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MEA Research

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The TRUTH About
The Mackinac Center

Foreword

The Mackinac Center for Policy Research is the largest conservative state-level policy think tank in the nation. It was established by the state's leading conservative activists to promote conservative free market, pro-business policies. In 2011, it took a public position of opposing the existence of public sector unions. Reflected by its board of directors and those funding its operations, the Center works to advance its policy objectives primarily through its publications, but has an increasing physical presence throughout the state. Its research routinely reaches conservative conclusions. The Mackinac Center has moved beyond Michigan by hosting think tank schools that have led to the franchising of its operations in every state and 37 other countries.

Establishment

Founded in 1987, the Mackinac Center was created with funding by the little-known Cornerstone Foundation. Created by Dykema Gossett attorney Richard D. McLellan and located in the same building as the Dykema Gossett law firm, Cornerstone's original board included McLellan, then-Senator John Engler, and Amerisure Insurance lobbyist D. Joseph Olson.

In a 2011 news story on the Center's founding stated that "the insurance industry was losing a lot of battles in the state Legislature and didn't have what [fellow Amerisure lobbyist Thomas Hoeg] called "intellectual authority," namely research and information to support their ideas."¹

Fundraising activity was active from 1984 to 1991, with peak activity in 1987 when Cornerstone established the Mackinac Center. The insurance industry (primarily Citizen's) provided initial funding, amounting to \$306,382 during this period. Various officials of Dow Corning and Dow Chemical paid \$335,986.²

Its creation was driven by the insurance industry's call for product liability reform, its interest in the Accident Fund, and by Dow Corning's concern over silicone breast implant liability.

Mission

The Mackinac Center describes itself as a research institute:

"The Mackinac Center for Public Policy is a nonpartisan research and educational institute devoted to improving the quality of life for all Michigan citizens by promoting sound solutions to state and local policy questions. The Mackinac Center assists policy makers, scholars, business people, the media and the public by providing

¹ *Genoa resident one of the founders of Mackinac Center*, Livingston Daily, October 19, 2011

² *Behind John Engler: The Big Mac Attack*, Guyette, Detroit Metro Times, 1996

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objective analysis of Michigan issues. The goal of all Center reports, commentaries and educational programs is to equip Michigan citizens and other decision makers to better evaluate policy options.”³

While it promotes itself as a research and educational institute, its „research“ accepts several controversial opinions as fact: school choice improves schools, right to work laws help workers, etc.. As its current president, Joe Lehman said:

“We will continue to show how to fix Michigan’s fundamentals by expanding school choice, modernizing labor laws, aligning state spending to its core priorities, protecting property rights, repealing counterproductive regulations and ending economic development programs...”⁴

Mackinac Center Board of Directors

The Mackinac Center’s Board of Directors reflect its conservative Republican roots. Among the past and present board members are:

Richard D. McLellan	Dykema Gossett
Joseph Lehman	MC President, formerly Dow Chemical, Cato Institute
Cliff Taylor	Former SC Justice, appointed to Ct of Appeals by John Engler
D. Joseph Olson	Former Senior VP and General Counsel, Amerisure Companies
Gail Torreano	Chief of Staff to Sen. Engler
Lawrence W. Reed	Mackinac Center President Emeritus
John Riecker	Hillsdale College and Comerica Bank
Margaret Riecker	Republican National Committee, Dow Foundation
William Rosenberg	Bush Presidential Campaign, Reagan, Milliken and Engler administrations
Robert Teeter	RNC Chairman, Pollster for Nixon, Ford, Bush campaign
Philip Van Dam	US Attorney under Ford
Gregory Kaza	Former Republican State Representative
Dick DeVos	Amway, Republican Candidate for Governor
Charles Van Eaton	Hillsdale College
Peter Cook	Great Lakes Mazda, major Republican campaign donor
Paul Gadola	Judge, Reagan Campaign Chair, Federalist Society
Dick Antonini	Foremost Insurance

Funding

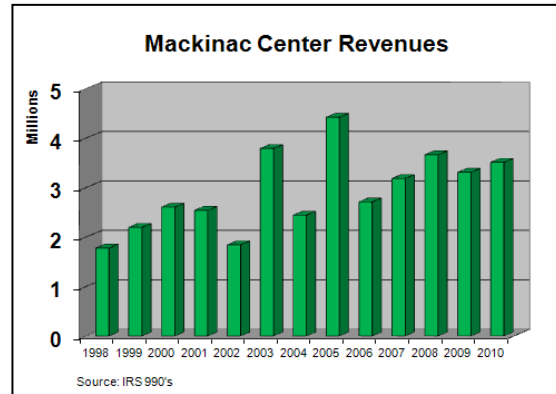
The Mackinac Center refuses to disclose who pays for its operations. When asked by Detroit’s Metro Times in 1996, the Center’s President Lawrence Reed said: "Our funding sources are primarily foundations ... with the rest coming from corporations and individuals," but that "... revealing our contributors would be a tremendous diversion..."

³ *About the Mackinac Center*, retrieved July 21, 2008, from www.mackinac.org/article.aspx?ID=1662

⁴ *Reed to Become President Emeritus of Mackinac Center*; Board Unanimously Names Lehman Successor, News Release, July 21, 2008

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In 2010, the Center's revenues totaled \$3,511,159. Its funding has varied substantially over the years, from just over \$1.7 million in 1998 to a high of \$4.4 million in 2005 when it's \$1,790,963 payroll supported a staff of 40 people.



Mackinac Center Non-Profit Funders 2001-2010⁵

Dow Foundation, Herbert H. and Grace A.	\$3,215,000	Dow Chemical founder widow
Herrick Foundation	\$2,150,000	Tecumseh Engines founder's son
Earhart Foundation	\$1,273,300	White Star Oil heirs
Dunn's Foundation for the Advancement of Right Thinking	\$799,000	Investment company founder
Rodney Fund	\$744,500	Detroit Forging founder/Mackinac Board member
Bradley Foundation, Lynde and Harry	\$562,500	Electronic and radio component heirs
Peters Foundation, Ruth and Lovett	\$525,000	Procter & Gamble heirs
Hume Foundation, Jaquelin	\$510,000	Basic Vegetable company heir
DaimlerChrysler Corporation Fund	\$375,000	Automotive corporation
Merillat Foundation, Orville D. & Ruth A	\$245,000	Cabinet manufacturer founder's widow
Roe Foundation	\$180,000	Builder Marts of American founder
Gerstacker Foundation, Rollin M.	\$160,000	Dow Chemical Chairman (retired)
Prince Foundation, Edgar and Elsa	\$150,000	Prince Automotive founder's widow
DeVos Foundation, Richard and Helen	\$130,000	Amway founder
DeVos Foundation, Douglas & Maria	\$120,000	Current Alticor (Amway) Co-CEO
DeVos Foundation, Dick & Betsy	\$105,000	Rep candidate for Gov./former State Rep. Chair
Walton Family Foundation	\$100,000	Wall Mart heirs
DeVos Foundation, Daniel and Pamela	\$85,000	Amway founder son, CEO DP Fox Ventures
Strosacker Foundation, Charles J	\$68,750	Dow Chemical Board member
Chase Foundation of Virginia	\$62,150	JP Morgan banking heirs
Koch Charitable Foundation, Charles G.	\$60,000	Oil corporation heirs
Castle Rock Foundation	\$50,000	Coors founder's son
Hickory Foundation	\$50,000	Investment company founder's former wife
Scaife Foundation, Sarah	\$50,000	Mellon industrial, oil and banking heirs
JM Foundation	\$45,000	Borden Milk Company heirs
Humphreys Foundation, J. P	\$40,000	TAMKO roofing, composite decking founder's wife
Perrigo Company Charitable Foundation	\$36,000	Over-the-counter drug manufacturer
Donner Foundation, William H.	\$30,000	Heirs of Union Steel Co. founder
General Motors Foundation	\$30,000	Automotive corporation

⁵ IRS Form 990, 2001 to 2010, filed by each foundation

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Broad Foundation, Eli & Edythe	\$27,500	Homebuilding and retirement
Hansen Foundation, Robert and Marie	\$25,000	Cogen Technologies founder (energy cogeneration)
Dart Foundation	\$20,000	Founder of Dart Container Corp
Van Andel Foundation, Jay and Betty	\$20,000	Amway founder widow
ExxonMobil Foundation	\$10,000	Oil corporation
Gelman Educational Foundation	\$10,000	Gelman Instrument Company
Schiavone Family Foundation	\$10,000	Construction company investigated for organized crime connections
Heritage Mark Foundation	\$7,000	Christian causes, emphasis on evangelism
Hanover Insurance Group Foundation	\$5,500	Insurance corporation
Pope Foundation, John William	\$5,500	Variety Wholesalers retail chain founder
Beach Foundation	\$5,000	
Brandon Foundation, David A.	\$3,500	Former Domino's Pizza CEO
Kelly Services, Inc. Foundation, MI	\$3,500	Staffing corporation
Ann Arbor Area Community Foundation	\$2,000	Community Foundation
Aequus Institute	\$1,000	Free Market/Christian Science Advocacy
Bretzlaff Foundation, Hilda E.	\$1,000	
Fisher Foundation, Max M. and Marjorie S	\$1,000	Gas stations and real estate
Staley Educational Foundation	\$1,000	

These contributions total \$12,109,700; the remaining revenue for this period, \$31,422,144, was provided by other undiscovered foundations, or entities that are not required to file statements with the federal government: individuals and corporations. The Mackinac Center has refused to disclose either individual or corporate donors. Refusing to release corporate financing sources prevents outsiders from drawing connections between the business of these corporations and the research conclusions and opinions the Center reaches.

In *Strategic Grantmaking, Foundations and the School Privatization Movement*, Richard Cohen estimates that one-half to two-thirds of all corporate grantmaking is: “made through the CEO’s office or the marketing department, for which there is no public disclosure requirement.”⁶

Staff Compensation

Those working for the Mackinac Center are well compensated. The chart below lists the 2005 and 2006 total compensation for officers and highest paid five employees, including benefits contribution and expense accounts:

⁶ *Strategic Grantmaking, Foundations and the School Privatization Movement*, The National Committee for Responsive Philanthropy, 2007, p. 18

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		2005	2006
Lawrence Reed	President	\$168,452	\$148,206
Joseph Lehman	Executive VP	\$116,559	\$129,594
Kendra Shrode	Assistant to VP		\$65,251
Thomas W. Washburne	Director		\$125,385
Thomas A. Schull	Senior Editor (formerly Detroit News Editorial Board)	\$100,959	\$100,385
Patrick J. Wright	Sr. Analyst		\$100,385
Diane S. Katz	Director science, environment and technology (formerly Detroit News Editorial Board)	\$101,316	\$99,943
Russell Harding	Senior Environmental Policy Analyst (former Engler DEQ Director)	\$94,851	\$99,884
John E. Coonradt	VP Advancement (fundraising)	\$104,380	\$12,534
Christopher Bachelder	Director Advancement (fundraising)	\$87,059	
Stephen Frick	Manager of Information Systems	\$72,059	

Source: Mackinac Center IRS 990, 2005, 06

The Center no longer reports the income of its directors. It's more recent federal tax returns included only three:

		2009
Joseph Lehman	President	\$155,906
Lawrence Reed	President Emeritus	\$40,776
Justin Marshall	VP Fundraising	\$37,395

Source: Mackinac Center IRS 990 2009

Programs

The Mackinac Center serves its mission in many ways, primarily by spreading its free-market message in as many forms as possible. This message is consistently expressed through its publications that serve both the business interests of its corporate sponsors as well as the philosophical goals of its conservative foundation backers.

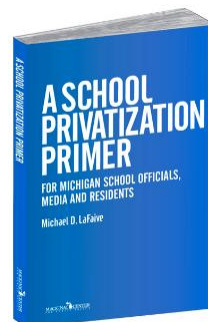
Privatization

Privatization, long one of the Mackinac Center's favorite causes, continues to be its central issue. The original project funded by the Cornerstone Foundation was a 1987 study entitled "The Michigan Accident Fund: A Need for Privatization." The following year the Accident Fund, a state agency selling workers' compensation coverage to businesses, contributed \$5,000 to the Mackinac Center. The Accident

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Fund was privatized in 1994. Dykema Gossett was awarded a \$250,000 contract to guide sale.

Since then, the Center's attention has shifted to the privatization of the two most unionized sectors of state government: state employees and public schools. It publishes *A School Privatization Primer*, which includes sample RFPs, lists of privateer companies, and privatization campaign strategies.



It suggests that school boards may want to "... work behind the scenes long before they announce their intentions to contract a particular service." It describes one such successful campaign:

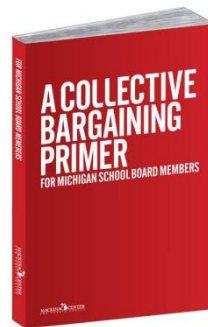
In the Berrien County Intermediate School District, one official quietly issued a formal RFP and received proposals from vendors before the union that represented the area's school transportation employees knew the process had begun. The result was that the ISD board held only two meetings packed with angry employees, their families and friends, instead of nine or 10 meetings, as has been the case elsewhere.

Over the years, the Center has actively advocated school vouchers and the privatization of Amtrak, the state's prisons facilities and the University of Michigan. It responded to the tuition increase that would privatization would cause: "Tuition hikes could actually help those students who truly need help — by enabling the school to offer greater outright gift aid and tuition reductions to students from low-income families, as is often the practice at private universities"⁷

Labor Activism

The Mackinac Center also has focused its attention on labor issues. Robert P. Hunter, a Reagan NLRB appointee, served as the Center's Senior Fellow in Labor Policy until 2003. Soon after joining the Mackinac Center, Governor Engler appointed Hunter to the Michigan Civil Service Commission. Also a former Republican Senate staff member and Washington, D.C. lawyer, Hunter now is regional director of the Federal Labor Relations Authority and an adjunct scholar at the Mackinac Center.

In the fall of 1998, Hunter, representing himself as the agent of dissatisfied employees, signed and submitted a decertification petition for the Branch County ISD Head Start staffers. The MEA response summarized the gains the local had made since voting to certify the union in 1994 and provided the employees with a study published in 1993 by the Mackinac Center that recommended the end of all Head Start programs in Michigan. In the resulting decertification election, the union prevailed 30-16, a larger margin than the original vote to unionize.



⁷ Privatize the University of Michigan, Viewpoint on Public Issues, March 1, 2004

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The Center's Labor Policy Initiative professes to "offer advice and assistance to policy makers, school board members, school administrators and individual teachers as they try to work within a system of labor management designed for industry in the mid-1930's." The Center publishes *A Collective Bargaining Primer*, which informs readers that:

Unions do not necessarily represent the best interests of their rank-and-file members, nor do they act according to the wishes of their members.

While unions may, at some level, care about the education of children, board members should remind themselves that the union representatives engaged in negotiating are paid professionals ... the board should consider hiring a professional negotiator if finances permit.

...collective bargaining seldom has much to do with quality education. That may have been the case in the earlier days of collective bargaining, but today it has evolved into primarily what is best for the union and to a slightly lesser degree, the employee.

...collective bargaining is poorly suited for educational institutions and works to the detriment of students and teachers alike.

The Center has also made a continual pursuit of initiatives to limit union political spending and to attack mandatory union membership policies. In 2011, for the first time, it publicly admitted that it favors the outlawing of public sector unions⁸:

Mackinac Center Director of Labor Policy Paul Kersey recommends four basic reforms. Starting with the most beneficial:

- Prohibit government collective bargaining. This was FDR's position on government unions and it is the law in several states.
- Permit collective bargaining only at the discretion of local government officials. Negotiations should be win-win, or no deal.
- Initiate "open government employment," where government cannot fire a teacher or other worker who does not support a union or follow union rules.
- Institute other reforms such as suspending bargaining and contracts during strikes or emergencies, prohibiting government from collecting dues on behalf of unions and confining union negotiations to wages only.

⁸ *A Good Start, Policymakers. Now Time for the Heavy Lifting*, Viewpoint on Public Issues, July 4, 2011

(The Center’s assertion that Franklin Delano Roosevelt opposed government employee unions is incorrect. He in fact supported public employee unions; he opposed only strikes by those unions.⁹)

A 2011 fundraising letter from the Center pleaded for funding to support its policy initiatives as a method to break public school unions:

We’ll continue to support school choice and push new measures such as unlimited charter schools, a universal education tax credit, and virtual learning *as ways to challenge and end the union monopoly on our classrooms.*” (emphasis added)¹⁰

The Center has long advocated a Right to Work amendment to the Michigan Constitution, including offering model legislation and supporting research written by it and other conservative think tanks.¹¹ A legislative solution presented itself in 2012 when the Michigan Republican party controlled both legislative houses as well as the Governor’s office.

In late 2012, the Republican Michigan legislature, together with Republican Governor Rick Snyder, passed and signed into law a Right to Work bill.¹² Since his election in 2010, the Governor had assured the public that the bill was not on his agenda:

Right-to-Work Dashboard
Economic indicators showing how Michigan fares against right-to-work states.

Right-to-Work FAQ
A question-and-answer session for what a right-to-work law is, what it means for union members and nonunion members, and how it affects the economic climate of states that have adopted right-to-work legislation.

A Model Right-to-Work Amendment
This policy brief discusses several foundational legal concepts and sets forth model language for a legally sound right-to-work amendment to the Michigan Constitution.

At a press conference the day after the [2012] election, the GOP governor said he does not want to interfere with the Michigan “tradition” of collective bargaining and he wants to avoid “divisive issues” such as right to work.

“As a practical matter,” he said, “I’ve said that was not on my agenda for the last three years and I don’t see any reason why I should change that approach.”¹³

Those assurances were especially significant during the 2012 campaign, as the Michigan ballot included a provision protecting collective bargaining rights. Proposal 2 would have had the effect of invalidating any Right to Work law. The assumption that a such a bill was not on the Governor’s agenda likely encouraged many voters, particularly non-union voters, to help defeat the measure.

⁹ *Letter on the Resolution of Federation of Federal Employees Against Strikes in Federal Service*, American Presidency Project: Franklin D. Roosevelt

¹⁰ Fundraising letter, Mackinac Center for Public Policy, April 20, 2011

¹¹ *Right to Work Resources*, retrieved October 23, 2012, from www.mackinac.org/16278

¹² Public Act 348 of 2012.

¹³ *Conservative political group pressures Gov. Rick Snyder to pass right to work bill*, The Oakland Press, November 16, 2012

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The Governor reversed his position in the final days of the 2012 legislative session. The entire legislative process occurred in 5 days although the Michigan Constitution requires that each house consider a bill for 5 days¹⁴. The legislation passed with no public hearings and with voting taking place while the Capitol building was locked. Its provisions barred public referendums on the bill and required lawsuits be filed in courts whose judges are appointed by the Governor. The Governor also signed a separate bill to heavily restrict any recall petitions filed as a result of the legislation.



During this process, the Republicans defended the Right to Work legislation as advancing “worker freedom.” After enactment it was justified as a way to draw new jobs to the state thanks to a new pro-business climate. This suggests the bill was intended to appeal to businesses preferring weaker unions.

Media reports suggested the sudden movement was the result of promises made by Mackinac Center board member and funder Dick Devos. In order to convince some wavering Republicans to support the bill, Devos promised to fund them in any recall filed against them, and to fund a primary opponent if they voted against the bill.¹⁵

But the Mackinac Center’s ultimate goal has been clear since November of 2011. At that time a series of emails became public¹⁶ exposing an exchange between State Representative Tom McMillan and several Mackinac Center staffers, debating the content of legislation then before the Michigan House. That bill, Senate Bill 7, was represented as a way to shift more of the cost of health care benefits to school employees.

From: "McHugh, Jack" <McHugh@Mackinac.org>
To: TOM MCMILLIN <tom_mcmillin@sbcglobal.net>
Cc: "Van Beek, Michael" <VanBeek@mackinac.org>; "Hohman, James M." <Hohman@mackinac.org>; "Braun, Kenneth M." <Braun@mackinac.org>
Sent: Wed, June 1, 2011 11:29:22 AM
Subject: RE: MESSA is state's largest VEBA! (And beware OPEB "VEBA")

I personally think 20 percent is OK, because it changes the employee incentives (and we *do* believe in incentives!)

But a hard cap is OK too.

Do we care who runs the operation? Maybe, for this reason: **Our goal is outlaw government collective bargaining in Michigan, which in practical terms means no more MEA.**

I'm reminded of our calls to eliminate ISDs (and Ruth's work to expose them): The legislature keeps giving them more things to do, making it ever more difficult to abolish them.

¹⁴ Michigan Constitution, Art IV, Sec 26.

¹⁵ *Wisconsin anti-union group helping fund Right to Work for Less drive in Michigan*, Eclectablog, December 10, 2012

¹⁶ *MEA: Email with lawmaker shows Mackinac Center 'nothing but a front for corporate special interests'* Grand Rapids Press, November 28, 2011

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The emails revealed the motivation behind the bills, rather than saving school district budgets, was to so weaken the MEA as to destroy it: “Our goal is [to] outlaw government collective bargaining in Michigan, which in practical terms means no more MEA.” They also serve to illustrate the Mackinac Center’s endgame: banning all public sector bargaining rights in Michigan.

The emails also called into question the Mackinac Center’s non-profit status, based on its repeated declarations to the IRS that it does not engage in lobbying. According to its federal tax returns, its activities are tax exempt because it is:

Conducting policy research on matters affecting Michigan residents and proposing approaches to public policy issues consistent with the traditional American values of free-markets, limited government, and respect for private property...¹⁷

In order to retain this tax exempt status, the Center states that it has not:

... attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum.¹⁸

The Mackinac Center encourages lobbying by other conservative think tanks. The Center is a member of the State Policy Network (SPN), a network of state-based think tanks patterned after the Heritage Foundation. Mackinac Center President Emeritus Lawrence Reed served on the SPN Board of Directors. The SPN web site, in a section devoted to forming new conservative think tanks, offers a lobbying handbook.

¹⁷ IRS Form 990 (2005), p. 3

¹⁸ IRS Form 990 (2005), Schedule A, p. 2



How to Start and Grow a Think Tank

Grassroots Leadership Guide to K-12 Education Reform

Prologue

Decide What Type of Organization You Want to Become

Building and Maintaining an Effective Board

Get Things Up and Running

Legal Reference Material

Organize Your Staff and Volunteers

Examples of Programs and Operational Materials

Building Coalitions

Getting Your Message Out: Media Relations

Talking with Legislators

How to Lobby Your Legislator

Compiled by the Alliance for School Choice

Contact them

Legislators are often like the Maytag repairman.

- If they get a dozen calls or letters on an issue it's like a revolt. You have more clout than you know.
- There are some exceptions like the property tax freeze and same sex marriage, but on most issues legislators get almost no contacts from real people.

The more personal the contact the better.

- Legislators get pretty good at ignoring pre-printed postcards and form letters.
- Individual letters, personal calls or visits carry much more weight.

The Legislative Hotline is not 911

1. Don't call only when you're in trouble
2. Establish a personal relationship

- Invite your legislator on a tour
- Show up at office hours
- Show up at the legislator's events
- Volunteer to work with your legislator

The facts beat money or drinks

1. Establish credibility through your existing relationship
2. Present your case in a well-summarized factual way
3. Never lie. Credibility is hard to gain but very easy to lose.
4. Anticipate problems and responses. Show that you understand the choice you

SPN was founded in 1986 by Heritage Foundation founder Thomas Roe. SPN serves as a clearinghouse for policy papers, speeches and other material:

A condition of SPN membership that Roe absolutely insisted upon was that think tanks send copies of all of their printed material to their sister organizations. “We still do it today,” says Lawrence Reed, president of the Mackinac Center [and an SPN founder] “It keeps us knowledgeable about what everyone else is doing, it keeps us talking, and it stops us from reinventing the wheel over and over again.”¹⁹

This allows each member to reissue another member’s material as its own research product.

The State Policy Network and its members are barred by federal law from engaging in lobbying, but it boasts that: “Leaders of State Policy Network think tanks are currently advising new governors in states like South Carolina, Florida, Maine, Washington and Georgia, and staff members ... served on gubernatorial transition teams in 30 states.”²⁰

Public Education

Over the years the Mackinac Center’s willingness to advocate for the end of public education has grown more direct and increasingly frequent. Long a hero of free market conservatives,

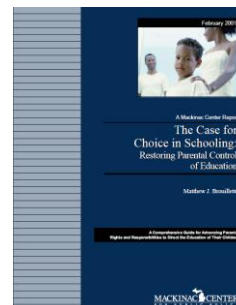
¹⁹ *Safeguarding a Conservative Donor’s Intent: The Roe Foundation at 39*, Capital Research Center, May 2007

²⁰ *State Policy Network, Background*, retrieved October 23, 2012, spn.org/about/page/background

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Milton Friedman is often the go-to economist for free market solutions. The Center sources Friedman for the ultimate school choice policy:

Friedman argues that government should maximize all citizens' access to quality private education by providing free-market, or universal unregulated, vouchers of minimal but equal value to all parents of school-aged children. Under this plan, current government-run schools also would be converted to privately run schools.²¹



Center officials are now willing to publically state their opposition to public schools. Board member and founder D. Joseph Olson “doesn't believe government should be involved in education ... although he admitted it wouldn't be possible to get rid of [the] current public education system.”²²

Nevertheless, the Center continues to work toward this ultimate goal by making continual progress through new legislation. These include legislation introduced in the Michigan Senate on , unlimited charter schools (SB 618); unlimited cyber schools (SB 619); converting public schools to charters (SB 620); and unlimited, mandatory school choice (SB 624).

Mackinac Center President Joseph Lehman wrote in 2010 that public school vouchers, which divert public school funding to private schools, can be enacted even when the economy is stalled:

School choice has a hard time penetrating the din of bad economic news. That will remain true until we start framing school choice in one additional way. Choice is more than just a way to get kids into better schools, as important as that is. It's also a way to fix the state's budget problem.

Charter schools give us a hint of what's possible. The average charter school educates a child for \$2,000 less per year than the conventional public schools.

But that's the tip of the savings iceberg. Vouchers and education tax credits have even more power to save money. Here's how that works. The beauty of a voucher or education tax credit is that the money follows the child to the school of choice. A well-designed voucher or credit might be for half of the state's annual per-pupil aid of \$7,000. That's \$3,500 that would help offset the tuition costs for a student to attend a private school.

Lehman then equates school employee unions and public schools as allies in the greater problem:

²¹ *The Case for Choice in Schooling: Restoring Parental Control of Education*, The Mackinac Center for Public Policy, Matthew J. Brouillette, February 2001.

²² *Genoa resident one of the founders of Mackinac Center*, supra

The system of unionized public schools is a compound monopoly — *a monopoly labor provider on top of a monopoly education provider*. That combination generates cash for the union far beyond what's possible if money follows children to non-unionized schools.

Yet I believe this is a battle we will ultimately win. Choice is growing in other states. The flaws in today's school system are more apparent to everyone every year. And policymakers are more open than ever to any idea that helps balance the state budget. The idea of school choice is no more controversial than tax deductions we already get for private preschools, or government tuition grants we already get for private colleges. (*Emphasis added*)²³

While unions have long been the Center's primary target, public schools are rapidly moving up its agenda.

Other Publications

Much of the Mackinac Center's success is due to its public relations savvy. Its president emeritus, Lawrence W. Reed, a former college economics professor, has alone authored or contributed to more than 800 newspaper columns and articles in the last 10 years. The subject is nearly always anti-union:

To regain some of its economic health, Michigan needs to attract different industries, such as alternative fuel production, health care and tourism. But right-to-work proponents say the strong union presence keeps new industry away. A weaker union base would help attract more businesses, they argue.

"We've got to do something bold, something dramatic," says Lawrence Reed, president of the Mackinac Center for Public Policy, a conservative think tank in Michigan that promotes business interests. "This is the one best thing that can break the perception around the country that Michigan doesn't have a friendly work environment. Nothing would do that better than a right-to-work initiative."²⁴

More often than not, its anti-union target is the MEA. In fact, "Michigan Education Association" or "MEA" appears 3,850 times on the Mackinac.org site.

The Michigan Education Report, which downplays its Mackinac Center roots, is reportedly mailed to every public school teacher in the state, although the Center admits it has only 10,000 "subscription requests." It routinely includes stories critical of unions in general and the MEA in particular.

Although it is written with a less slanted tone than other Mackinac Center publications, its choice of



²³ *School Choice Ahead, Education Reform in a Fiscal Crisis*, retrieved October 23, 2012, .mackinac.org/12334

²⁴ *Unions try to hang on as open-shop laws gain ground*, USA Today, July 25, 2007

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subject matter serves the Center's objectives. Past articles included²⁵:

Parental satisfaction higher in private schools

How tax credits and vouchers work

Privatization numbers up again

The myth of the highly qualified teacher

Labor contract Hurting Michigan Teachers and Schools

High School Debate Workshops

The Mackinac Center offers a high school debate team seminar program, in order to spread its free market message to the youngest listeners possible. It does this in association with Seattle-based E Pluribus Unum Films and its Economic Thinking program. Economic Thinking runs debate programs, including debate preparation workshops, around the country. Its mission statement states that it intends "... to inspire students to explore the dynamics of a market economy through understanding the central role of economic freedom, property rights, and the rule of law..." It goes on to say: "The core of Economic Thinking is developing connections between free market groups and high school and home school students..."

Economic Thinking [seminars, workshops, and guest talks](#) connect high school, homeschool, and college students directly to leading scholars from well established free-market groups. We target speech and debate students because they invest large amounts of time and intellectual energy in researching public policy issues, and put their newly learned ideas to work in debate arguments and cases. Speech and debate students are "idea" leaders among their peers, and continue to influence others through college and in their professional careers. We are working with speech and debate clubs nationwide to deepen the discussion of debate policy topics.

An E Pluribus Unum
Films program
*Education in America: A
Public Right Gone
Wrong* aired in January
2000. In 2006, E

<http://www.economicthinking.org/about/in 1>

Pluribus forwarded \$349,200, about half of the grants that made up 99% of its revenues that year, to Washington, D.C.-based Manifold Productions. Two of Manifold's past productions include: *Hollywood vs. Religion*, hosted by Michael Medved; and *Campus Culture Wars: Five Stories about Political Correctness*.

Manifold is directed by conservative Republican Michael Pack, who resigned from the Corporation for Public Broadcasting in February 2006, the last in a series of departures of conservatives officials hired in an effort by to bring what was viewed as more balance to public television.

²⁵ *Michigan Education Report*, September 16, 2008

Research

In 2001, researchers Peter Cookson, Jr. Ph.D. and Katie Embree Ph.D. of Columbia University, and Alex Molnar, Ph.D. of Arizona State University, reviewed the Mackinac Center's research on education issues. Funded by the Great Lakes Center, which is in turn funded by the National Education Association and its 6 Midwest affiliates,²⁶ the authors found that in only one case did the Center's research reach a quality sufficient to be considered for publication in a peer-reviewed academic journal.²⁷ The authors found:

“Mackinac Center research is often of low quality and because of this it should be treated with considerable skepticism by the public, policy makers and political leaders. Indeed, much of the work of the Mackinac Center may have caused more confusion than clarity in the public discussion of the issues that it has addressed by systematically ignoring evidence that does not agree with its proposed solutions.”

The study went on to say: “Center reports tend to use social science language without proper social science methods in a way that gives the appearance of social scientific legitimacy to the Center's preconceived beliefs and ideas.”²⁸

Expansion

The State Policy Network, together with the Mackinac Center, serves to coordinate resources among member think tanks as well as to recruit and train new conservative, free market think tanks.

These organizations, whose boards are composed of businessmen and women rather than scholars, refer to themselves as “think tanks” in order to create a perception of detachment. As a result, they are taken more seriously in legislative arenas and in the media than corporate presidents and their lobbyists. As the *Atlantic Monthly* once pointed out: “The beauty of it all was that thinkers come cheaper than lobbyists.”²⁹

²⁶ http://greatlakescenter.org/About_Us.php

²⁷ *Let The Buyer Beware*, Cookson, Molnar and Embree, An Analysis Of The Social Science Value And Methodological Quality Of Educational Studies Published by The Mackinac Center for Public Policy (1990-2001), September 2001, p.2

²⁸ *ibid.* p. 29

²⁹ *Ideas Move Nations, How conservative think tanks have helped to transform the terms of political debate*, Easterbrook, *Atlantic Monthly*, January 1986, p. 69



For over ten years the Mackinac Center hosted a conservative think tank school, attended by conservatives from other states interested in establishing think tanks of their own by using the Mackinac Center’s publications, speeches and other resources. It operated as a conservative think tank franchise operation, with centers located in most states and 37 countries. Some of these state organizations are staffed by a single person. The various members of the State Policy Network routinely share and re-label publications, speeches and press releases.

The Bluegrass Institute, located in Bowling Green, Kentucky, was founded four years ago by Christopher J. Derry after he attended the Mackinac Center think tank school. It was once referred to as a “conservative propaganda mill” by the state’s largest newspaper. “This is like a franchise,” Derry said. “I saw that I could recreate what the other state groups are doing.”³⁰

The Bluegrass Institute has since grown to employ four people, but lists 43 authors on its web site, including Mackinac Center President Lawrence Reed, a litany of staffers from other conservative think tanks as well as ABC News reporter Jon Stossel.

The Mackinac Center has developed expertise in the art of fundraising. Through the State Policy Network (SPN), the Center has made available a guide to fundraising which suggests a flexible approach to the truth. As well as requesting funding from conservative foundations, it recommends donning mainstream foundations to fund an “internship program” using a vaguely worded proposal that avoids any mention of the Center’s philosophical mission:

³⁰ Right-of-Center Guru Goes Wide With the Gospel of Small Government,” The New York Times, November 17, 2006

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Raising funds from individuals and organizations that are philosophically neutral to not philosophically-aligned with your mission is possible. Without question, how a program or project is described is important, as is having goals, yardsticks and results. The following grant request for an internship program extols the benefits of the program for the interns, as well as the organization, in non-philosophical language. (SPN Leadership Training Series, *How to Start and Grow a Think Tank*, www.spn.org)

The State Policy Network goes further: it suggests that when requesting funding from corporations, one should point out the connection between corporate donations and the marketplace financial return they can expect: “It’s up to you to demonstrate that you’re not just a worthy organization with good ideas, but an effective partner that delivers bottom-line value for long-term benefit.” The article also suggests that one guard against leaving the impression that “a supportive report on a donor’s issue must mean your opinion has been „bought“.” It blames a “cynical press” for spreading this view.³¹

Summary

The Mackinac Center receives attention not because of its objective scholarship but because it showers the media and governmental officials at all levels with publications designed to promote a conservative agenda. It is undoubtedly a very effective conduit for the policy wishes of its sponsors. It has shown great resourcefulness in creating new ways to spread its message. Between its presence in the Michigan Legislature, its many publications, news releases, its web site and conferences it might seem to be spreading its message in every way possible, but it continues to find new outlets:

- It recently sponsored a contest to reward a student essay that best “exposes a scientific fallacy in a book, movie, song or other pop culture medium.” It later awarded first place to an entrant who established that the Disney animated movie “Little Mermaid” lacked scientific basis.³²
- A new program “Students for a Free Economy” will visit Michigan colleges and universities “taking policy ideas to students ... who may be unfamiliar with the ways that markets affect their lives and the issues they care about.”³³
- It’s Freedom in Fiction Prize competition offers \$10,000 to the new book author who creates:

...characters that demonstrate an appreciation for liberty, free markets and/or explicitly or symbolically oppose government oppression or restraints on their freedom...

But the book must not:

³¹ SPN News, Spring 2002

³² *Contest Winner Takes on Disney, “Little Mermaid” Exposed as Scientific Fallacy*, retrieved October 23, 2012, mackinac.org/article.aspx?ID=8870

³³ *Mackinac Center Launches University Campus Project*, retrieved October 23, 2012, mackinac.org/article.aspx?ID=8959

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...advance themes or characters who promote government-sponsored solutions; vilify entrepreneurship; degrade personal initiative, self-reliance and responsibility, or regurgitate discredited myths and misconceptions about liberty and free enterprise...³⁴

Thanks to its long-standing policy of not disclosing its corporate backers, the public may never know what organizations have had such a long term effect on the formation of public policy in Michigan.

³⁴ *Freedom in Fiction Entry Form*, retrieved October 23, 2012, mackinac.org/archives/2007/freedom_in_fiction_entry.pdf