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Study: \$601 Million Per Year to Teach Grads Basic Reading and Math

Economic, Human Cost of Remedial Education Borne by Business, Higher Ed, Students

Truly improving educational quality for Michigan students means more than just putting out policy studies, reports, and commentaries and hoping they will be read and acted upon by the right people. It often means taking the latest research to the public square where it can be presented personally to a wide cross-section of policy makers, community leaders, and concerned citizens.

This was the strategy pursued by the Mackinac Center for Public Policy's education policy team with its groundbreaking new study, *The Cost of Remedial Education: How Much Michigan Pays When Students Fail to Learn Basic Skills*.

The 38-page study—released in September and mailed to state and local education officials, journalists, and key opinion leaders—quantifies for the first time ever the economic costs incurred when students leave high school without having learned basic reading, writing, and math skills. Study author Dr. Jay P.

Greene of the Manhattan Institute for Policy Research, employs five different strategies to conservatively estimate that Michigan businesses, colleges, and universities spend \$601 million each year to teach employees and students skills they should have learned in high school.

"The financial costs to provide remedial education are high, but the *human* costs of students failing to receive minimal skills are even higher," said Greene.

What do these findings mean for Michigan students and the businesses that employ them? To answer that question, Mackinac Center Director of Education Policy Matthew Brouillette and Education Research Assistant Elizabeth Moser organized a series of public forums to discuss the study's findings with Michigan business leaders, primary and secondary school educators, and college officials.



Central Michigan University President Emeritus Leonard Plachta discusses the findings of the Mackinac Center's latest study before a Grand Rapids audience of educators, journalists, and citizens.

The September forums convened in six cities across the state, including Grand Rapids, Saginaw, Lansing, Ypsilanti, Traverse City, and Southfield (see page 5 for media coverage). Expert panelists and local citizens debated and discussed the study's recommendations for dealing with the growing need for, and cost of, remedial education. Those recommendations included See "**Remedial**" on page 4

"Visiting the Mackinac Center was a great pleasure for me, and not only because its president is an alumnus of Grove City College. I knew of the Center's reputation as the leading state-based think tank and of the great influence it wields." —Dr. John Moore, president of Grove City College. See story on page 10.

IMPACT!

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Persistence Pays



Lawrence Reed
President

Some call it persistence. Others call it “stick-to-itiveness.” It’s a virtue, whatever name you want to give it, and it describes much of the work of the Mackinac Center for Public Policy.

If we measured our success simply by how much paper we pushed out the door—regardless of who read it or what impact it had—we would hardly be worth your investment. Likewise, if we issued a study or commentary on some issue only to subsequently drop the subject, we would rarely make a difference in the public policy debate and you as an investor would have good reason to lose interest in what we do.

We know that for good ideas to prevail, it’s not enough to present them once and walk away. Our 13-year history is loaded with examples of our persistence in keeping an idea alive, convincing an ever-larger audience of its merits, and ultimately seeing it become a mainstream reality.

Perhaps no area of study better typifies this than education reform. We urged Michigan to adopt charter schools in 1989, when only Minnesota had them and hardly anyone had heard of them in Michigan. Likewise, school choice. As early as 1990, the Mackinac Center began building a case for broader choice within the public schools and ultimately more freedom to choose private schools as well. Dozens of our studies, commentaries, and public events have since helped to bring about the great progress we’ve seen on these critical issues.

We started *Michigan Privatization Report* nearly seven years ago to spur greater interest in the privatization option for local government. We’ve published it faithfully ever since, mailed it to 15,000 officials across the state every quarter, and supplemented it with numerous studies and columns. Today, privatization is very much a mainstream and even bipartisan policy.

Long-time members of the Mackinac Center know that labor reforms have been high on our agenda for years. Because of the power of special interests, many necessary reforms are still to be realized. But our members also know that we’ve put these reforms on the Lansing radar screen. Repeal of Michigan’s onerous Prevailing Wage Act, as well as enactment of “paycheck protection” and right-to-work, will happen in the not-too-distant future. When they do, it will be because we had the tenacity to assure that good ideas secured the attention they deserve.

Winston Churchill put it best during World War II when he urged the British people, “Never give in. Never, never, never, never! Never yield in any way, great or small, except to convictions of honor and good sense.” Like Churchill, we at the Mackinac Center aim to win and, with your continued support, we most assuredly will.!

Lawrence W. Reed

We know that for good ideas to prevail, it’s not enough to present them once and walk away.

Business Leader Haworth Joins Board

Richard G. Haworth of Holland has joined the board of directors of the Mackinac Center for Public Policy. He is chairman of the board of Haworth, Inc., one of the world's largest manufacturers of office furniture.



Haworth has led the company founded by his father in 1948 to its current position as the world's second largest designer, manufacturer, and marketer of office furniture. The company's success supports the Haworth family's commitment to education, which over the years has included numerous personal and corporate gifts to furnish schools and provide college scholarships.

Reed, the Mackinac Center's president.

Haworth has served in various capacities at the family-owned Haworth, Inc. since 1964. In 1976, he became the company's president and chief executive officer and has served as chairman of the board since 1994. His talent and dedication have helped lead the company's progress from a single product line with sales of \$10 million and 225 employees to today's broad-based, multi-product firm with sales of \$1.58 billion and 14,000 employees worldwide. He is a native of Holland and sits on the board of trustees of Western Michigan University in Kalamazoo.

"The Mackinac Center is on the cutting edge of policy

work in education reform, labor law, privatization, and economic development. It sponsors some of the best and most effective programs to explain how free enterprise and the marketplace work for the benefit of everyone. I am proud to be a part of the organization and look forward to a future of great growth and impact," said Haworth.

Founded in 1987, the Mackinac Center is the largest of America's almost 40 state-based public policy think tanks. The Center's annual budget of nearly \$3 million supports a staff of 26 professionals and over one million pages of studies, commentaries, and reports each year.!

Haworth brings to his leadership role at the Center several decades of managerial experience as well as a keen desire to promote and expand economic freedom and opportunity for all Michigan citizens.

"Dick Haworth has been a valued advisor and a strong supporter for several years and his participation as a director will be of enormous benefit," said Lawrence W.

U.S. House Passes Bill Inspired by Center Idea

One Mackinac Center idea took a step toward becoming federal law July 18 when the U.S. House of Representatives approved legislation that gives Americans a more complete picture of what they actually pay to support the nation's two largest government entitlement programs.

The "Right to Know National Payroll Act," sponsored by Rep. Pete Hoekstra of Michigan and passed by voice vote, allows workers to see on their annual W-2 forms the full cost in payroll taxes of Social Security and Medicare. Currently, most workers' pay stubs and W-2 forms divulge only the "employee contribution" to these programs,

which is half of the full 15.3-percent payroll tax.

The bill, reported on the front page of the Aug. 8 *Wall Street Journal*, "requires a full disclosure of all the payroll taxes that are paid on behalf of an employee," explained Hoekstra. "Having employers pay half the taxes without telling their employees is simply a shell game designed to disguise how much the federal government requires from American workers."

The idea that inspired Hoekstra originated at the Mackinac Center for Public Policy in 1996 as the "Right to Know Payroll Form" (RTKPF), a policy recommendation now used in some form by dozens of private-sector and government

employers including the state of Michigan. The original RTKPF also included other hidden costs of government, such as unemployment and worker's compensation mandates.

"People often don't realize the actual costs government imposes through its spending and regulation," said Mackinac Center Senior Vice President Joseph Overton, author of the RTKPF. "Without this knowledge, voters cannot make informed choices about policies that may have detrimental effects on their jobs, families, and standard of living."

PAY SUMMARY		Estimated payroll allocations:	\$4,508.88
Employee:	John Doe	Government cost: state administration cost:	\$5.43
SSN:	000-88-0000	Government cost: medicare program admin. cost:	4.75
Pay Period:	01/01 - 01/01/99	Government tax: unemployment insurance (Fed.):	16.00
		Government tax: employer's contribution (Fed.):	19.68
		Government tax: Social Security: employer's share:	38.83
		Government tax: Medicare: employer's share:	12.29
		Other pay:	2884.87
		Government tax: federal income tax:	105.98
		Government tax: state income tax:	30.45
		Government tax: Social Security: employee's share:	38.83
		Government tax: Medicare: employee's share:	12.29
		Government tax: city income tax:	11.03
		Net pay:	3488.87

Stamp: Manufacturing 9-15 19-99
Pay To: John Doe \$508.87
Six Hundred Eighty Six Dollars and 87/100
73 98612 7-23

A bipartisan majority of congressmen agreed with the Mackinac Center that better informed citizens make better informed voters when it passed legislation to let workers see the real costs of Social Security and Medicare.

At press time, the bill was being considered by the U.S. Senate, where Hoekstra believes it stands a good chance of passage. "I hope we will be able to get the Senate to approve it quickly and the president to sign it so that workers will get this information as soon as next year," he said.!

Public Schools Respond Positively to Competition, Report Says

Competition from charter schools and public “schools-of-choice” is providing Michigan school districts with powerful incentives to improve their educational practices and procedures, according to a report released in August by the Mackinac Center for Public Policy and sent to state and local education officials, legislators, and journalists.

The Impact of Limited School Choice on Public School Districts, authored by Matthew Ladner, Ph.D., president of Capitol Research and Consulting in Austin, Texas, and Mackinac Center Director of Education Policy Matthew Brouillette, examines how increased parental choice in the public school system has spurred districts in



As Michigan citizens prepare to vote on a November voucher proposal that would expand school choice to include private schools, a new report shows that the competition already arising from public school choice is spurring improvements in many districts.

Michigan’s most populous county (Wayne) to focus more on “customer service.”

One of the districts highlighted in the report, Dearborn, faced competition

from four charter schools within the district and additional charter and public schools in adjoining districts, which actively court Dearborn students.

“Rather than waiting for students to leave the district for charter schools or neighboring districts,” says Ladner, “Dearborn created a popular ‘Theme Schools and Academies Program’ which allows schools to develop specialized programs to satisfy the diverse preferences of parents and students.”

As a result, Dearborn schools’ enrollment increased from 14,229 students in 1994-95 to 16,263 in 1998-99, noted a prominent Aug. 11 *Detroit News* feature about the district and the Mackinac Center’s report.

Dearborn is just one example of the positive impact of

competition on Michigan school districts. After decades of plummeting enrollment, the debt-laden Inkster City School District recently contracted with Edison Schools Inc., a New York-based company that manages public schools across the nation. Edison pledged to invest \$4.5 million to wipe out the district’s debt and is working to boost academic achievement and lure back families that have turned elsewhere for their educational needs.

“Competition has been that missing element in most school reform measures,” says Brouillette. “It provides the most powerful incentive for schools to improve while expanding the ability of parents to choose the school that best meets the needs of their children.”

Copies of the 28-page report are available from the Mackinac Center for \$5 at (517) 631-0900 or no charge at www.mackinac.org !

“Remedial” from page 1

- Implementing a rigorous test that all students must pass before they can graduate;
- Offering a sort of “money back guarantee,” whereby high schools pay for some or all of the cost of remedial education for graduates who require it; and
- Allowing families more choices in which K-12 schools their children attend.

Featured panelists included, among others, author Greene; Dr. Don Lubbers, president of Grand Valley State University in Saginaw; Dr. Joseph Champagne,

former president of Oakland University and current dean at Macomb Community College; Mr. Lloyd Reuss, former president of General Motors; Mr. Regan Wieland, CEO of Plyforms, Inc. in Bay City; Dr. Michael Shibley, superintendent of Rockford Public Schools; and Mr. Ryan Donlan, superintendent of Bay-Arenac Community High School, a charter school.

Shibley explained how Rockford, a suburban district near Grand Rapids, already requires its students to pass a reading and math competency test as a condition for graduation.

“We wanted people to have confidence that the diploma actually meant something for the community as well as the employers,” he told audiences in Grand Rapids, Lansing, and Southfield.

Reuss focused on the study’s recommendation for greater K-12 school choice.

“The market is the most flexible arrangement ever devised to satisfy the various needs of diverse customers, whether it be in the automobile business or public and private education,” he said before an audience of Southfield forum attendees.

“Competition is a strong disciplinary force” for schools to improve, he added.

See page 11 for instructions on how to order a copy of the study, or visit www.mackinac.org !

Journalists Get the Policy Scoop from Mackinac Center Experts

Summer is traditionally a slow time for news, but last quarter's media coverage of Mackinac Center for Public Policy activities and ideas continued to sizzle. Here are just a few highlights:

- Mackinac Center Director of Labor Policy Robert Hunter scored a double hit Labor Day weekend with essays on two key labor reform issues. The Sunday, Sept. 3 *Detroit News* published Hunter's op-ed, co-authored with Adjunct Scholar Fred Esposto of Eastern Michigan University, calling for a right-to-work law in Michigan. Meanwhile, the *Lansing State Journal* ran Hunter's argument for a "paycheck protection" law requiring unions to seek permission from members prior to spending dues on politics and other activities unrelated to employee representation.

- *Detroit Free Press* Publisher Heath Meriwether devoted his Sunday, Aug. 27 column to the Mackinac Center's study on the cost of remedial education in Michigan (see page 1). He argued that the study's estimate of \$601 million spent annually by businesses and colleges to teach students basic skills is "a lot of money for doing something that was supposed to get done in kindergarten through 12th grade." Meriwether also plugged the series of public forums on remedial education the Center hosted throughout the state in September. The *Free Press* then ran a Sept. 5 news story again mentioning

the forums, while the *Flint Journal* editorialized on the study Sept. 11, saying those "involved in the educational debate [should] . . . reject no [reform] idea just because it threatens political interests or philosophical biases."

- Numerous newspapers including the *Grand Rapids Press*, *Saginaw News*, and *Traverse City Record Eagle* ran



Lansing's Fox TV affiliate interviews Director of Education Policy Matthew Brouillette about the cost of remedial education in the state of Michigan. In 1998-99, Lansing Community College alone spent \$2.2 million on remedial courses for students who failed to learn basic skills in high school.

stories on the Center's remedial education forums, and the Associated Press carried the story statewide. Television stations including Lansing's Fox and NBC affiliates and Flint's ABC affiliate also covered the forums for their viewers.

- On July 5, Director of Education Policy Matthew Brouillette discussed K-12 school reforms including merit pay for teachers and longer school days on the hour-long

Jimmy Barrett Show on Detroit's WXYT radio.

- The online version of *National Review* magazine ran an Aug. 22 essay by Mackinac Center Research Associate and four-time intern Peter Leeson about the battle between judicial activism and restraint on the Michigan Supreme Court.

- Senior Vice President Joseph Overton took on Michigan Economic Development Corporation chief Doug Rothwell in an Aug. 6 *Lansing State Journal* point-counterpoint feature. Overton argued against the state's unfair practice of providing special tax

breaks to selected firms and championed across-the-board tax relief for all businesses.

- The Sunday, Sept. 24 *Detroit News* published Education Policy Researcher Joshua Pater's article about how Michigan legislators and teachers—whether or not they support school choice for others—are more likely than the general public to send their children to private schools.

- On July 6, President Lawrence Reed explained for listeners of Lansing's WJIM radio how government price-fixing would actually decrease seniors' access to the prescription drugs they need.

- The Sept. 5 *Detroit Free Press* ran Reed's op-ed on "Let Local Votes Count," a ballot proposal that Reed argued would lead to "endless and costly litigation" and "greater interference by local government in [citizens'] lives and businesses." On Sept. 11, Reed debated Scott Schragger of the Michigan Municipal League, a group that favors the proposal, for an hour on WKAR public radio in Lansing.

- Both the *Grand Rapids Press* and *The Detroit News* ran Communications Specialist Sam Walker's August *Viewpoint* questioning a little-known law that requires state approval of the curricula at private ecclesiastical seminaries. State Rep. Robert Gosselin, R-Troy, subsequently introduced a bill to repeal this particular requirement.

- The Sept. 28 Internet edition of the *Wall Street Journal* credited state-based think tanks for developing "the most innovative free-market ideas." Editorial writer John Fund cited the Mackinac Center as being "instrumental" in expanding school choice for parents in Michigan and included a link to the Center's Web site, www.mackinac.org. The online news site WorldNetDaily.com, which receives over 750,000 daily visitors, featured Fund's editorial the next day.!

Lansing Luncheons Keep Mackinac Center Ideas before Capitol Audiences

Labor and education issues took front and center stage this summer for legislators, journalists, and Capitol staffers at three exciting Mackinac Center for Public Policy Issues and Ideas luncheons in Lansing.

On July 19, Mackinac Center Director of Labor Policy Robert Hunter expounded upon the need to reform rigid, Depression-era labor laws that are becoming increasingly incompatible with the demands of a modern economy. Hunter, a former National Labor Relations Board member, explained to a full house of policy makers and union representatives the need for reforms that protect workers' right to control how



Director of Labor Policy Robert Hunter spoke in July about the need for "paycheck protection," a measure that would require unions to ask members' permission before spending dues on political and other activities unrelated to employee representation. Union leader opposition to paycheck protection and other Mackinac Center ideas sparked an April 13 picket of the Center's headquarters.

their dues are spent.

Drawing from a deep well of Mackinac Center labor research, Hunter recommended revising laws that force workers to underwrite the political and social campaigns of their unions, even if workers disagree with those campaigns. He also suggested that workers and employers be free to negotiate flexible "comp-time" working arrangements to

meet the needs of a changing labor force that includes increasing numbers of women with small children.

On Aug. 16, Director of Education Policy and former teacher Matthew Brouillette discussed the findings of a recent Mackinac Center report that shows the positive impact that competition among public schools is having on educational quality in Michigan. Brouillette highlighted the experiences of several school districts such as Dearborn, where officials worked to offer students new and innovative programs in response to competition from nearby charter schools.

Brouillette, who co-authored the report, recommended that school choice be expanded

Four Full-Time Freedom Fighters Join Mackinac Center Team

Four more talented individuals are devoting their efforts full-time to advance individual liberty and free markets as part of the Mackinac Center's growing team of dedicated policy professionals.

Former Mackinac Center Vice President for Communications Joseph Lehman rejoined the staff in September to accept the newly created position of executive vice president. Since last fall, Lehman had been vice president for communications at the Cato Institute in Washington, D.C. Lehman will again oversee publications and media relations, and a staff reorganization will give



Executive Vice President Joseph Lehman refocuses his considerable talents on the state level after working for federal reforms at the Cato Institute in Washington, D.C.

him responsibility for the Center's budget, personnel, and operations.

President Lawrence Reed said, "Joe's five years of success in his earlier Mackinac Center role make him uniquely qualified for

our new position. We're delighted to have him back." *The Washington Post* quoted Lehman as saying, "I regret that I can't work a whole career for both Cato and the Mackinac Center."

Attorney and former legislative staffer Alicia Sikkenga joined the Mackinac Center's Labor Policy Department in August as our new labor policy research assistant. She uses her experience as special assistant to U.S. Sen. Spencer Abraham and law clerk for the Michigan Senate Majority Counsel to research labor and employment issues that affect the rights and responsibilities of Michigan workers. Sikkenga works closely with Director of Labor Policy and



Sikkenga uses her skills as an attorney to research labor law and help inform Michigan's nearly one million union members of their legal rights.

former National Labor Relations Board member Robert Hunter to formulate policy recommendations that promote worker rights over compulsory unionism. She earned her law degree from the Detroit College of Law at Michigan State University.



beyond the public system. Competition among both public and private schools, he told the audience of education officials and policy makers, will result in even more dramatic improvements in education.



Brouillette discusses new research showing that customer service is the watchword for public schools that want to ensure students do not leave for competing charter schools or other districts.

schools fail to teach students basic academic skills such as reading and writing. Greene, author of a new Mackinac Center study on the subject, estimates that Michigan businesses, colleges, and universities spend over \$600

On Sept. 6, Dr. Jay P. Greene provided a crowd of attendees with a first-ever calculation of the cost imposed on Michigan's economy when primary and secondary



Greene's study is the first ever to calculate the economic costs that remedial education imposes on post-secondary schools and employers. The human costs are incalculable, he tells legislators.

million each year on remedial education for their employees and students.

Audience members eagerly picked up copies of Greene's

study, which includes several essays from prominent remedial education experts as well as recommendations to help schools ensure that their graduates attain the skills necessary for fulfilling and productive lives and careers.

Issues and Ideas luncheons are monthly forums designed to offer government

officials a broader philosophical perspective on current topics, emphasizing free-market solutions to important policy questions. !

Tonya Davis is the Mackinac Center for Public Policy's new director of membership development. Davis formerly served as director of corporate and foundation relations at Northwood University in Midland and philanthropy coordinator at Michigan Masonic Home Charitable Foundation. She spearheads the Mackinac Center's efforts to expand the ranks of its membership throughout Michigan and the rest of the country and maintains relationships with current contributors.



Tonya Davis's warm smile is heard by Mackinac Center friends and members when she calls to inform them of our successes at advancing sound policy.

Information Systems Stephen Frick. Frick's extensive experience includes serving as a computer

analyst for the state government in Lansing; as network administrator and systems analyst for the Delfield Company, a food service equipment manufacturer based in Mt. Pleasant; and as a programmer for Mears Engineering in Rosebush.

Senior Vice President Joseph Overton, who has oversight for all Center research and operations, said, "The Mackinac Center provides a unique opportunity for people from diverse backgrounds to pursue their areas of expertise such as policy research, information technology, fundraising, media relations, or writing. They apply their skills to an exciting and worthy cause—to making the



Frick is overseeing a comprehensive Web site redesign that will allow policy makers, journalists, and citizens to more easily access cutting-edge Mackinac Center research.

state of Michigan a better place for current and future generations. This is why we can attract professionals of the highest caliber and why we are Michigan's primary source of free-market oriented innovation and sound policy ideas." !

Tireless Retiree Kent Davis: A Contributor in Every Way

One might think that with a title like “Senior Advisor for Science, Environment, and Technology,” Kent Davis is a paid Mackinac Center for Public Policy professional.

But he’s not. For the past three years, Davis has been volunteering his 36 years’ worth of managerial, technological, and scientific expertise to a cause near and dear to his heart: advancing the ideals of individual liberty and limited government in his adopted state of Michigan.

As part of that cause, Davis has authored a Mackinac Center study on Social Security privatization and

several *Viewpoints* on environmental topics including global warming and “urban sprawl.” He is a frequent guest on radio and television programs and expert panels, speaking on behalf of the Center and in favor of the free-market perspective on key policy issues.

Originally from Oklahoma, Davis retired from the Dow Chemical Company in 1996. He and his wife Dorothyann soon realized their golden years presented a golden opportunity: They could not only contribute financially to the ideas they believe in, but Kent could donate his time working to translate those ideas into concrete policies that benefit Michigan citizens.



Mackinac Center supporter and volunteer Kent Davis poses in the natural environment that his free-market policy research helps to preserve.

Today, Davis has a new title and office and spends several days each week at the Mackinac Center, working to preserve for future genera-

tions the freedom that gave him the many opportunities and benefits he has enjoyed during his lifetime.

“It is important to me to continue to support an organization that is so dedicated and committed to defending and expanding personal liberty and free enterprise,” says Davis. “This is why Mackinac Center staff members better get used to seeing me at the office for many years to come.” !

Giving the Gift of Liberty

Have you done your Christmas shopping yet?

If you’re like most of us, you are probably thinking, “No way! It’s far too early for that; I’ve got plenty of time.” Come December, however, you will probably be kicking yourself for not preparing for the season—also like most of us.

When the holidays do draw near and you are struggling with crowded stores, long lines, and other signs of a thriving economy, pause for a moment and consider the miracle unfolding around you. Crowds and lines may be irritating, but the crowds and lines we experience are far different from those in other parts of the world,

where millions huddle in poverty, often lining up just to eat a meager meal.

With few exceptions, countries where misery and poverty are severe are those where government most pervades society, suppressing citizens’ creativity and smothering their economic opportunities. Human history demonstrates the essential link between freedom and prosperity.

As you put together your holiday gift list, please also remember who is fighting in Michigan to preserve and expand the freedom and opportunity that give us our unprecedented standard of living and make America the envy of the world. That’s the Mackinac Center for Public



Christina K. Smith, Vice President for Advancement

Policy, Michigan’s most powerful voice for the principles that undergird a free society.

But as our forefathers proved with their lives, freedom is not without cost. We are fortunate today that the price of freedom, for most of us, often involves only writing a check, volunteering time, composing a letter to the editor, or speaking out at our local city council or school board meeting. These are the things we must do because, as Jefferson warned, eternal vigilance is the price of

liberty. Financially supporting the Mackinac Center is a proven and effective way to do your part to preserve your birthright of freedom.

There are many ways you can invest in the Mackinac Center: gifts of cash, credit card, transfers of appreciated stock, and deferred gifts are tax-deductible. What’s important is that you remain vigilant in giving the gift of liberty—to your loved ones and to the generations to follow. !

Why Choice Will Improve All of America's Schools

by Joe Klesney

The term “school choice” refers to a general principle of parents having the freedom to choose which school would best educate their children in accordance with their own values. School choice can manifest itself in more than one way—through vouchers and tuition tax credits, for instance—to enable parents to choose which public or private school their children will attend. Though the methods may differ, school choice ultimately represents competition among educational providers—something the current system lacks. Instead, a government-imposed monopoly on education now undermines market efficiency and jeopardizes moral instruction, often resulting in substandard schools, especially in poor and urban areas, which all can agree is tantamount to a crisis.

Freedom is essential to human dignity, and school choice alternatives that permit free exchange and association are more in accord with this dignity. It is

morally troubling to deny certain people educational choices because the government has set aside their tax dollars exclusively for a public school. As the celebrated thinker Frédéric Bastiat stated in his classic book *The Law*, “In creating a monopoly of education, the government must answer to the hopes of the fathers of families who have thus been deprived of their liberty; and if these hopes are shattered, whose fault is it?” At fault is a system of no competition.

The absence of competition is why a government monopoly on education is failing our children. Due to compulsory attendance, government schools rarely need to worry about attracting students, operating efficiently, or being accountable to the public. As long as taxes are being paid, school bureaucracies can count on a constant cash flow. With little accountability, it is no wonder that a significant portion of the budget government school districts spend has little to do with teaching students and a lot to do with bureaucratic administration.

Opening up competition among all schools will help remedy this problem. Schools will then be forced to become more attractive to students, more cost-efficient, and more accountable if they are to remain competitive. If a school fails to accomplish these goals, students will leave that school for competing institutions that provide a better education. This creates incentives for schools to offer innovative services, quality facilities, and excellent academics, for if it does not, its competitor a few blocks away will certainly land more students. Market forces ensure superior products are rewarded and inferior products weeded out. A competitive marketplace for education would be no different.

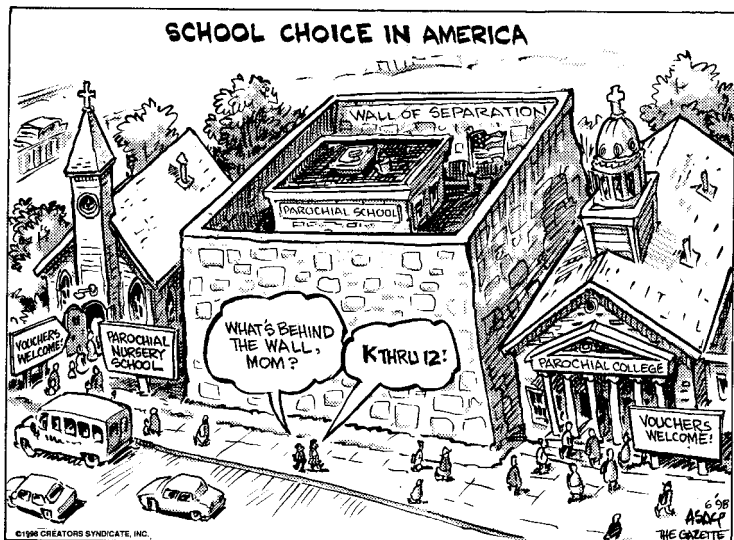
School choice leads to competitive education. Citizens paying taxes on the money they earn should have some say about how that money is applied. Vouchers and tax credits allow parents to do just that by using some of the money collected in taxes for tuition at their preferred school. This is consistent with a moral perspective, as Notre Dame Law Professors Nicole and Richard Garnett point out: “The perceived secular and, at times, overtly anti-religious tone of public education requires that these parents pay what is essentially a tax on their religious objections. They pay tuition to a private school in addition to the taxes they already pay to support government schools.”

Opponents of school choice often claim that it will

destroy the public schools, as they think students will leave for private options. Notwithstanding the pure irony of this argument (in his 1994 book *School Choice*, David Harmer writes: “If students can’t wait to leave, what does that say about the quality of schools? That is an argument for school choice, not against it. The exodus argument sounds like the old East German regime talking about the Berlin Wall: if we take it down, everyone will leave. Exactly; that is precisely why it should come down.”), studies have shown that competition forces public schools to improve immensely so they can retain their student population. According to *World* magazine, in Florida, where a voucher system has been instituted, even the mere hint at opening competition among schools caused the public schools to seek improvements and become more effective in their academics and administration.

In addition, those who warn that vouchers or tax credits will not cover transportation costs of students need to keep this in mind: a competitive market will invite a number of new schools to open across existing districts. To get the competitive edge, many competing schools will also offer transportation to students who do not live in the immediate area. Options and services increase as the market operates freely.

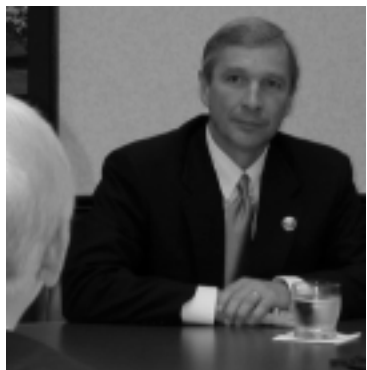
By denying parents the right to a competitive product, the government system of schools continues to provide. See “**Choice**” on page 10



Center Staff and Supporters Meet, Greet Visiting VIPs

High-profile public officials, respected academicians, prominent businessmen—these are some of the guests who drop by the Mackinac Center for Public Policy to take part in our Visiting Dignitaries program. In August and September, three more distinguished visitors added their names to the roster of VIPs who have come to Midland for a look inside one of the most effective state-based public policy think tanks.

President Lawrence Reed greeted Michigan Lt. Gov. Dick Posthumus Aug. 24 for a walk through the Center's 17,000-square-foot office, research, and conference facility, followed by an hour-long briefing from staff on the latest research in educa-



Lt. Gov. Posthumus gets an update from Director of Labor Policy Robert Hunter.

tion, labor reform, privatization, and economic development issues.

“Choice” from page 9

low-performing, unsafe, and inefficient schools. Granted, there are many fine public schools in the country that truly prepare children for life with a solid education, but there are just as many that do not, making the case for competition



Grove City College alumnus Reed poses with the school's president, John Moore.

On Sept. 13, Dr. John Moore, president of Grove City College in Pennsylvania, delivered a speech before a crowd of Mackinac Center friends entitled, “Have It Your Way: Higher Education and the Burger King Society.” The speech argued that colleges should not cater to student demands for trendy, custom-designed degree programs because doing so can actually cheat them out of a sound education.

Grove City, along with Michigan's Hillsdale College, is one of the few colleges that refuses to accept federal dollars and consequently remains one of the few to maintain autonomy over its admissions and other policies.

even more sensible. The answer is not pumping more tax money into a command system; the failed socialist experiments of Eastern Europe have proven that no matter how much money is budgeted for a government program, it is

Dr. Larry Arnn, the newly installed president of Hillsdale, paid a visit Sept. 18 to ask the rhetorical question, “Whatever Happened to the Constitution?” Arnn described for another audience of Center supporters the modern assault on America's bedrock principles of life, liberty, and the pursuit of happiness. He emphasized that Americans must once again engender a



Arnn and Reed discuss the bright future for liberty in Michigan.

respect for these principles if we wish to maintain a free and prosperous society.

Past visitors in the program have included Gov. John Engler, publisher and former presidential candidate Steve Forbes, and U.S. Rep. Dave Camp. The next speaker will be new Central Michigan University President Michael Rao on Nov. 28. Seating is limited; please call (517) 631-0900 for more information. !

the lack of competition that causes such systems to become unaccountable to its forced consumers.

It is time for this unnatural monopoly to be stripped of its exclusive supply of education. Competition

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Mackinac Center Board of Scholars Summit
November 3-4
Midland

Issues and Ideas Luncheon
Lawrence Reed, President,
Mackinac Center
for Public Policy
November 15
Lansing

Visiting Dignitaries Program
Michael Rao,
president of
Central Michigan University
November 28
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Call (517) 631-0900
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through school choice will accomplish just that. !

Adapted, with permission, from an article originally published by the Acton Institute for the Study of Religion and Liberty.

Viewpoint Commentaries

Judging How Justices Are Chosen

August 2000 V2000-25
"If it ain't broke, don't fix it" is the proper response to those who wish to change the way Michigan Supreme Court justices are selected.

European Observations on U.S. Education

August 2000 V2000-26
American education would improve if the monopolistic U.S. government school system imitated the many European countries that encourage a competitive educational marketplace between both public and private schools.

Separating State from Church

August 2000 V2000-27
"Separation of church and state" watchdogs applaud when courts keep religion out of public schools, but where are they when the state presumes to dictate the curricula of religious seminaries?

Policy Makers Must Remember That Incentives Matter

August 2000 V2000-28
People respond in powerful ways to economic incentives and disincentives. Public officials must keep this fact in mind when crafting or revising tax, welfare, and other policies that either reward or punish responsible behavior.

Hypocrisy on School Choice Sends Wrong Message to Kids

October 2000 V2000-29
Many Michigan legislators and public school teachers choose to send their children to private

schools, raising the question: Why shouldn't school choice be extended to all the state's citizens?

When "Local Control" Means Control of the Locals

October 2000 V2000-30
A proposed amendment to the state constitution, billed as a way to limit state interference in local affairs, would actually lead to costly litigation and greater government intrusion in the lives and businesses of Michigan citizens.

A Connecticut Yankee in Bankruptcy Court

October 2000 V2000-31
Mark Twain handled his bankruptcy at age 59 the old-fashioned way: He worked hard and repaid his debts in full. Today, too many Americans have found a new way: file for bankruptcy and avoid financial responsibility.

Opposing Judicial Philosophies Court Michigan Voters

October 2000 V2000-32
Voters must decide in November if they want a state Supreme Court that interprets the law as passed by the Legislature or one that "makes" law by imposing its policy preferences on Michigan citizens.

Journals

Michigan Education Report

MER2000-03 \$3.00
MER reports on competition among public schools, private and public scholarships for students, lawsuits against the Michigan Education Association,



union intimidation of a UP school board, a day in the life of a home-schooler, school districts' unlawful use of public resources to fight vouchers, and the right way to increase teachers' salaries. 12 pages.

Michigan Privatization Report

MPR2000-03 \$3.00
MPR heads back to campus for a look at privatized dorms, student-run office supply stores, private



management of an entire school district, and the cost to colleges and businesses of teaching high school grads the

basic skills they already should have acquired. Other features examine the effect of wasteful union special-interest legislation on school construction and how competition is helping the Detroit school district clean up its act. 20 pages.

Studies & Reports

The Impact of Limited School Choice on Public School Districts

S2000-04 \$5.00
Starting in 1993 with the passage of charter school legislation, Michigan families began to



enjoy greater choice in where their children attended

school. In 1996, the Legislature further widened school choice by allowing parents to send their children to different public schools within their own or another district.

This report examines school districts within Michigan's most populous county, Wayne, and finds that increased competition for students is providing

districts with powerful incentives to improve their procedures and curricula. 28 pages.

The Cost of Remedial Education: How Much Michigan Pays When Students Fail to Learn Basic Skills

S2000-05 \$5.00
More than a third of Michigan students leave high school without possessing basic academic skills including reading, writing, and arithmetic. This forces employers and post-secondary schools to take up the



slack. This study conservatively estimates

that Michigan businesses and institutions of higher education spend over \$600 million annually to teach employees and students skills they should have learned in high school. The comparable national figure is \$16.6 billion, but the human costs of K-12 educational failure are incalculable, according to experts' essays included in the study's appendices. 38 pages.

How to Order

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Reed Chosen to Write for Influential Capitol Newsletter

When one of the state's most widely read and influential political newsletters was looking for "two of Michigan's most respected political thinkers and analysts" for a new front-page column, it knew where to come for the free-market perspective.

The Lansing-based Michigan Information & Research Service Inc. (MIRS) called Mackinac Center for Public Policy President Lawrence Reed in the spring to tap him for a 1,500-word feature that would analyze current issues and events from opposing points of view. The feature runs each month and includes columns by Reed and former state representative Lynn Jondahl, who favors govern-

ment-oriented approaches to policy issues.

The MIRS newsletter—a daily digest of political events and legislation read by Capitol staffers, legislators, lobbyists, and journalists—“couldn't offer a better venue for placing the free-market viewpoint before those who run our state government in Lansing,” Reed says. “This offers one of our greatest opportunities for affecting public policy to date.”

The editors of the newsletter select a policy question that is addressed in turn by Reed and Jondahl, who have clashed over a

number of issues since their first columns appeared in May.

Topics have included gun control, economic development, the state Supreme Court justice

selection process, the November ballot's Proposal 1 (school vouchers), and the proper jurisdictional boundaries between state and local government.

In September, Reed and Jondahl addressed a question concerning a ballot proposal called “Let Local Votes Count,” which would amend the state Constitution to require a two-thirds “supermajority” vote in both houses of the Legislature to pass any law affecting Michigan municipalities. Reed opposed the idea, calling it “an ill-conceived and poorly worded over-reaction that will create many new problems of its own.”

MIRS is Michigan's “oldest daily Capitol newsletter,” founded in 1961 during the state's last Constitutional Convention to allow citizens to track both the proceedings of the Convention and the activities of the Legislature. !




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