy. No one person can create an object even as simple as an everyday pencil. A pencil requires components from around the world — cedar from Oregon, graphite from Sri Lanka, rubber from Indonesia, lacquer, wax and a brass ferrule. When you factor in the loggers, millworkers, transportation and suppliers, millions of people are involved in creating every pencil you've ever used.

No mastermind in a government agency ordered the production or coordinated the manufacturing process from on high. Rather, countless transactions worked together to assemble the materials, fashion them into an elegant writing instrument and bring the pencil to market. That simple pencil is a quiet rebuke of the government regulators who believe they can engineer society to their preferred outcomes.

Incidentally, "I, Pencil" enjoys several Michigan connections. Its author, Leonard Read, was born and raised in Michigan. In 2008, Larry Reed, the Mackinac Center's first president, became president of FEE. Larry wrote the introduction to the 50th edition of "I, Pencil" and has helped promote the essay to generations of students.

Just as it took millions of people to deliver a pencil to a schoolchild's desk, no one can singlehandedly change public policy. Every policy victory depends on thousands of people who talk to lawmakers, educate their neighbors and support organizations like the Mackinac Center. It takes multiple tools to turn ideas into law: solid research, communications strategy, coalitions of allies, legislative champions and lawyers to defend the law after passage. That's why the Mackinac Center exists. Thank you for your support.

I don't know if Paul Johnson ever read "I, Pencil," but I sent a copy to his museum just the same. ■

By Michael J. Reitz
Executive Vice President

“Water, Watts and Wealth”

Event Draws Packed House for Data Center Discussion

Photos by MCPP

Few topics hold more public interest these days than data centers, and a recent Mackinac Center event brought clarity to thousands.

Data centers have existed since the dawn of computing, but our world uses more data than ever, and the equipment required to store it can no longer fit in a single room in an office building. Companies are building large data centers to store information millions of people use for cellphones, videos, photos, healthcare, social media, banking, artificial intelligence and other purposes.

An April 22 Mackinac Center panel discussion in Ann Arbor drew a full-house crowd of 90 people, with thousands more watching a livestream presentation. The audience was concerned about water, energy use and infrastructure but also about the potential for technological advances, future industries and new revenue sources. The panel tackled it all.

> **“The answer is not simply to block new development.”**

Tyler Marie Theile of Anderson Economic Group reminded the audience that nearly everyone already relies on data centers. “Do y’all have a phone in your pocket today? You’re using data centers,” she said. “If you have a home computer, you’re using data centers. If you have health insurance, you’re using a data center.” Cloud computing, artificial intelligence, telecommunications, banking, healthcare and countless everyday services all depend on the infrastructure these facilities provide.

But the forum also explored trade-offs. Data centers can bring investment, jobs and tax revenue, but they also require large amounts of electricity and, in some cases, water. Stephen Mackey of Oakland University framed the concern from the perspective of utility customers: “The question is how do we ensure that in the future, as these new sources of demand come online, we can do it intelligently so that consumers don’t have to bear that burden.”

Dustin Walsh of Crain’s Detroit Business has covered community pushback and zoning disputes, and he shared insights on why many of these debates play out in smaller communities. “(Data center companies) picked these smaller townships because of their availability,” he said, noting that some local zoning rules were written long before modern data centers were contemplated. In some cases, he added, “township boards actually have no choice but to approve these.”

Will Rinehart of the American Enterprise Institute noted that Michigan has strong laws protecting the environment. Data centers are getting better about using less water and energy, with most using less water than a typical golf course. The answer is not simply to block new development. There are many ways to do environmental protection wisely, he said.

That was the central theme of the discussion: Michigan should not ignore the costs of data centers, but it should not overlook the opportunities either. State rules should protect residents, ensure that energy service is reliable and affordable, and allow Michigan to compete for the next generation of digital investment. ■

By Jarrett Skorup
Vice President for Marketing and Communications

FILM INCENTIVE REVIEW LANDS JUST IN TIME

Like the zombies in the 1985 cult classic "Return of the Living Dead," government film incentive programs keep trying to crawl out of the grave. Officials in Michigan should resist this unwelcome development, and a new policy brief from the Mackinac Center explains why.

"The False Promise of Film Incentives," published in April, helps lawmakers and citizens separate myth from reality by examining the real-world performance of film and media production subsidies. It draws on peer reviewed university research and fiscal analyses produced by states with such programs.

The verdict is clear: Film subsidies function less like economic development tools and more like wealth transfers, taking money from many taxpayers to benefit a small, politically favored industry. They fail to create lasting jobs and show no meaningful impact on broader economic growth.

Michigan's own experience should be sobering. From 2008 through 2015, taxpayers spent roughly $500 million underwriting film productions before lawmakers canned the program. The state was left with no lasting film jobs to show for its trouble. Two state-authorized studies found the program generated large net losses, confirming what scholars had long warned.

Our policy brief reminds today's lawmakers of these hard lessons. We mailed a copy to every member of the Legislature, equipping them with a much-needed perspective as calls to revive subsidies grow louder.

Subsidy advocates struck out in 2024, but their efforts are underway again. On May 12, the Michigan Film Industry Association hosted a legislative reception in Lansing to rally support. Its website notes that while legislation "has not yet been introduced in the 2025–2027 session, plans are in the works."

Across the country, film incentives are being reborn or expanded. California recently approved subsidies totaling $750 million per year, and some Los Angeles mayoral candidates have argued for eliminating caps altogether.

Fortunately, the Mackinac Center's reach extends well beyond Michigan. My California-focused op-ed, "Gavin Newsom has a Hollywood blooper reel," appeared in eight newspapers, including outlets in Los Angeles, Orange County, Pasadena and Whittier. The op-ed documented how decades of subsidies failed to increase film employment in the Golden State.

Most sequels are not as good as the original, and film incentives have earned two thumbs down for their repeated box-office flops. Michigan's lawmakers should refuse to fund a sequel. ■

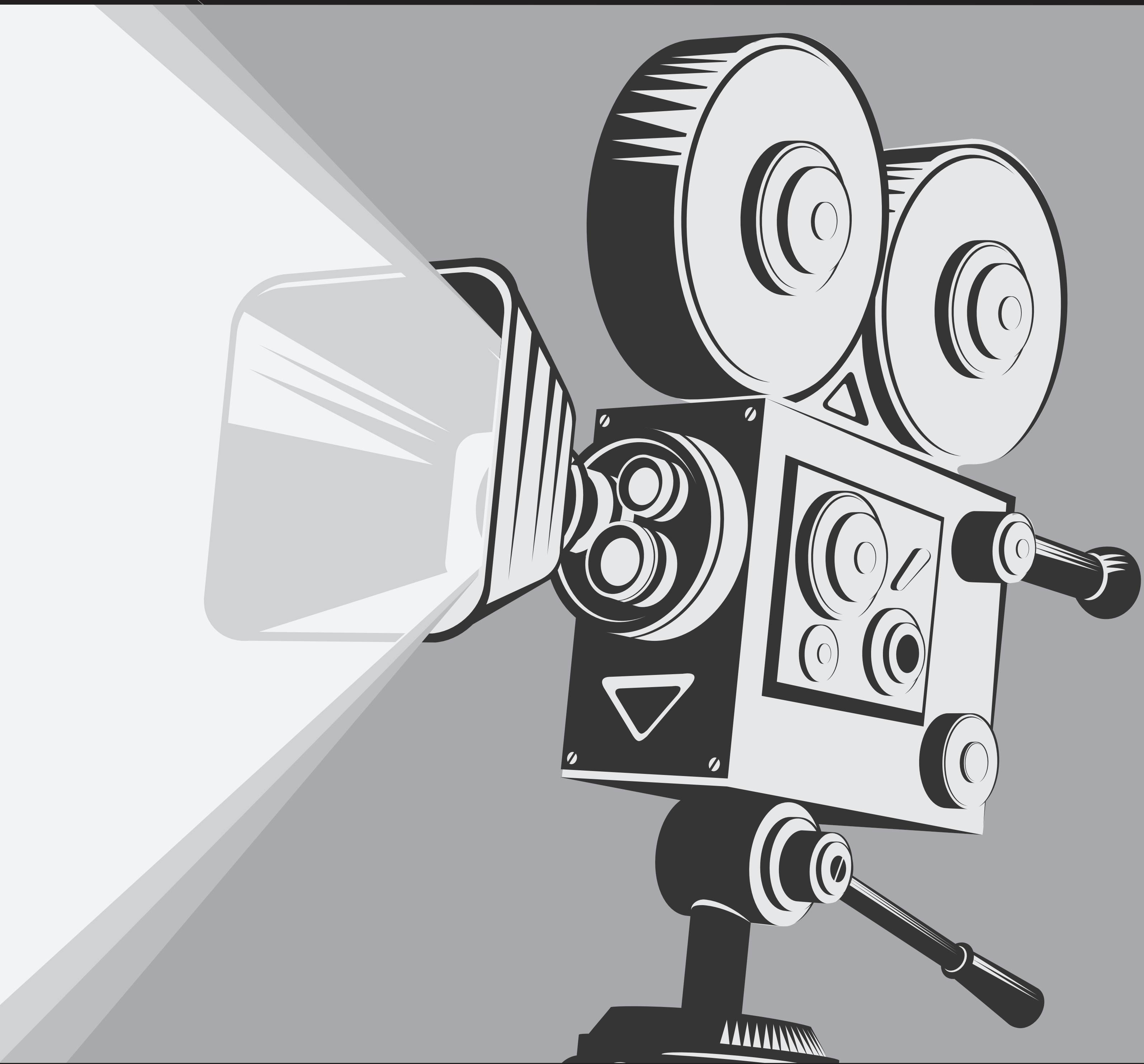
By Michael LaFaive
Senior Director of the Morey Fiscal Policy Initiative

BY THE **NUMBERS**

$500 Million
spent by the state
(2008-2015 estimate)

-.62 return
on investment
(assessed in 2014)

0 permanent jobs
from subsidized films
(assessed in 2014)



Board Members

Jennifer Panning Recognized as Outstanding Business Leader

Northwood University named Mackinac Center board member Jennifer Tenaglia Panning to its 2026 Class of Outstanding Business Leader Award honorees this spring. It's a recognition that speaks to both her professional achievements and her commitment to the next generation.

Panning founded Artisan Tile Inc. in 1995 and has grown it into one of Michigan's premier specialty contractors. She chaired Northwood University's Board of Trustees, her alma mater, for six years before turning the reins over this June. She remains an active member of the board today. Jennifer and her late husband established the Artisan Tile Endowed Scholarship to support students pursuing their own educational and professional goals.

"Jennifer Panning has achieved remarkable success, but what makes her especially meaningful to Northwood University is that she has never forgotten this special place," Northwood President Kent MacDonald said in the university's announcement.

That combination – building something, giving back, and staying connected – is exactly the kind of leadership the Mackinac Center is grateful to have at its table.

Making News

Photos by MCPP

Jeffrey Littmann Honored by Michigan Tech

This spring, Michigan Technological University awarded Mackinac Center board member Jeffrey Littmann an honorary doctorate and invited him to deliver the university's 2026 commencement address. This is a fitting recognition for someone who has given decades of service to institutions he believes in.

Jeff has served on Michigan Tech's Board of Trustees since 2019, including three consecutive terms as board chair, and he was named an Honorary Alumnus in 2025. He is also a life trustee of the Ralph C. Wilson Jr. Foundation and previously served for more than 25 years as chief financial officer of Ralph Wilson Enterprises and the Buffalo Bills.

In his address, he urged students to read, invest in their own growth, and play the long game. "Read books. Please read books," he told them.

It is the kind of advice that reflects who Jeff is – someone who seriously considers the big picture and plans accordingly.

The Mackinac Center congratulates Jeff and Jennifer on these well-deserved honors. ■

By Jessica Wyeth
Marketing Content Manager

WFO Helps Iowa Leaders End Union Gamesmanship

The Mackinac Center has a long history of helping workers defend their First Amendment rights against union abuses. It's not an easy task. Through research, advocacy, investigative journalism, and litigation, we have seen what unions do to keep workers on the hook.

But every so often, the good guys win one, as recently happened in Iowa.

Almost a decade ago, Gov. Terry Branstad signed HF 291, which required that every bargaining unit undergo a recertification election before its contract ends. A majority of the unit must vote to recertify the union. If the recertification election fails, the representative union is decertified and cannot represent the employees in the unit for at least two years.

The intent of the law was to make sure that a union's interests align with its members' interests.

What's the easiest way for a union to survive a recertification election? Rig the process so the election never takes place.

When a recertification election is required, rules state that public employers must submit to the Iowa Employment Appeal Board a list of employees in each bargaining unit.

If the employer fails to submit this list, however, there is no election, and the union does not have to make its case to its members.

Between 2020 and 2023, a public employer failed to forward the employee list, meaning that 465 unions were automatically recertified.

Last year, several Iowa legislators introduced SF 472 to close the loophole.

Photo by Workers for Opportunity

"Thanks to strong support from Workers for Opportunity, Americans for Prosperity-Iowa, and Americans for Tax Reform, the bill finally cleared the House in late April."

Under it, public employers must submit a complete list of employees in the bargaining unit to the Employment Appeal Board within 10 days of receiving notice from a union of an upcoming election.

The legislation also allows any Iowa resident to petition a district court for a writ of mandamus to compel a public employer to comply if it fails to submit the list.

SF 472 passed the Iowa Senate early last year but stalled before reaching the House floor, forcing it to carry over to this year. Thanks to strong support from Workers for Opportunity, Americans for Prosperity-Iowa, and Americans for Tax Reform, the bill finally cleared the House in late April.

I was honored to join Gov. Kim Reynolds and our Iowa legislative champions on May 19 for the official signing ceremony. Reynolds said SF 472 ends labor's "undemocratic practice" of avoiding retention elections. She also thanked WFO for its leadership over the past few years to get this legislation to her desk.

Photo by Shutterstock

Iowa joins Mississippi and Florida in passing meaningful worker freedom legislation in a difficult and combustible legislative session year. These states provide critical momentum for WFO's ambitious policy push into 10 states next year. ■

By David Guenthner
Executive Director of Workers for Opportunity

LEGAL FOUNDATION HITS HOME RUN AT THE COURT OF CLAIMS

The Mackinac Center Legal Foundation scored a significant legal win this spring in its lawsuit challenging the constitutionality of local earmarks in Michigan's state budget.

In May, the Michigan Court of Claims granted a preliminary injunction blocking further payments for two local projects while the case proceeds. The ruling temporarily halts funding tied to specific "community enhancement grants" and other earmarks that legislators approved in a process that the Mackinac Center argues violates the Michigan Constitution.

The case challenges a practice that has become increasingly common in Lansing: inserting funding for favored local projects into large budget bills that pass without the two-thirds vote required for appropriations serving a local purpose.

The lawsuit singles out funding for two minor league baseball stadiums that were granted funding without a constitutionally required supermajority vote. The Legal Foundation argued that lawmakers cannot sidestep constitutional safeguards by embedding earmarks inside broader budget legislation.

The Court of Claims agreed that one-year appropriations designed to benefit a purely local interest require a two-thirds vote in both chambers of the Legislature. At the same time, it recognized that

Photo by MCPP

MACKINAC CENTER LEGAL FOUNDATION

“This ruling is a major victory for Michigan taxpayers and the rule of law.”

funding intended to support statewide public interests, such as highways and major cultural institutions, would not fall under the same standard.

The ruling immediately stops additional spending for the challenged grants until the court issues a final decision. It also puts lawmakers on notice that they cannot use public funding to benefit certain districts unless a legislative supermajority agrees to it.

“This ruling is a major victory for Michigan taxpayers and the rule of law,” said Patrick Wright, vice president for legal affairs at the Mackinac Center for Public Policy. “The Michigan Constitution is clear: Lawmakers cannot funnel taxpayer dollars to favored projects and private interests without meeting the constitutional supermajority requirement. The court’s decision prevents additional unconstitutional spending while this case proceeds.”

The Mackinac Center Legal Foundation filed the lawsuit in 2025 to restore transparency and accountability to Michigan’s budget process. The outcome could shape how lawmakers approach earmarks and district-specific spending in future budgets.

For now, the injunction means the challenged funding is paused, and the court has signaled that constitutional limits on the budget process still matter, which could have broad implications for future Michigan budgets. ■

By Jessica Wyeth
Marketing Content Manager

Photo by Adobe Stock

An Evening with the Mackinac Center Captured the

Spirit of 1776

More than 250 years after America's founders declared that government exists to secure individual rights, nearly 500 lawmakers, business leaders, policy advocates and community members gathered in Grand Rapids to reflect on the enduring debate over liberty, self-governance, and the proper role of government at the Mackinac Center's annual Evening with the Mackinac Center.

This year's event, held June 5 at the Amway Grand Plaza, commemorated America's 250th anniversary through historical exhibits, reenactor performances, and a conversation between Mackinac Center President Joseph G. Lehman and acclaimed biographer Walter Isaacson.

The audience included more than 30 current and

Photos by MCPP

former elected officials, among them former governors John Engler and Rick Snyder, U.S. Representatives Tom Barrett and John James, former Attorney General Mike Cox, and state Senator Aric Nesbitt.

Guests were greeted throughout the cocktail reception by reenactors representing John and Abigail Adams, Benjamin Franklin, and Thomas Jefferson before being led into the ballroom by military field music played by the Tittabawassee Valley Fife and Drum Corps.

Lehman addressed the audience before inviting Walter Isaacson to the stage.

"Two hundred and fifty years ago, a small group of men did something that changed the world. They didn't just declare independence from a king. They declared independence from the idea that government gets to decide how much freedom people deserve," Lehman said.

"That argument didn't end in 1776. We're still having it."

Lehman reflected on the enduring relevance of America's founding principles and the responsibility of each generation to preserve them. He noted that the debates surrounding individual liberty, limited government, and self-governance remain as important today as they were when the Declaration of Independence was first signed.

An Evening with the Mackinac Center

Spirit of 1776

In Joe Lehman's discussion with Walter Isaacson, they marinated on Isaacson's latest book, "The Greatest Sentence Ever Written." In it, he explores the confrontation of ideas that produced the foundational statement of the Declaration of Independence, as recited by our Thomas Jefferson reenactor to open our program:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness."

This sentence represented a revolutionary idea at the time: that individual rights do not come from governments but exist inherently in every person. Isaacson highlighted the influence of Enlightenment thinkers while emphasizing the uniquely American conviction that legitimate government derives its authority from the consent of the governed.

A large part of Isaacson's craft as a biographer is providing a deep sense of knowing the subject he is writing about. It's with this unique sense of knowing that Isaacson talked with Lehman about figures he

came to know well through his research on Thomas Jefferson and Ben Franklin.

Throughout the conversation, Lehman and Isaacson explored how the founders struggled to reconcile universal ideals with the imperfections of their own time. Yet the enduring power of the Declaration lies not in the founders themselves, but in the principles they articulated.

Two hundred and fifty years later, Americans are still debating, defending, and redefining what it means

to secure the rights to life, liberty, and the pursuit of happiness — evidence that the revolutionary ideas of 1776 remain very much alive. ■

Join us at Michigan Central Station for next year's An Evening with the Mackinac Center, as we celebrate our 40th anniversary with guest speaker Gary Sinise.

Sinise founded the Gary Sinise Foundation, which serves America's veterans, defenders, and their families. He is an award-winning actor with notable roles in "Forrest Gump," "Apollo 13," "Of Mice and Men," and "Truman," among other works.

Mark your calendar: Early-bird tickets go on sale October 1, 2026. We are now accepting reservations for table sponsorships for next year's celebration. Please email: events@mackinac.org

The 2026 Summer interns h

Our summer interns work in various departments, assisting our staff with outreach, research, and plenty of FOIA requests. They'll learn the ins-and-outs of the work that goes into shaping Michigan policy, and staff here will likely learn a thing or two from them in return.

Jack Belcher is a research intern and a senior at Northern Michigan University.

Book: "The Righteous Mind" by Jonathan Haidt

Asher Boekestein is a communications intern and a senior at Cornerstone University.

Book: "Remaking the World: How 1776 Created the Post-Christian West" by Andrew Wilson

Natalie Hansen is an intern for Michigan Capitol Confidential through the Frank Beckmann Center for Journalism and a junior at Michigan State University.

Book: "If You Can Keep It: The Forgotten Promises of American Liberty" by Eric Metaxas

Dani Pohl is continuing her role as an advancement intern. She is pursuing an MBA from Northwood University, from which she recently earned a bachelor's degree.

Book: "The Lion Women of Tehran" by Marjan Kamali

Melanie Nalazek is continuing her role as an advancement intern and is a senior at Saginaw Valley State University.

Book: "The Power of Habit" by Charles Duhigg

Chloe O'Loughlin is an advancement intern. She is pursuing an MBA from Northwood University, from which she recently earned a bachelor's degree.

Book: "Make Your Bed" by William H. McRaven

ave arrived in Midland!

Here are our interns, the Mackinac Center departments they work in, the colleges they attend, and a book each would recommend.

Kyrie Reitz is back for another summer internship before her sophomore year at Grove City College. She is an advancement intern this summer after interning in communications last year.

Book: "1984" by George Orwell

Madalyn Scott is an advancement intern and a senior at Saginaw Valley State University.

Book: "The Lost Girl of Astor Street" by Stephanie Morrill

Charlie Van Beek is a communications intern who will start at Calvin University in the fall.

Book: "Lord of the Flies" by William Golding

Cate Welch is a fiscal intern and a junior at Wheaton College of Illinois.

Book: "The Death of the Author" by Roland Barthes

Isabella Yeske is an educational policy intern and a recent graduate of Michigan State University.

Book: "Democracy in America" by Alexis de Tocqueville

Stephanie Zamora is an intern for the Mackinac Center Legal Foundation and a senior at Hillsdale College.

Book: "Travels with Charlie in Search of America" by John Steinbeck

STATE EMPLOYEE ALLEGES RETALIATION

FOR SPEAKING OUT AGAINST UNLAWFUL DEPARTMENTAL PRACTICE

Michigan Capitol Confidential began looking into the state Department of Health and Human Services after we got a tip that the department was willfully violating an administrative court ruling.

Months later, that investigation became public when a whistleblower filed a lawsuit claiming that the department, her employer, improperly tried to recoup alleged overpayments from thousands of Michigan residents — and that when she brought her concerns to supervisors, they retaliated.

Minnie Cordell had spent 28 years inside the machinery of Michigan's health department, long enough to know when something was wrong.

Between 2023 and 2024, referrals for overpayments in the Michigan Combined Application Project exploded from 440 cases to 8,588, CapCon reported in March.

Cordell worked in the Overpayment Establishment Section, and what she saw troubled her deeply. State officials, having overpaid people in the Food Assistance Program, were trying to recoup the money through the Michigan Combined Application Project.

That technique, Cordell told her supervisors, ignored a 2020 ruling by an administrative law judge, who ordered the department not to recover any money in this way. The department, however, continued. As Cordell saw it in 2023 and 2024, elderly residents and disabled citizens, already living on the margins, were being pursued in a way a judge had ruled off-limits years earlier.

Cordell believed that the state was not following its legal obligations. She wrote to Gov. Gretchen Whitmer in February 2024. She also contacted Attorney General Dana Nessel's office. In August of that year, she filed a complaint with the Department of Licensing and

CAPCON

Regulatory Affairs. She put her concerns in writing, climbed every available rung of the ladder, and waited for someone to act.

In February 2024, her supervisor allegedly handed Cordell a stack of roughly 240 referrals dating back to 2021 — a three-year backlog. No other employee in her position was assigned to handle a task that daunting. The message, her lawsuit suggests, was unmistakable.

Now Cordell is fighting back in Wayne County Circuit Court. Her 75-page lawsuit names the state of Michigan, the state health department and three supervisors by name. Her attorney estimates that as many as 14,000 vulnerable residents may have been wrongly pursued through seized tax returns and garnished wages.

Michigan's health department isn't running food assistance programs properly. If it doesn't fix things soon, state taxpayers could be liable for a $300 million bill from the federal government.

Many news outlets recycle press releases and never set foot in Michigan communities. CapCon reports the news. We met Cordell, talked through her concerns, filed records requests investigating her claims, and followed the complaints to the courtroom. ■

By Scott McClallen
Michigan Capitol Confidential Reporter

Unions' Capital Activism Harms Members

Labor unions are losing influence with American workers. Only about one in ten workers belongs to a union, and union membership has fallen below 6% of the private sector labor force. But rather than rebuilding their appeal by persuading workers to join voluntarily, unions are increasingly trying to exercise power through a different channel: capital activism.

A new Mackinac Center study, "Unions and ESG: From Worker Representation to Shareholder Activism," shows how activist investing by organized labor slows the economy, weakens the financial system, and directly harms union members.

The most common vehicle is ESG investing, in which shareholders pressure publicly traded companies to enact certain environmental, social and governance policies. While ESG advocates often present the movement as a benign effort to make companies more socially responsible, unions use it to advance their political and organizational self-interest. They do this by using the power of their own pension funds, placing union officials and allies on public pension boards, and lobbying lawmakers and regulators to bless their activist strategies.

Unions that use ESG tactics gain influence far beyond what their shrinking membership would give them. Pension funds control enormous sums of money, and union leaders can use those assets to pressure companies into adopting policies that serve organized labor. ESG resolutions can push companies toward labor neutrality agreements, discourage secret-ballot union elections, or pressure management to stay silent during organizing campaigns. As a result, unions use workers' retirement savings to tilt the playing field in favor of union officials.

But the bigger problem is that ESG activism often harms union members themselves.

Many union workers are employed in industries that develop fossil fuels or depend on affordable, reliable energy: transportation, oil and gas exploration, pipeline operations, nuclear energy, construction, manufacturing and related sectors. ESG campaigns that punish these industries, restrict energy development or steer capital away from traditional energy production threaten those jobs directly. A union pension fund that pressures companies to adopt anti-oil and anti-nuclear policies may be undermining

the livelihoods of its members.

An activist pension fund violates its fundamental purpose. Pension managers have a fiduciary duty to maximize returns for workers and retirees through legal means. Their job is not to advance specific political goals, social causes or union organizing campaigns. When pension funds prioritize ESG goals over financial performance, they risk missing out on investment gains. Pension systems can be underfunded as a result, putting retirees at risk and forcing taxpayers or current workers to cover the shortfall.

The new Mackinac Center report lays out how new federal and state laws can clarify or enforce traditional investment rules, protecting the economy, union members and the rest of us. ■

By Jarrett Skorup
Vice President for Marketing and Communications

ONLINE RESOURCES

MichCapCon.com
Michigan Capitol Confidential reports with a free-market news perspective.

WorkersForOpportunity.org
Advancing the liberty of employees across the country and protecting First Amendment rights.

Mackinac.org/MCLF
Our public interest law firm advances individual freedom and the rule of law in Michigan.

OpportunityMichigan.org
Want to get more engaged with public policy in Michigan? Opportunity Michigan is right for you.

FrankBeckmannCenterForJournalism.com
Keeping citizens informed with news and analysis that expose government overreach and abuse.

MichiganVotes.org
Track every bill, amendment and roll call vote in the Michigan Legislature from 2001 to today.

Scan the code to sign up for our email list.

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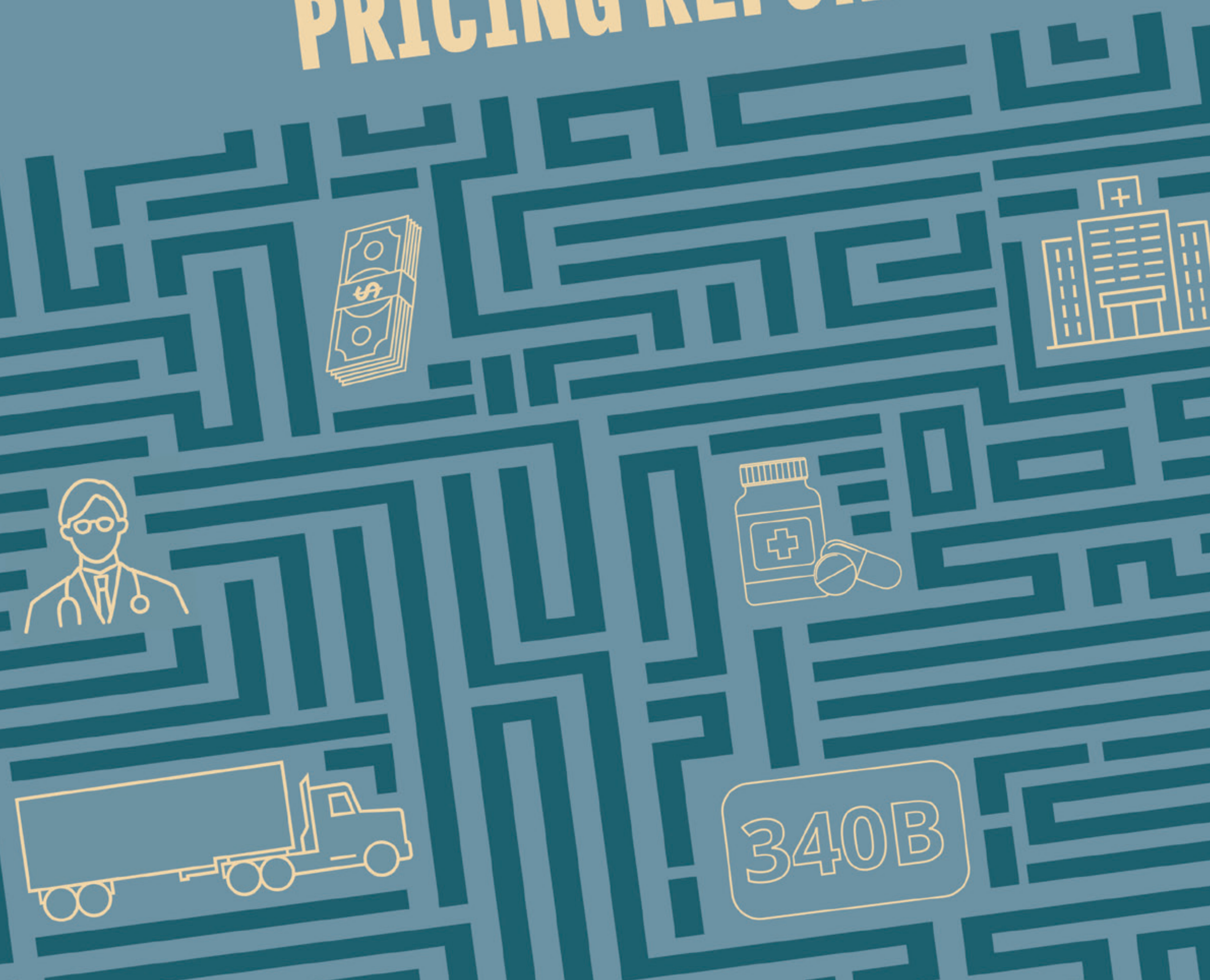
NEW GUIDE FOR LAWMAKERS CHARTS A PATH TO DRUG PRICING REFORM



The cost of prescription drugs remains one of the most frustrating parts of healthcare for Michigan families. Patients face a system that is opaque, resists change and is hostile to competition. That's why the Mackinac Center's recently published report, "The Free Market Remedy for Drug Pricing Ills: A Toolkit for State Lawmakers," is important.

We worked with Naomi Lopez, one of the nation's best experts on healthcare policy, to produce the report. Lopez is well known for promoting free-market reforms and has decades of experience, including at our sister think tank in Arizona, the Goldwater Institute. Her study offers practical, pro-growth policy reforms that would make medicines more affordable — and, importantly, without undermining the innovation that brings new treatments to market.

The report's toolkit focuses on a simple but powerful idea: Competition benefits consumers. When drug manufacturers must compete, prices can fall dramatically. But in too many cases, lower-cost options are blocked by patent abuse, product hopping, pay-for-delay deals and regulatory bottlenecks. State policymakers can help patients by promoting faster substitution, prohibiting anticompetitive tactics, and removing outdated rules that benefit incumbents more than consumers.

The study also takes aim at another major source of frustration: pharmacy benefit managers. PBMs were supposed to help lower costs, but their growing control over the market has led to hidden rebates, spread pricing, and patient steering that drives up costs for consumers. Lopez lays out common sense reforms, such as requiring greater transparency and protecting consumer choice at the pharmacy counter.

Affordability matters to families as they increasingly pay more out-of-pocket for medicines and other forms of healthcare. High deductibles and coinsurance requirements can force patients to skip prescriptions entirely. That is why the study calls for clearer real-time pricing, stronger co-pay assistance and reforms that prevent patients from being charged based on inflated list prices.

"Affordability matters to families as they increasingly pay more out-of-pocket for medicines and other forms of healthcare."

What makes this report work is that it does not treat affordability and innovation as rivals. It recognizes that Michigan can do both: protect access today and preserve the incentives that make tomorrow's breakthroughs possible. These types of policy ideas — which cut through special interests' sacred cows and the bureaucracy's precious power — are precisely what Michigan needs more of. ■

By Michael Van Beek
Director of Research

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When Is Your Mission Complete?

"When is your mission complete?" a donor asked me recently. He said that as a challenge, having seen nonprofits mistake growth for impact. He wanted to know if we were any different.

Honestly, I would love to put ourselves out of business. If free markets were allowed to work, government stayed within its proper limits, and individuals were trusted to make their own decisions, we would close up shop and figure out what's next. But that's not where we are.

As Ronald Reagan put it: "Freedom is never more than one generation away from extinction. It must be fought for, protected, and handed on." He was right. Every generation needs to relearn these lessons. The case for liberty must be made again and again, to new audiences, in new contexts and against new arguments. This is the work, and it does not end.

That's not merely an abstract statement; we've acted on it repeatedly. The Mackinac Center took Gov. Whitmer's COVID overreach to the Michigan Supreme Court and won unanimously. When the U.S. Supreme Court ruled in its 2018 Janus decision that public employees could not be forced to pay unions, its decision cited Mackinac Center research.

When a teachers union illegally claimed pandemic relief funds, the Mackinac Center exposed the fraud, and public officials recovered the money.

The Mackinac Center helped make Michigan a right-to-work state and made sure workers knew what that meant for them. Then, when a newly elected pro-union majority reversed that policy, we started laying the groundwork to get it back.

For the first time in 25 years, Michigan did not offer any no-bid corporate subsidies — because the Mackinac Center kept pushing against them.

None of these successes happened without you. The Mackinac Center doesn't take government money, which means the people who fund this work are the people who believe in it. You are the reason we can operate the way we do.

When is the mission complete? Maybe never. But the measure of success is not whether the Mackinac Center exists; it is whether the people of Michigan are freer thanks to the Mackinac Center's work. ■

By Jim Walker
Vice President for Advancement

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