

## WHO'S RUNNING MICHIGAN?

A REPORT ON THE ACTIVITIES AND BIAS OF THE MACKINAC CENTER FOR PUBLIC POLICY  
PROGRESS MICHIGAN



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## Executive Summary

The Mackinac Center is a special interest group based in Midland, Michigan that attempts to influence Michigan politics and public policy by producing agenda-driven research, conducting extensive -- and potentially illegal -- lobbying activities and framing issues to fit into the organization's right-wing agenda. The Mackinac Center is an affiliate of the State Policy Network (SPN), a web of conservative think tanks across the United States.

This report outlines the following key findings, revealing that the Mackinac Center is not the "nonpartisan research and educational institute" it claims to be:

- **Mackinac and ALEC's Shared Corporate Agenda:** The Mackinac Center is an active member of the American Legislative Exchange Council (ALEC), a corporate bill mill. Over the years, Mackinac staffers have proposed numerous bills at ALEC task force meetings, where elected officials and private sector members (like corporate lobbyists and special interest groups) vote as equals behind closed doors on templates to change the law. Under ALEC's public bylaws, its state legislative leaders are tasked with a "duty" to get those bill introduced into law. The coordinated agenda that ALEC and the Mackinac Center advocate for includes:
  - Attacking workers' rights with the recent so-called "Right to Work" law, pushing paycheck deception measures, calling for the repeal of the prevailing wage law and advocating for bills that cut public pension benefits
  - Blocking the bipartisan effort in Michigan to expand Medicaid and implement the Affordable Care Act that would give access to affordable healthcare to millions of Michigan residents
  - Defunding and privatizing Michigan's public schools with voucher programs and charter schools
  - Denying the science behind climate change and global warming, while also opposing the use of clean and renewable energy sources
- **"Research" Institute or Lobbying Organization?** Despite the fact that the legality of the Mackinac Center's lobbying operations as a nonprofit has been called into question by U.S. Congressman Sander Levin, the ACLU and Progress Michigan, the Mackinac Center continues to run an extensive lobbying operation in order to promote its corporate-backed special interest agenda. The report outlines how Governor Snyder has taken on several Mackinac agenda items in creating his own agenda, including attacks on workers' pensions, rolling back corporate regulations and privatizing public services.
- **Mackinac's Dubious Claim of Being "Nonpartisan":** Despite the Mackinac Center's claim to be a "nonpartisan research and education institute," the "think tank"

has made at least two payments categorized in official records as political contributions, one to the Michigan Republican Party and another to the Livingston County Republican Committee. Both contributions are apparent violations of the Mackinac Center's 501(c)(3) nonprofit status. Moreover, an analysis of campaign contributions made by Mackinac Center board members shows an overwhelming majority going to GOP candidates.

- **Mackinac's Role in Restricting Workers' Rights:** For nearly all of its existence, the Mackinac Center has been a leading organization behind the call for anti-worker, so-called "Right to Work" legislation in Michigan. When Governor Snyder endorsed the measure in late 2012, the Mackinac Center soon took credit for its passage. Later, Dick DeVos - a longtime Mackinac supporter and one of the most notable corporate executives funding Michigan's anti-worker campaigns - credited the Mackinac Center as one of the primary forces behind the push for "Right to Work" legislation. SPN also credited Mackinac, giving Mackinac President Joseph Lehman its 2013 "Roe Award" (named after SPN founder and anti-union businessman Thomas Roe) for the "policy achievement" of "seeing Michigan become a Right to-Work state."
- **Mackinac's Agenda Primarily Benefits Its Donors, Not the People of Michigan:** The Mackinac Center is largely funded by right-wing special interest foundations, individuals and corporations, including the Koch brothers, the DeVos family, Exxon Mobil, the Bradley Foundation and the Walton family of Walmart. Not surprisingly, much of Mackinac's agenda benefits the corporate and financial interests of its funders and ALEC, including so-called Right to Work, lowered environmental standards and privatization.
- **Despite Claims to Be Michigan-Focused, Mackinac Takes Its Cues from Shadowy Out-of-State Organizations:** In many ways, a Mackinac Center can be found in every state in the U.S. under a different name. That is because the Mackinac Center is an affiliate of the State Policy Network (SPN), a web of right-wing think tanks across the country. All SPN "think tanks" share a nationally-driven agenda with out-of-state right-wing organizations such as ALEC and Americans for Prosperity.
  - **Millions from Out-of-State, Koch-Funded Groups:** With over \$9.5 million in net assets reported in 2011, the Mackinac Center operates as one of the largest, most well-funded and most active right-wing SPN state think tanks in the country. Much of this is due to the massive amount of funding Mackinac has received from two secretive Koch-funded groups called DonorsTrust and Donors Capital Fund, known as the "dark money ATM of the conservative movement." The Donors groups, which keep the original funders hidden - adding another layer of secrecy - have contributed over \$2.6 million to Mackinac since 2004.
- **Mackinac's Slanted "News Service":** Like many SPN think tanks, the Mackinac Center is also an affiliate of the Tea Party-linked Franklin Center, a consortium of conservative "news" outlets in over 40 states that is funded in part by the Koch

brothers. Through the *Michigan Capitol Confidential*, the Mackinac Center pushes its right-wing agenda behind the mask of "journalism."

## Introduction

***"I can tell you, I even keep the [101 ideas](#) near my desk. And pull them out and see how I'm doing on the list every so often."* - Michigan Governor Rick Snyder [From a [banquet speech at a fundraiser for the Mackinac Center](#), November 14, 2011.]**

Until December 2012, when Rick Snyder abruptly reversed course and announced that Right to Work was on his agenda, the conventional wisdom in Michigan political circles was that he was a moderate governor. The failure of nearly every one of his legislative priorities to make it through the Republican-controlled legislature was widely viewed not as weakness, but as reasonableness.

In reality, Gov. Snyder barely had an agenda of his own. His first legislative session was marked by massive corporate giveaways, [minor tweaks to regulations](#) and [ideas first introduced by the Mackinac Center in January 2009](#), like giving new school employees a defined 401K contribution plan rather than a traditional defined benefit pension and requiring schools to make a "good faith effort" to outsource food, custodial and transportation services to for-profit companies. Of the substantive proposals signed into law by Gov. Snyder, dozens have been inspired or directly copied and pasted from wish lists compiled by conservative political sources like Students First, the Mackinac Center, [ALEC](#) and Americans for Prosperity. These types of bills include putting a cap on the length of time a person may receive welfare, repealing prevailing wage, hampering unions through Right to Work laws and lifting the cap on for-profit charter schools.

The Mackinac Center is registered with the Internal Revenue Service as a nonpartisan 501(c)(3) nonprofit, but in practice it is a political ally and operative for Republican lawmakers and special interests in Michigan. This can be demonstrated by campaign donations the Mackinac Center has made and the anti-middle class worker rhetoric they push. In August 2010, the Mackinac Center contributed \$500 to the Michigan Republican Party and in March 2003 contributed \$100 to the Livingston County Republican Committee, according to campaign finance records, an apparent violation of its 501(c)(3) status.

The Mackinac Center runs the [Michigan Capitol Confidential](#) website, a conservative investigative "news" site that focuses on the state government. It is the state affiliate of the [Franklin Center for Government & Public Integrity](#), which has similar affiliates in most states across the country. Many of these affiliates have been accused of [faulty reporting and manufacturing news coverage](#) to benefit their conservative interests. The Pew Research Center's Project for Excellence in Journalism, using a scale of highly ideological, somewhat ideological and non-ideological, [ranked the "Watchdog.org" franchise](#) (the Franklin Center's website in many states) "highly ideological." Since its founding, the Franklin Center has been [funded by many notorious conservative](#)



[organizations](#), including the Koch-funded Donors Trust/Donors Capital Fund and the Bradley Foundation.

The Mackinac Center itself is an affiliate of the [State Policy Network](#) (SPN). SPN is an umbrella group of conservative think tanks across the United States, founded in 1992 by Thomas Roe (of the Roe Foundation and South Carolina Policy Council). In addition to its state think tank affiliates, many other national right-wing organizations are [associate members of SPN](#), including ALEC, the Cato Institute, the Franklin Center, the Heritage Foundation, the Heartland Institute, and the National Right-to-Work Legal Defense Foundation. SPN has played a major role in supporting ALEC, serving as a [“chairman” level sponsor](#) of the 2011 ALEC Annual Conference as well as sponsoring the 2012 ALEC States and Nation Policy Summit and participating in at least three of ALEC’s task forces. Since its founding, SPN has been [funded by conservative organizations](#) including the Koch-funded Donors Trust/Donors Capital Fund, the Bradley Foundation, the Roe Foundation and the Kochs’ Claude R. Lambe Charitable Foundation.

***“Our goal is (to) outlaw government collective bargaining in Michigan, which in practical terms means no more MEA.” - Mackinac Center senior legislative analyst Jack McHugh [From [an email exchange](#) with House Education Committee Chair Rep. Tom McMillin.]***

The Mackinac Center has repeatedly made clear - in public statements, research and blog entries posted on its website, through the organization’s donations to the Livingston County Republican Party and the Michigan Republican Party, and internal documents revealed in media reports - that it is anything but nonpartisan. It is committed to working closely with wealthy special interests like the DeVos family, Koch brothers and ALEC to attack working families. This conservative agenda is bought and paid for by billionaires and wealthy special interests that are working to further their influence with politicians in Lansing and Washington, DC at the expense of Michigan families.

The Mackinac Center has released studies and lobbied for legislation that would directly benefit the wealthy, large corporations and the Kochs’ corporate interests in the fossil fuel industry. At the same time, the Mackinac Center has received at least \$84,151 from the Kochs since 2001 via the Charles G. Koch Charitable Foundation and the Claude R. Lambe Charitable Foundation.

## **Re-introducing the Mackinac Center**

### **A brief history of the Mackinac Center for Public Policy**

The Mackinac Center for Public Policy is a conservative “think tank” based in Midland, Michigan that purports to be a nonpartisan group working to promote free market, pro-business policies. Through providing research and lobbying for taxpayer giveaways to



private schools, privatizing valuable public services and launching attacks on working men and women, it has led the charge for Right to Work, attacks on public education and attacks on labor organizations since its founding in 1987.

This is an effort that is not organic to Michigan: The Mackinac Center is an affiliate of the State Policy Network (SPN), which coordinates right-wing “think tanks” across the country. The groundwork for the formation of the Mackinac Center was laid by four influential conservatives in Michigan politics: Richard McClellan, a conservative attorney and lobbyist who was active in the DeVos-backed 2000 statewide ballot initiative to legalize tax giveaways to private schools through vouchers; Joe Olson, a retired Amerisure Insurance vice president; Tom Hoeg, an insurance company lobbyist; and John Engler, who was a Michigan senator at the time. Appropriately enough, the first major initiative of the Mackinac Center was to [privatize the Michigan Accident Fund](#), a state agency that sold workers’ compensation coverage to businesses. The Accident Fund was [privatized in 1994 under Gov. John Engler](#), and Dykema Gossett, which employed Richard McClellan at the time, was awarded a \$250,000 contract to guide the sale.

#### **Timeline of Notable Activities**

- The Mackinac Center has been a longtime supporter of Right to Work proposals in Michigan and was the most vocal and active proponent of the anti-worker legislation in December 2012 when Governor Snyder and Republican legislative leaders made Michigan a Right to Work state. The Mackinac Center created an entire [“resource page”](#) dedicated to promoting Right to Work on its website and has written hundreds of articles on the need for so-called Right to Work legislation on its right-wing “news” site, Michigan Capitol Confidential. In a [speech to the Heritage Foundation in January 2013](#), conservative Michigan businessman and notorious Right to Work booster Dick DeVos [credited the Mackinac Center](#) as one of the major forces behind the passage of Right to Work in Michigan the month before. The Mackinac Center took credit for the law, posting a [blog on their website](#) days before Gov. Snyder signaled his support for the proposal, preemptively taking credit for its passage. SPN also credited Mackinac, giving Mackinac President Joseph Lehman its 2013 “Roe Award” (named after SPN founder and anti-union businessman Thomas Roe) in September 2013 for the “policy achievement” of “seeing Michigan become a right-to-work state.”
- In January 2013, Progress Michigan [accused the Mackinac Center of tax fraud](#) as the organization is registered as a 501(c)(3) nonprofit, but openly admitted to lobbying lawmakers on Right to Work.
- In April 2011, the Mackinac Center was a subject of an inquiry by the Michigan chapter of the [ACLU, which issued FOIA requests](#) over an emergency manager law passed in March. Specifically, the ACLU wanted to understand the intent of the law, the scope of authority and oversight, the implications for cities and school districts and the involvement of the Mackinac Center - the drafters of the legislation. There was never any public disclosure of the Mackinac Center’s role

in the process, as members of the Michigan Legislature are exempt from FOIA requests. Just days after this, [the Mackinac Center touted a Michigan Radio report](#) on the Michigan State Police attempting to charge the ACLU \$544,000 for a separate FOIA request.

- In August 2010, the **Mackinac Center contributed \$500 directly to the [Michigan Republican Party](#)** and in March 2003 contributed \$100 directly to the [Livingston County Republican Committee](#). Making partisan donations is a violation for a 501(c)(3), nonprofit as outlined by the [Internal Revenue Service](#).



**Department of State**  
Ruth Johnson, Secretary of State

MICHIGAN.GOV  
Michigan's Official Web Site

[Michigan.gov Home](#) | [SOS Home](#) | [Site Map](#) | [FAQ](#) | [Online Services](#) | [Forms](#) | [Contact SOS](#)

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**MICHIGAN CAMPAIGN FINANCE CONTRIBUTION SEARCH RESULTS**

Criteria used for the search:

☒ Contributor's Last Name: "MACKINAC CENTER"

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Supplemental itemizations have not been included.  
Results are sorted by: committee name and then by: amount-descending

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**Matches 1-1 of 1**

Receiving Committee Name Committee ID-Type	Schedule Type Description	Received From Address Occupation-Employer	City State Zip	Date	Amount	Cumul
LIVINGSTON CO REP COMM 001425-COU	DIRECT	MACKINAC CENTER 140 W. MAIN ST. PO BOX 568	MIDLAND MI 48640-0000	03/27/03	\$100.00	\$100.00

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**Matches 1-1 of 1**

[\[Campaign Finance On-Line\]](#) [\[Expenditure Analysis\]](#) [\[Previous Search\]](#)

[Michigan.gov Home](#) | [SOS Home](#) | [Site Map](#) | [FAQ](#) | [Online Services](#) | [Forms](#) | [State Web Sites](#)  
[Privacy Policy](#) | [Link Policy](#) | [Accessibility Policy](#) | [Security Policy](#)

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The online record of the \$500 contribution made by the Mackinac Center to the Michigan Republican Party in August 2010 is reproduced below. The contribution type is listed as “other” in the Michigan Department of State database and the contribution description was “Booth Rental At Convention,” likely for the 2010 Michigan Republican Party State Convention, which occurred on [August 28, 2010](#).

## MICHIGAN CAMPAIGN FINANCE CONTRIBUTION SEARCH RESULTS

### Criteria used for the search:

- ☒ Contributor's Last Name: ""MACKINAC CENTER""

Supplemental itemizations have not been included.

Results are sorted by: committee name and then by: amount-descending

Matches 1-2 of 2

Receiving Committee Name Committee ID-Type	Schedule Type Description	Received From Address Occupation-Employer	City State Zip	Date	Amount	Cumul
LIVINGSTON CO REP COMM 001425-COU	DIRECT	MACKINAC CENTER 140 W. MAIN ST. PO BOX 568	MIDLAND MI 48640-0000	03/27/03	\$100.00	\$100.00
MICHIGAN REPUBLICAN PARTY 000105-STA	OTHER BOOTH RENTAL AT CONVENTION	MACKINAC CENTER FOR MIDLAND PUBLIC POL 140 WEST MAIN ST.	MIDLAND MI 48640-0000	08/20/10	\$500.00	

Matches 1-2 of 2

[\[Campaign Finance On-Line\]](#) [\[Expenditure Analysis\]](#) [\[Previous Search\]](#)

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## MICHIGAN CAMPAIGN STATEMENT CONTRIBUTIONS

- ☒ Committee Name: MICHIGAN REPUBLICAN PARTY
- ☒ Statement Type: POST-PRIMARY CS
- ☒ Statement Year: 2010
- ☒ Schedule: All

Matches 1-11 of 11

Receiving Committee Name Committee ID-Type	Schedule Type Description	Received From Address Occupation-Employer	City State Zip	Date	Amount	Cumul
MICHIGAN REPUBLICAN PARTY 000105-STA	DIRECT	FRIENDS OF ROGER KAHN SENATE P.O. BOX 1627 DENISE HETTINGER	SAGINAW MI 48605-0000	08/19/10	\$15,000.00	\$15,200.00
MICHIGAN REPUBLICAN PARTY 000105-STA	DIRECT	MICHAEL FERRANTINO JR. 48000 ANN ARBOR RD W CHAIRMAN & CEO- ENVIRONMENTAL QUALITY GROUP	PLYMOUTH MI 48170-0000	08/11/10	\$10,000.00	\$10,000.00
MICHIGAN REPUBLICAN PARTY 000105-STA	OTHER BOOTH RENTAL AT CONVENTION	MACKINAC CENTER FOR PUBLIC POL 140 WEST MAIN ST.	MIDLAND MI 48640-0000	08/20/10	\$500.00	
MICHIGAN REPUBLICAN PARTY 000105-STA	OTHER EXP. REIMB.	BRIAN BELLGOWAN 2199 LONGWOODS DRIVE	DEWITT MI 48820-0000	08/05/10	\$360.43	
MICHIGAN REPUBLICAN PARTY 000105-STA	OTHER EXP. REIMB.	BRIAN BELLGOWAN 2199 LONGWOODS DRIVE	DEWITT MI 48820-0000	08/19/10	\$360.43	

## Putting a Michigan Veneer on a National Right-Wing Agenda

The Mackinac Center is an integral part of the far-right, “free market” infrastructure in Michigan and nationally. President [Joseph Lehman](#) is the former Vice President of Communications at the Cato Institute, an organization with close ties to the Koch brothers. In addition to Mackinac’s connections to the Koch-founded and funded Cato Institute, the Mackinac Center also participates in the [Charles G. Koch Summer Fellowship Program](#), through which it can receive funding for summer interns. Greenpeace has [documented](#) the Mackinac Center receiving \$84,151 from Koch family foundations between 2001 and 2009.

The Mackinac Center is also [a member of ALEC](#), a secretive corporate “bill mill.” Its members are corporations and right-wing advocacy groups like the Mackinac Center, who meet behind closed doors with legislators to write laws that directly benefit the corporations’ bottom line. They hand these “model bills” to right-wing elected officials, who often [pay their membership dues using our tax dollars](#). A review of [primary documents from recent ALEC task force meetings](#) shows just how active the Mackinac Center is in ALEC. The Mackinac Center has been [involved in at least five](#) of the eight (formerly nine) known ALEC task forces.

- **Education Task Force:** The Mackinac Center’s Director of Education, Michael Van Beek, has been a private sector member of ALEC’s [Education Task Force](#)
- **Energy, Environment, and Agriculture Task Force:** The Mackinac Center for Public Policy’s Director of Property Rights Network, Russel Harding, has been listed as a private sector member of ALEC’s [Energy, Environment, and Agriculture Task Force](#).
- **Health and Human Services Task Force:** The Mackinac Center’s Jack McHugh has been listed as private sector member of ALEC’s [Health and Human Services Task Force](#).
- **Tax and Fiscal Policy Task Force:** The Mackinac Center’s James Hohman began to attend ALEC’s Tax and Fiscal Policy Task Force meetings in [April 2010](#), likely as a private sector member.
- **Commerce, Insurance, and Economic Development Task Force:** The Mackinac Center’s Paul Kersey sponsored “The Financial Accountability for Public Employee Unions Act,” “The Election Accountability for Municipal Employees Act,” and “The Decertification Elections Act” to be adopted as pieces of ALEC model legislation at the [Commerce, Insurance, and Economic Development Task Force Meeting in Charlotte in May 2012](#).

Finally, the Mackinac Center has held events featuring many Republican lawmakers in Michigan, including Governor Rick Snyder and Attorney General Bill Schuette. In 2011, the Mackinac Center even hosted an event titled: [“An Evening With the Mackinac Center Featuring Michigan Gov. Rick Snyder.”](#) And in November 2010, Mackinac Center Secretary Richard McClellan was named as a member of Attorney General-elect Bill Schuette’s transition team.

## Pushing Policies That Benefit its Donors

In terms of revenue, expenses, and net assets, the Mackinac Center is one of the largest state-based conservative think tanks in the country. It had net assets totaling over \$7.5 million in fiscal year 2010 and over \$9.5 million in fiscal year 2011. The Mackinac Center is not required to reveal its donors, but available records from foundations show that much of its funding comes from outside of Michigan, including over \$2.6 million from the secretive Koch brothers-funded DonorsTrust and Donors Capital Fund, which collectively have been called the "[the dark money ATM of the conservative movement.](#)"

Nineteen percent of the Mackinac Center's total revenue from 2008-2011 came from DonorsTrust and Donors Capital Fund.

The following tables detail the known funding to the Mackinac Center (representing only a portion of Mackinac's total funding, the details of which remain undisclosed).

Funder	Amount	Years
Aequus Institute	\$4,500.00	2004-2007
Castle Rock Foundation	\$75,000.00	2003-2011
Charles G. Koch Charitable Foundation	\$79,151.00	2005-2009
Chase Foundation of Virginia	\$93,150.00	2001-2010
Claude R. Lambe Charitable Foundation	\$5,000.00	2001
Dick and Betsy DeVos Family Foundation	\$225,000.00	1999-2011
Donors Capital Fund	\$2,654,000.00	2007-2011
DonorsTrust	\$7,600.00	2004-2010
Dunn's Foundation for the Advancement of Right Thinking	\$999,000.00	2002-2011
Earhart Foundation	\$1,320,800.00	1997-2010
Exxon Mobil	\$25,500.00	2001-2002
Hickory Foundation	\$112,500.00	1999-2011
Jaquelin Hume Foundation	\$830,000.00	1999-2011
JM Foundation	\$115,000.00	1995-2006
Orville D. and Ruth A. Merillat Foundation	\$395,000.00	1999-2011
Richard and Helen DeVos Foundation	\$180,000.00	1998-2011
Robert and Marie Hansen Foundation	\$45,000.00	2003-2006
Sarah Scaife Foundation	\$100,000.00	1999-2000
State Policy Network	\$164,500.00	2003-2011
The Lynde and Harry Bradley Foundation	\$857,500.00	1993-2011
The Rodney Fund	\$2,450,831.00	1998-2011
The Roe Foundation	\$365,000.00	1998-2011
The Vernon K. Kriebel Foundation	\$1,500.00	2002
Walton Family Foundation	\$300,000.00	2000-2002
William H. Donner Foundation	\$205,000.00	1998-2010

(American Bridge Conservative Transparency)

Funder	Amount
Ann Arbor Area Community Foundation	\$2,000
Beach Foundation	\$5,000
David A. Brandon Foundation	\$3,500
Hilda E. Bretzlaff Foundation	\$1,000
Eli and Edythe L. Broad Foundation	\$27,500
DaimlerChrysler Foundation	\$375,000
Dart Foundation	\$20,000
Daniel and Pamela DeVos Foundation	\$85,000
Douglas & Maria DeVos Foundation	\$120,000
Herbert H. and Grace A. Dow Foundation	\$3,215,000
Dunn's Foundation for the Advancement of Right Thinking	\$799,000
Max M. and Marjorie S. Fisher Foundation	\$1,000
Gelman Educational Foundation	\$10,000
General Motors Foundation, Inc.	\$30,000
Rollin M. Gerstacker Foundation	\$160,000
Hanover Insurance Group Foundation, Inc.	\$5,500
Heritage Mark Foundation	\$7,000
Herrick Foundation	\$2,150,000
J.P. Humphreys Foundation	\$40,000
Kelly Services, Inc. Foundation	\$3,500
Perrigo Company Charitable Foundation	\$36,000
Ruth and Lovett Peters Foundation	\$525,000
John William Pope Foundation	\$5,500
Edgar and Elsa Prince Foundation	\$150,000
Schiavone Family Foundation	\$10,000
Richard Seth Staley Educational Foundation	\$1,000
Charles J. Strosacker Foundation	\$68,750
Jay and Betty Van Andel Foundation	\$20,000

(Center for Media and Democracy, [SourceWatch.org](http://SourceWatch.org); all funding came between 2001 and 2010)

The Mackinac Center has released studies and lobbied for legislation - like Right to Work, Emergency Manager laws, voucher schools, and relaxed environmental regulations - that directly benefit the well-heeled special interests that fund its efforts.

### Right to Work

The DeVos family, heirs to the founder of Amway, was among of the first - and largest - funders of the Mackinac Center. Between 1998 and 2011, four DeVos foundations donated \$560,000 to the Mackinac Center, and the related Van Andel Foundation donated an additional \$20,000. During that same time, the Mackinac Center went from [asking if Michigan should become a Right to Work state](#) in 1994 to [“Make Michigan Open for Business”](#) in 1998. After Right to Work passed in 2012, the Mackinac Center [published a self-congratulatory article](#) proclaiming that it had been “touting labor freedom for 25 years.”

Progress Michigan

Who's running Michigan?



Between 2000 and 2002, the Walton Family Foundation - heirs to the Walmart fortune - donated at least \$300,000 to the Mackinac Center. In 2009, Amway and Walmart [were among the 3,100 businesses](#) that signed a letter opposing the Employee Free Choice Act (EFCA), which would have made it easier for employees to unionize. That same year, Walmart [spent \\$7.4 million](#) on lobbying, [much of it](#) to defeat EFCA. The EFCA was a federal piece of legislation, but the Mackinac Center invested quite a bit of time trying to dismantle the argument that workers should be able to unionize. The Mackinac Center – despite being a state focused group – wrote [several articles](#) even calling the legislation “dysfunctional and delusional,” and claimed that the continuation of holding worker elections rather than obtaining signed authorization cards from a majority of workers [would help prevent fraud and keep democracy intact](#).

### **Emergency Manager Laws**

Since 2005, the Mackinac Center has [promoted changes](#) to Michigan law giving more power and protection to emergency financial managers, state-appointed officials who take over cities or struggling school districts and have broad powers to fix budgets on the brink of collapse. In 2011, the Mackinac Center published four recommendations, including granting emergency managers the power to override elected officials (such as a mayor or school board) and toss out union contracts. [All four](#) recommendations ended up in Snyder's legislation.

### **Opposing Environmental Regulations**

Between 2005 and 2009, the Mackinac Center received \$79,151 from the Charles G. Koch Charitable Foundation. During that same time, Jack McHugh and the Mackinac Center released [several](#) environmental law and regulation studies recommending policy changes that would directly benefit Koch corporate interests. These included the adoption of Michigan's “No-More-Stringent” law, which prohibits the Department of Environmental Quality from issuing regulations more stringent than those of the federal government. The Mackinac Center first proposed the “No-More-Stringent” law in [2005](#). The Kochs and their [Michigan operations](#) - Flint Hills Resources, Koch Chemical Technology Group, Georgia-Pacific and Koch Mineral Services - would benefit from reduced regulations, as the Kochs are [repeat offenders](#) of environmental protections regulations.

### **Backing Privatization**

#### **Prison Privatization**

Throughout the years, the Mackinac Center has [actively supported privatizing Michigan's prison system](#).

Lansing politicians have repeatedly attempted to introduce bills mandating for-profit prisons. In fact, Republican Rep. Jon Bumstead introduced a bill last year that would



reopen a private prison in Baldwin, [just days after receiving a \\$500 campaign contribution from an executive at GEO Group](#), the second-largest for-profit prison operator in the United States and a long-time funder of ALEC.

In [April 2013](#), Rep. Greg MacMaster introduced a bill copied and pasted from the “[Public-Private Fair Competition Act](#),” adopted by ALEC’s Tax and Fiscal Policy Task Force and approved by ALEC in 1995. The bill would prohibit public entities from competing against the private sector, and its definitions are so restrictive that it would allow corporations to take the state to court and force it to stop providing valuable public services. ALEC’s Tax and Fiscal Policy Task Force includes the Tax Foundation (funded by the Koch Brothers and ExxonMobil), the Mackinac Center’s Richard Vedder and other State Policy Network-funded groups including the Freedom Foundation, Goldwater Institute and the Illinois Policy Institute.

Despite proponents’ claims, prison privatization would be bad for Michigan workers as well as the state’s budget. The first for-profit state prison in the country, Lake Erie Correctional Institution in Ohio, went through a state audit after just a year that found [rampant abuses and conditions well below state standards](#). After being given another chance, the privately owned facility [failed another inspection](#) four months later. Despite these cut corners and repeated abuses, [private corrections facilities cost taxpayers more](#).

In the past decade, three major private prison companies [have spent \\$45 million on campaign contributions and lobbyists at the state and federal levels](#).

### **Education Privatization**

The Mackinac Center has advocated for the [privatization of education services](#).

Lansing politicians successfully passed an ALEC bill allowing unchecked expansion of privately-run charter and cyber schools in the state. Since then, for-profit cyber school operator K12 Inc. announced 2012 revenues of [more than \\$700 million](#) (up from \$522 million in 2011). While K12 Inc. makes massive profits off taxpayer dollars, the company provides an inferior product: [the on-time graduation rate for K12 Inc. schools is 49.1%, compared to 79.4% for all students in states in which K12 Inc. operates](#). Former Michigan Governor John Engler, who is credited with helping to [conceive of the Mackinac Center](#), is on [K12 Inc.’s board of directors](#).

National Heritage Academies, a Grand Rapids-based for-profit charter school operator founded by Republican donor J.C. Huizenga, has seen 17.5% growth since the passage of the ALEC model bill allowing unchecked expansion of for-profit charter schools. Huizenga has said that he is involved in the charter school industry because he believes [“privatizing public education \[i\]s not only practical but also desperately needed.”](#) For-profit corporations manage about [80% of all charters in Michigan](#).

## Michigan Capitol Confidential

[Michigan Capitol Confidential](#) is a right-wing media outlet run by the Mackinac Center and is the Michigan affiliate of the [Franklin Center](#), a national web of right-wing media outlets that has close ties to the American Legislative Exchange Council, the Koch brothers, and the Tea Party, and which has been criticized for its conservative bias. Michigan Capitol Confidential clearly demonstrates right-wing bias, but attempts to be treated as a legitimate news service. Staff members have been known to obtain press credentials to the Michigan House and Senate sessions, obtaining the same access as legitimate media outlets charged with presenting both sides of an issue in an unbiased and fair manner.

Michigan Capitol Confidential produces slanted articles and blog entries written to appear similar to traditional news articles, but which actually clearly advocate for a political agenda.

### Conservatives at the Helm

#### [Manny Lopez](#), Managing Editor

Lopez previously worked for the *Detroit News*, the *Kansas City Business Journal*, and the University Of Kansas School Of Journalism.

Lopez has openly demonstrated a conservative ideology. During a [January 2013 event](#) co-hosted by the Franklin Center and AFP, Lopez joined a panel that included representatives of the Michigan Republican Party and the From the Right Radio program to discuss Michigan's new Right to Work law. Lopez also participated in a "[Google Hangout](#)" to support the measure in December 2012 with representatives of the Heritage Foundation and Snyder administration.

[Lopez's "news" articles and "blog" posts](#) on Michigan Capitol Confidential are written from a conservative viewpoint, negatively portraying [Medicaid expansion](#), [criticizing unions](#) and collective bargaining, and often weighing in in favor of [Right to Work legislation](#). He even [wrote a blog post](#) criticizing former Michigan Governor Jennifer Granholm's speech at the 2012 Democratic National Convention.

#### [Tom Gantert](#), Senior Capitol Correspondent

Before coming to the Michigan Capitol Confidential in February 2010, Gantert previously worked at *The Ann Arbor News*, *Lansing State Journal*, the *Jackson Citizen Patriot*, *USA Today*, and *Reporting Michigan*.

Gantert's articles and posts on Michigan Capitol Confidential have been heavily weighted in favor of [privatizing Michigan's public schools](#), [opposing unions and collective bargaining](#), [promoting Right to Work](#), opposing [protection from polluting industries](#), and promoting ALEC/Mackinac's [attempt to dismantle public pensions](#).

Gantert's writing is featured by other right-wing groups, such as the [Heartland Institute](#), [Human Events](#), and the [National Institute for Labor Relations Research](#) (an organization affiliated with the National Right to Work Committee).

**[Jack Spencer](#), Capitol Affairs Specialist**

Spencer is a Lansing-based journalist who worked for 13 years at the Michigan Information & Research Service.

[Spencer's articles and blog posts](#) on Michigan Capitol Confidential have negatively portrayed [unions](#) and [Medicaid expansion](#) and [promoted Right to Work](#). In a [May 2013 article](#), Spencer claimed that Michigan's "recovery" was led by the Republican Party.

In April 2013, a "guest opinion" by Spencer was published on *MLive*: an anti-union piece entitled "[Poll results suggest Right to Work will either help or have no impact on state's economy](#)."

**[Jarrett Skorup](#), Research Associate for Online Engagement**

Skorup, a recent college graduate, is the content manager for Michigan Capital Confidential and a self-described "FOIA expert."

[Skorup's articles and blog posts](#) on Michigan Capitol Confidential have negatively portrayed [teacher tenure rights](#), the [Head Start program](#), and [unions](#), and have also weighed in in favor of so-called "[Right to Work](#)" legislation and [hydraulic fracturing](#) (also known as "fracking").

Skorup has made [at least two political contributions](#) totaling \$200, both to Republican state Representative Tom McMillin.

## The Mackinac, ALEC, & AFP Agenda for Michigan

While the Mackinac Center claims to be Michigan-focused, most of its policy positions are actually shared by or derived from national right-wing corporate-backed organizations, such as the controversial American Legislative Exchange Council (ALEC) and the Koch brothers-founded and -funded Americans for Prosperity (AFP).

ISSUE	Mackinac Center	American Legislative Exchange Council (ALEC)	Americans for Prosperity (AFP)
<b>Pushing so-called “Right to Work”</b>	The Mackinac Center has a long history of pushing so-called “right to work” legislation in Michigan. In a <a href="#">Mackinac Center-published timeline</a> of the think tank’s activity on “right to work,” the Center’s activity pushing the controversial law dates back to at least 1992. After the measure was signed into law in December 2012, the Mackinac Center launched a website dedicated to the new law titled <a href="http://www.miworkerfreedom.org">www.miworkerfreedom.org</a>	ALEC’s “ <a href="#">Right to Work Act</a> ” takes away workers’ ability to negotiate fair contracts. It was adopted by the Michigan Legislature in December 2012.	AFP was instrumental in the 2012 Right to Work battle in Michigan, <a href="#">bringing anti-union protestors</a> to the state capitol and providing them with free food and gas gift cards. In addition, AFP-Michigan has published, and continues to publish, numerous anti-worker and pro-right to work reports and articles on its <a href="#">website</a> . After so-called “right to work” was passed in Michigan, AFP-MI launched <a href="#">a tour of the state</a> to support the new law.
<b>Medicaid expansion</b>	Between February and June 2013, the Mackinac Institute published <a href="#">at least 17 reports</a> or website posts opposing Medicaid expansion in Michigan.	ALEC’s “ <a href="#">Guide to Repeal Obamacare</a> ” would repeal the Affordable Care Act, and recommends legislators reject Medicaid expansion.	AFP-MI has been a vocal opponent of Medicaid expansion in Michigan and <a href="#">sent a letter</a> to MI legislators in May 2013 urging them not to expand Medicaid coverage to Michigan citizens.
<b>Privatizing Michigan’s Public Schools</b>	The Mackinac Center’s <a href="#">education policy reports, web videos, and posts</a> often call for privatization measures, including the expansion of school vouchers and charter schools.	ALEC’s public school privatization models include the “ <a href="#">Parent Choice Scholarship Program Act-Universal Eligibility</a> ,” the “ <a href="#">Family Education Tax Credit Program</a> ,” the “ <a href="#">Charter Schools Act</a> ,” the “ <a href="#">Resolution Supporting Private Scholarship Tax Credits</a> ,” and the “ <a href="#">Parent Trigger Act</a> .” A bill based on ALEC’s “Parent Trigger Act” was introduced in the House Education Committee in 2012.	AFP-MI <a href="#">promoted “school choice week”</a> in January 2013 on post on its website, and <a href="#">said expanding “school choice”</a> was one of the best accomplishments of the 2011-2012 state legislature.

ISSUE	Mackinac Center	American Legislative Exchange Council (ALEC)	Americans for Prosperity (AFP)
<b>Opposing Renewable Energy</b>	In recent years, the Mackinac Center has published reports opposing renewable energy and Michigan's Renewable Portfolio law, including in <a href="#">May 2012</a> , <a href="#">October 2012</a> , and <a href="#">September 2012</a> .	ALEC's " <a href="#">State Withdrawal from Regional Climate Initiatives</a> " would allow states to pull out of the Regional Greenhouse Gas Initiative or the Western Climate Initiative, cap-and-trade programs to cut greenhouse gases and carbon-dioxide emissions, and uses language that denies climate change.	In a <a href="#">February 2013 post</a> on its website, AFP-MI stated the organization opposes Michigan's Renewable Portfolio law and urges citizens to attend Gov. Snyder's renewable energy forums to protest the law.
<b>Attacks on Retirees' Pensions</b>	The Mackinac Center has supported <a href="#">a 1997 law</a> that required new state employees to be placed in a defined-contribution plan, and their <a href="#">number 1 policy recommendation in 2011</a> was to "place new school employees into a defined-contribution, 401(k)-type pension plan, rather than a defined-benefit system"	ALEC's " <a href="#">Public Employees' Portable Retirement Option (PRO) Act</a> " and " <a href="#">Defined Contribution Pension Reform Act</a> " is a move towards eliminating defined benefit pension plans for public employees, which protects retirees.	In August 2012, AFP-MI <a href="#">launched a petition</a> to pressure Michigan lawmakers to change Michigan's pension system into a defined-contribution system for all new employees.