The election of Donald Trump as president of the United States and Republican victories down the ballot in Congress and in state capitols across the country were good news for freedom lovers. We have an opportunity to avoid an abyss – a second chance the nation probably didn’t deserve but can now embrace.

Why Trump Won
Donald Trump’s victory in the national election will be the subject of countless books for many years. Why did he win?

Perhaps because the Democrats nominated a weak candidate, or because voters were ready, as they often are after eight years of single-party rule of the White House, for a change. Or the near absence of economic growth and income mobility, and the near-consensus that the nation
was heading in the wrong direction, meant any Republican who won the party’s nomination would have won the election.

Maybe Trump won by taking on “political correctness,” speaking out forcefully against the language police and their anti-religious, anti-capitalist, and anti-freedom dogmas. Maybe he won by being more entertaining than the Democrat candidate, not just during the campaign but during his career as a reality TV show host.

Trump may have won because people like Stephen Bannon, Kellyanne Conway, and other lesser-known figures conducted a brilliant campaign that utilized social media, targeted key states necessary to win in the Electoral College, and played to their candidate’s strengths and their opponent’s weaknesses. Maybe Hillary Clinton lost the election by failing to show up or invest enough in key battleground states.

I suspect Trump would have lost “but for” most or even all of those reasons. Every candidate has strengths and weaknesses, which we exaggerate after the election based on whether they win or lose. Every winning campaign was “brilliant” just as every losing campaign was “poorly run.”

The Obama Legacy

Eight years of Barack Obama left the nation poorer, more divided, and less free. The number of people living in poverty is near a record high. Racial tensions are high despite the election and reelection of the country’s first black president, events that were supposed to finally put to rest claims that America is a racist nation.

Progressives resurrected the failed Keynesian policies of a previous failed presidency, that of Jimmy Carter. They raised taxes and spending, increased regulations, and centralized power in the hands of a massive government bureaucracy located in Washington, DC. Enabled by an often lax and compliant Republican Party, Obama oversaw an almost incredible increase in sheer power and resources held by the executive branch.

Meanwhile, the socialist Left completed its “march through the institutions,” taking over and exercising its control of the mainstream media, colleges and universities, Hollywood, and even scientific and religious organizations. The combination of the rise of centralized power and demise of competing sources of influence – Alexis de Tocqueville’s “little platoons” – caused freedom to retreat at the national level even as conservatives and libertarians posted major gains at the state and local levels.

We watched, seemingly helplessly, as what Angelo Codevilla calls the “new ruling class” emerged in techno-color and announced its intention to bestow on the rest of us, by nudging if sufficient and force if necessary, its undoubtably true insights into race, gender, economics, justice, and even complex scientific matters such as global warming.

Freedom’s Second Chance

Regardless of how it came about, the new Trump administration has an opportunity to turn the nation away from economic stagnation, racial and class division, and socialism and toward economic prosperity, harmony, and freedom.

Trump has huge advantages over previous Republican presidents. His party controls both houses of Congress and more chambers of state legislatures and more governor’s mansions than in nearly a century. His predecessor advanced his agenda largely through executive orders, which Trump is free to repeal “with the stroke of a pen.”

Trump’s opposition is in disarray, having lost touch with middle-Americans along with its bench of young leaders holding offices at the state level. Half of the Democratic Party’s grassroots supporters side with a rabid socialism that a majority of the American people emphatically reject, while the other half, composed mostly of retired government employees and rent-seekers, wants to live off past policies that have driven the country to the brink of financial ruin.

Neither wing of the Democratic Party offers a vision most Americans embrace. Trump can step into this vacuum, supported by a unified and much more principled Republican Party than existed even eight years ago, and perhaps
even backed by a Supreme Court majority that recognizes constitutional restrictions on the exercise of power by the national government.

This is truly a second chance for freedom to rise, at least during the next four years and perhaps for much longer.

Helping Freedom Rise
Trump’s first steps since the election have been promising. Many of his nominees for cabinet positions are freedom fighters, people who have supported reining in the Environmental Protection Agency, expanding school choice, and cutting taxes and the deficit. Whether this hopeful start translates into a successful presidency remains to be seen.

You can help freedom rise! You could go to Washington, DC and help the new administration dismantle eight years of monstrous government growth and unconstitutional regulation. Morton Blackwell, president of the Leadership Institute (and winner of the 2016 Heartland Liberty Prize), sent an email around a few weeks ago with some excellent advice on how to apply for positions in the new administration.

Start by reviewing the online “Plum Book” of positions that will be filled in the Trump administration, then go to the official Presidential Transition portal at www.greatagain.gov and apply for jobs you think you are qualified to hold. To signal your commitment to the freedom philosophy, fill out the Leadership Institute Presidential Personnel Referral Form at https://www.conservativejobs.com, and also go to www.heritage.org and click on the “Restore America Project” button.

The Heartland Institute has produced an “Action Plan for President Trump,” which you can view at www.heartland.org. We also partnered with the National Tax Limitation Committee, one of the oldest and most respected taxpayer organizations in the country, to produce a detailed and seminal report titled “Roadmap for the 21st Century,” which is also easy to find on Heartland’s website.

Top priorities for the new administration should be ending Obama’s war on fossil fuels in the name of “global warming”; repealing and replacing Obamacare; cutting spending and balancing the national budget; and repealing all of Obama’s unconstitutional executive orders and “midnight regulations.”

The Heartland Institute is already working hard to help the new administration hit the ground running. We need and appreciate your help – as a volunteer, friend, ally, or financial supporter. Please go to www.heartland.org and click on the “donate” button, or give us a call at 312/377-4000. By working together, we can make 2017 a great year for freedom!

Joseph L. Bast (jbast@heartland.org) is president of The Heartland Institute.

THE HEARTLAND INSTITUTE

The Heartland Institute is an independent source of research and commentary founded in Chicago, Illinois in 1984. It is not affiliated with any political party, business, or foundation. Its activities are tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

Heartland’s mission is to discover, develop, and promote free-market solutions to social and economic problems. Such solutions include parental choice in education, market-based approaches to environmental protection and health care finance, tax and spending limitation, and deregulation in areas where property rights and markets do a better job than government bureaucracies.

For more information, call 312/377-4000 or visit our Web site at www.heartland.org.

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The Heartland Institute
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During the third quarter of 2016, The Heartland Institute ...  

- Contacted elected officials 238,873 times, including 7,645 one-on-one contacts by phone, email, or in person.
- Generated at least 38 broadcast, 568 online, and 155 print media hits reaching 15.7 million subscribers.
- Released one book, one booklet, one *Heartland Policy Study*, one *Policy Brief*, one *Policy Tip Sheet*, and 24 *Research & Commentaries*, and submitted 55 op-eds.
- Added 200 blog posts to *Freedom Pub* (formerly *Somewhat Reasonable)*.
- Hosted nine events, spoke at 11 events, and attended or exhibited at 13 events, reaching a total audience of 23,980 people.

**Arthur B. Robinson Center on Climate and Environmental Policy**  

- Published three issues of *Environment & Climate News*, nine issues of *Climate Change Weekly*, one *Policy Study*, one *Policy Brief*, one *Policy Tip Sheet*, and 24 *Research & Commentaries* on environment and energy issues.
- Logged 2,525 personal and 54,899 group contacts for a total of 57,424 contacts with legislators on energy and environment issues.
- Generated at least 18 broadcast, 287 online, and 67 print media hits reaching more than 5.3 million people on energy and environment issues.
- Produced 18 new podcasts on energy, environment, and climate issues, attracting 77,078 listeners.
- Hosted three events reaching nearly 925 people in attendance and via live-stream and spoke at two events with a combined audience of more than 700 people. Heartland staff exhibited at and/or attended another nine events addressing a wide range of issues.

**Center for Transforming Education**  

- Published one booklet, two issues of *School Reform News*, 10 issues of *School Choice Weekly*, and seven *Research & Commentaries* on education issues.
- Logged 1,227 personal and 16,732 group contacts for a total of 17,959 contacts with legislators on education issues.
- Generated at least one broadcast, 61 online, and 21 print media hits reaching nearly 4.2 million people on education issues.
- Produced seven new podcasts on education issues, attracting 27,744 listeners.
- Exhibited or spoke at 17 events and hosted three events, reaching an estimated 17,167 people.

**Consumers for Health Care Choices**  

- Published nine issues of *Consumer Power Report*, three issues of *Health Care News*, and 11 *Research & Commentaries* on health care issues.
- Logged 1,227 personal and 54,715 group contacts for a total of 55,942 contacts with legislators on health care issues.
- Generated at least one broadcast, 25 online, and six print media hits reaching more than 703,000 people.
Produced nine new podcasts on health care issues, attracting 44,235 listeners.
Spoke at one event and attended another addressing health care issues.

Center for Constitutional Reform
Made 2,575 contacts with allies in the constitutional reform movement.
Logged 474 personal and 19,930 group contacts for a total of 20,404 contacts with legislators on constitutional reform issues.
Generated at least seven broadcast, 31 online, and 15 print media hits reaching more than 1.5 million people on constitutional reform.
Produced three new podcasts on constitutional reform issues.
Hosted four events in Arlington Heights reaching 326 people in attendance and watching the live-streams.
Issued 2,678 tweets from the @usconstreform Twitter account.
Added 20 blog posts on constitutional reform issues to Freedom Pub.

Center on Budgets and Taxes
Published three issues of Budget & Tax News, 19 Research & Commentaries, and two Policy Briefs on budget and tax issues.
Logged 1,292 personal and 67,262 group contacts for a total of 69,454 contacts with legislators on budget and tax issues.
Generated at least 15 broadcast, 74 online, and 19 print media hits reaching nearly 1.4 million people.
Produced 14 new podcasts on budget and tax issues, attracting 43,165 listeners.
Spoke at six events and hosted one event reaching an estimated total audience of 1,060 people. Heartland staff exhibited at or attended an additional nine events addressing a wide range of issues.

ROADMAP FOR THE 21ST CENTURY
The best thinkers and doers in the free-market movement give their advice to the new Trump Administration on how to restore American greatness. Topics include budget and tax reform, health care reform, energy deregulation, and welfare reform.

Go to www.heartland.org/roadmap to read it for free online or order a print copy.
The Heartland Institute’s team of policy, government relations, communications, and marketing professionals continued highlighting evidence climate change is unlikely to be disastrous, while Obama administration policies and proposals will hurt people and the environment.

In March, a group of 17 state attorneys general threatened legal action against groups that question whether humans are causing dangerous climate change. The government lawyers claimed vocal climate science or policy skeptics are committing fraud and violating federal and state racketeering statutes. The battle continued in the third quarter, with Heartland strongly defending constitutionally protected free speech and scientific enquiry.

Environment & Climate News reported on e-mails uncovered by the Energy and Environment Legal Institute (E&E Legal) showing the attorneys general had collaborated with anti-fossil-fuel lobbyists to shape their legal and public relations strategies. Climate Change Weekly reported Lamar Smith (R-TX), chairman of the House Science, Space, and Technology Committee, issued subpoenas to New York Attorney General Eric Schneiderman, Massachusetts Attorney General Maura Healey, and eight environmental organizations “to obtain documents related to coordinated efforts to deprive companies, nonprofit organizations, scientists, and scholars of their First Amendment rights.” In an interview on the Environment & Climate News podcast, Rep. Warren Davidson (R-OH) discussed his support for the subpoenas.


Research Fellow H. Sterling Burnett reported on the collapse of the AGs’ investigation in Climate Change Weekly. “Most of [the] AGs refused to sign on to Schneiderman’s suggested ‘division of labor,’” he wrote, “and they also rejected his ‘Common Interest Agreement’ to hide collaboration with environmental groups. Only two of the 17 took substantive action after the press conference, and they now have halted their legal proceedings against Exxon.” Burnett discussed the matter as a guest on the What’s Up Radio Program on KKHT-FM in Houston.

The ‘Web of Denial’ Campaign

In an obvious bid to gin up media and public support for the legal suppression of free and open debate of climate science and policy, 19 U.S. senators took to the Senate floor in July to deliver speeches alleging what they called a “Web of Denial.” The campaign garnered substantial media attention, much of it focused on The Heartland Institute. Recognizing Heartland is the strongest, most consistent voice speaking against climate alarmism, the senators mentioned Heartland more often than any other think tank.
Publications mentioning Heartland in their Web of Denial coverage included Breitbart, The Daily Caller, Townhall, Newsmax, the Washington Free Beacon, PJ Media, and EcoWatch.


Continuing its support for open and honest debate on the climate change issue, Heartland hosted a debate on August 31 titled “Global Warming Then and Now,” featuring Science Director Jay Lehr and Colorado State University Professor Scott Denning. Using clips from Al Gore’s movie An Inconvenient Truth, Lehr and Denning debated the causes and potential effects of global warming. One hundred people attended and 723 watched the live-stream. Lehr also discussed the myths of human-caused climate change before more than 700 people in the agriculture industry at conferences in Shannon and Naperville, Illinois.

Defending Access to Fossil Fuels
Heartland remained a leading voice defending a sound, market-driven energy policy, including the use of fracking to produce oil and gas, engaging the argument in state capitols, in newspapers, and on the air from coast to coast.

Our government relations team produced and distributed a Policy Tip Sheet describing a “Pro-Environment, Pro-Energy, and Pro-Jobs” policy agenda and featured this plan during the energy and environment panel at Heartland’s Summer 2016 Emerging Issues Forum in Chicago, Illinois on August 8. Ninety-one lawmakers and experts from more than 25 states attended, and the event was cosponsored by 14 other research institutes. The energy panel discussed how the United States has become a leader in energy production despite President Barack Obama’s intensive efforts to discourage the production and use of fossil fuels. Panelists discussed a variety of pro-environment, pro-energy, and pro-jobs topics.

Heartland sent elected officials in Wisconsin two Research & Commentaries: “Wisconsin’s Renewable Portfolio Standards Are Too Costly” and “Wisconsin Department of Natural Resources Draft Comprehensive Study Finds Frac Sand Mining Environmentally Sound.” We sent state-specific R&Cs on the high cost of renewable power mandates to 401 elected officials in New Mexico, North Carolina, and Rhode Island.

More than 30 newspapers – including the Seattle Times, Honolulu Star-Advertiser, Sacramento Bee, Virginian-Pilot, and Colorado Springs Gazette – published an op-
ed by Burnett, “EPA’s forcing of unrealistic MPG hikes endangers drivers, zaps the economy.” “The fastest way to increase fuel economy is to shed vehicle weight, but this compromises cars’ safety,” Burnett wrote. “Research has shown the size and weight reductions of passenger vehicles undertaken to meet CAFE standards resulted in tens of thousands of unnecessary deaths.”

In an *American Spectator* op-ed, “There Is No Good Time for a Carbon Tax,” Burnett documented the harmful economic effects a tax carbon would have on the economy. “A carbon tax would damage America’s economic competitiveness, making U.S. goods more expensive than comparable goods from other countries,” Burnett wrote. He also discussed the topic on the *Steve Gruber Show* on WJIM-AM in Lansing, Michigan and in a *Detroit News* op-ed titled “Obama’s climate regulations hurt businesses.”

**Victories for Energy Freedom, Property Rights**

The third quarter brought some important victories for energy freedom. The U.S. District Court of Wyoming struck down the U.S. Bureau of Land Management’s fracking rules, finding them illegal and duplicative. The court determined Congress never granted the Interior Department the authority to regulate fracking. In nearby Colorado, election officials determined national activist groups pushing a pair of anti-fracking initiatives had failed to collect enough signatures to place the questions before the state’s voters this fall.

Reporting on another big victory, *Climate Change Weekly* described the pro-energy, pro-growth, pro-jobs provisions the Republican Party embraced in its national platform. Whereas the Democratic Party platform calls for “Moving beyond the ‘all of the above’ energy approach [because of] the urgency of climate change as a central challenge of our time,” Republicans embrace an all-of-the-above energy policy, the article noted. The *Milwaukee Journal Sentinel* published an op-ed by Burnett in which he wrote, “While the energy planks in the Democratic Party’s platform [are] ones of exclusion, the Republican Party platform is one of inclusion – a rainbow of color from black coal to the blue flame of natural gas to the reflective silicon of solar panels to the blue-green waters of hydropower.”

Documenting another victory, *Townhall* published an op-ed by Burnett titled “Courts Tackling Clean Water Act Abuses.” “Federal courts should be applauded for finally righting the balance between state and federal powers and defending freedom and private property against illegitimate acts made by an out-of-control government,” he wrote.

**Busting Myths About Fracking**

One of Heartland’s most significant energy-related efforts in the quarter was the production and dissemination of the DVD *Fracking Facts*, eight short videos narrated by Heartland fracking expert and Research Fellow Isaac Orr. In the videos, Orr provides scientific facts on fracking, including what environmentalists and politicians aren’t telling the public. He exposes as false opponents’ claims that fracking endangers drinking water, consumes scarce fresh water supplies, and causes earthquakes.

We distributed approximately 3,800 *Fracking Facts* DVDs to state elected officials, chambers of commerce, and other business and civic leaders in 17 target states hosting fracking operations. The eight videos are also posted on Heartland’s YouTube channel, and the DVD can be purchased in the online store.

**Exposing Attacks Against Liberty**

For almost a year, science journalist Ron Arnold has been working with Heartland on the *LeftExposed.org* website, writing profiles of foundations, organizations, and individuals who fund opposition to free markets and property rights and attack those who defend them.
During the third quarter, Arnold published eight profiles for *LeftExposed*, including profiles of environmental author-activists Bill McKibben and Naomi Oreskes; U.S. Sen. Sheldon Whitehouse (D-RI); the Environmental Grantmakers Association; the Wikimedia Foundation; and *DeSmogBlog*. Arnold and other Heartland authors also published 18 blog posts citing or based on *LeftExposed* profiles.

**Documenting EPA Misdeeds**

Policy Advisor John Dale Dunn, M.D., J.D., was one of several experts on pollution and human health invited to submit testimony to the National Research Council (NRC) as part of an investigation into potential wrongdoing by the U.S. Environmental Protection Agency. Heartland published Dunn's testimony as a *Policy Brief*, “Assessing Toxicological Risks to Human Subjects Used in Controlled Exposure Studies of Environmental Pollutants.”

Dunn notes EPA has been sponsoring experiments on human subjects, a practice banned by international and domestic law, involving exposures to small particle air pollution EPA has repeatedly alleged publicly to be toxic, lethal, and carcinogenic. Either EPA sponsored human experiments forbidden under domestic and international law and medical and scientific ethics, or it repeatedly lied to Congress and the public about the health threat posed by low levels of particulate matter, Dunn argues.

“I assert that ambient small particle air pollution is benign and isn’t killing anybody,” Dunn testified. “In 45 years of medical practice I am still waiting for a death from small particle exposure. The committee must ask, under what circumstances could these human experiments on minors be ethical or legal? The answer, surely, is ‘none,’ unless EPA and its researchers walk back their claims that hundreds, thousands, even millions, of people are dying from exposure to ambient levels of small particle air pollution.”

Our *Heartland Weekly* and *The Leaflet* e-newsletters promoted Dunn’s testimony to 20,000 elected officials, op-ed page editors, radio talk show hosts, and civic and business leaders. Dunn discussed his testimony on the nationally syndicated *Mike Siegel Show*, and Heartland President Joseph Bast promoted Dunn’s findings in a *Breitbart* op-ed, “Will the National Academy of Sciences Allow the EPA to Get Away with Murder?” Bast asks in the op-ed, “Is EPA lying when it says even trace amounts of particulate matter (PM) in the air kill hundreds of thousands of people every year? Or is it lying to hundreds of volunteers who participate in experiments involving exposure to levels of PM that EPA claims are toxic?”

Global Warming Debate: Jay Lehr vs. Scott Denning - August 31, 2016
Education Choice Successes

By Teresa Mull
Research Fellow
Managing Editor
School Reform News

As parents, students, taxpayers, and even teachers across the country call for more education choice, lawmakers are listening.

School Reform News interviewed lawmakers in North Carolina and Texas about the demand for education choice programs in their states and proposals they are offering to meet that demand. In a Research & Commentary, we reported on a study by EdChoice, formerly the Friedman Foundation for Educational Choice, which found 93 percent of parents using Indiana’s Choice Scholarship Program voucher are either very or somewhat satisfied with their child’s private school. Arizona’s voucher program also received high marks in a recent audit, indicating the program is working, being run well, and has experienced minimal fraud since its implementation in 2011.

Heartland education experts published nine letters to the editor and op-eds on the benefits of school choice in various media outlets. Senior Fellow Robert Holland was published by the Denver Post, Macon (Georgia) Telegraph, and Fayetteville (North Carolina) Observer, among other media outlets, noting there is “much evidence that established scholarship programs are helping many students succeed in private schools of choice.”

Led by Project Manager Lennie Jarratt, Heartland contacted more than 1,000 allies on education issues in the quarter.

The Demise of Common Core

The damaging effects of the Common Core State Standards are increasingly apparent in our nation’s classrooms. Heartland released an updated edition of its popular booklet, Common Core: A Bad Choice for America, mailing it with the September issue of School Reform News to more than 13,100 people and in a separate mailing to an additional 6,100 think tank allies, donors, and religious and Tea Party contacts.

In an interview with School Reform News, Michigan state Sen. Phil Pavlov, who has led efforts in Michigan to repeal Common Core, said it was “jammed down the throat as bribery to the states. It’s bad for students, and it’s bad for the country.”

In August, Heartland hosted an event on “The Collectivist Control of Education and Common Core Standards,” featuring educational entrepreneur Marsha Familaro Enright and grassroots activist Jeffrey Horn. Instead of preparing our children for a complex, global economy, they said, high-stakes testing and standards are meant to train children to accept surveillance, objectification, and control in the workplace of the future. Fifty-six people attended and more than 465 watched the live-stream.

Heartland has been monitoring and reporting on high-stakes tests, their consequences, the opt-out movement, and the ongoing efforts at the state and local level to reform standardized testing. Terry James of WJBC AM 1230 in Bloomington, Illinois interviewed Jarratt about the Illinois State Board of Education’s decision to replace the Common Core-aligned PARCC test with the SAT test for high-school students. A podcast of the interview garnered 8,265 listeners.

School Reform News interviewed Pennsylvania state Sen. Lloyd Smucker about his plans to reform standardized testing in the commonwealth, and Alaska state Rep. Wes Keller about a measure that enables parents to
opt their children out of standardized testing, sex ed, and other activities, classes, and programs to which they object.

**Challenges Founded on Bigotry**

Opponents of school choice frequently try to use a state constitution’s Blaine amendment to get courts to strike choice programs as unconstitutional. These constitutional amendments prohibiting the use of public money to fund religious institutions are currently in force in 38 states and were passed in a wave of anti-Catholic bigotry in the 1880s.

In Nevada, two groups of plaintiffs brought lawsuits last year against the state’s education savings account program; one of the cases, brought by the ACLU, centered on Nevada’s Blaine amendment. Research Fellow Joy Pullmann and Policy Analyst Tim Benson published a Research & Commentary on the issue, and Heartland's project manager for constitutional reform, Kyle Maichle, conducted a podcast with Research Fellow Teresa Mull about constitutional reform issues as they apply to education, including Blaine amendments.

A series of op-eds by Heartland researchers published in newspapers across the country informed the public about the use of Blaine amendments. Holland and Mull appeared in the *Las Vegas Review-Journal, Reno Gazette Journal, Augusta (Georgia) Free Press, South Florida Sun Sentinel, and Breitbart News*, at which Holland noted the Blaine amendments were founded on “ugly bigotry aimed at Catholic immigrants that resulted in legal barriers against public aid helping sectarian schools even indirectly.”

**Smart School Funding**

Heartland’s Center for Transforming Education is committed to promoting smart spending on education, minimizing the burden on taxpayers, and working to put parents in charge of determining how money is best spent to educate their own children.

School Reform News interviewed Illinois state Sen. Karen McConnaughey about how the state kept schools open by temporarily resolving a longstanding budget impasse, and a Kansas state lawmaker regarding the announcement Kansas would no long apply for federal funding for sex education in public schools.

Executive Editor Justin Haskins was published in the *New York Post, Charleston (West Virginia) Gazette-Mail, and Las Vegas Sun Sentinel* about presidential candidate Hillary Clinton’s “awful plan to socialize college.” For the *New York Post*, he wrote, “Clinton’s plan to socialize education will lead to unsustainable cost increases, insurmountable debt and, perhaps most importantly, it will give tremendous power to the government to force colleges to do as it pleases.”
The Affordable Care Act continued its long implosion at the expense of taxpayers, patients, and physicians, many of whom are abandoning the government-centered health insurance system known as Obamacare in favor of market-based health care solutions promoted by The Heartland Institute.

Even large health insurers, who clamored for ACA when the law was being drafted, are jumping ship. Aetna, Blue Cross Blue Shield, and UnitedHealth Group have pulled out of dozens of Obamacare marketplaces, a trend Heartland Research Fellow Michael Hamilton covered in an op-ed for RedState.

Fourteen states spent $5.51 billion to establish Obamacare exchanges that are not yet fully functional. Four states – Hawaii, Nevada, New Mexico, and Oregon – spent $733 million in federal funds creating flawed exchanges they would later abandon. In a Research & Commentary mailed to hundreds of state elected officials, Senior Policy Analyst Matthew Glans noted, “The failure of these exchanges represents an expensive mistake that has cost taxpayers millions of dollars.”

Republicans in Congress have introduced several plans to repeal and replace ACA, including John Goodman’s “World’s Greatest Healthcare Plan Act of 2016.” Under that proposal, “States would each have the flexibility to provide their Medicaid assistance in the form of premium support that the poor could use in addition to their universal health insurance tax credit to help buy the health insurance each worker and family preferred,” wrote Senior Fellow Peter Ferrara in an op-ed for the Daily Caller.

Medicaid Expansion Costs Grow
A new report from the Department of Health and Human Services revealed the average cost of enrollees in Obamacare Medicaid expansion plans was nearly 50 percent higher in fiscal year 2015 than HHS had projected the previous year. Medicaid expansion enrollees cost an average of $6,366, not the $4,281 HHS had projected. Glans covered the HHS report in a Research & Commentary sent to legislators in several states.

Heartland continues to track Medicaid expansion efforts in the 19 states that have so far resisted. We analyzed expansion proposals in Georgia at the request of state Rep. Jason Spencer and state Sen. Judson Hill. In a Research & Commentary sent to lawmakers, Glans evaluated three proposals made by the Georgia Chamber of Commerce. Hamilton and Government Relations Director John Nothdurft will brief lawmakers on Medicaid expansion at a forum on December 4.

Heartland began analyses of similar Republican Medicaid expansion efforts in Tennessee, assisting free-market lawmakers such as state Sen. Mark Green (R-Clarksville), who sponsored a law allowing Medicaid recipients to opt out of Medicaid with an electronic benefits transfer card provided by the state.

Physicians, Patients Ditch Insurance
Tired of the difficulties and high costs third-party payment systems impose, patients and providers are turning to a proven-effective means of exchange: cash. The Federalist published an op-ed by Hamilton, “Shock Your Doctor: Ditch Insurance and Pay in Cash,” and he interviewed Dr. Kathleen Brown, who converted her practice almost entirely to a cash business, for the Health Care News podcast. Brown was one of three cash-only physicians featured in an issue of Consumer Power Report.

Onerous insurance code requirements issued by the Centers for Medicare and Med-
Consumers for Health Care Choices, combined with cumbersome regulations for electronic medical records, compel physicians in the third-party-payer model to treat up to 30 patients per day for 12 to 20 minutes each, Hamilton noted in an op-ed for The Federalist. He explained the cost to patients in a follow-up op-ed, “If Obamacare Covers My Health Insurance, Who Will Cover My Time?” also published by The Federalist.

Excluding insurers from their payment model allows physicians to provide patients with a wide range of services for a fraction of the price insured patients would be charged.

Approximately 20 states have legislation at least nominally protecting these direct primary care arrangements from being regulated as a form of insurance, although some of these laws leave DPC providers open to legal challenges.

Dr. Chad Savage offered listeners a “One-Stop Shop for Understanding Direct Primary Care” on the Health Care News podcast. In a follow-up podcast, Twila Brase, president of the Citizens’ Council for Health Freedom, explained why patients and physicians are flocking to such cost-effective, patient-centered alternatives.

Single-Payer Proposals

Despite a nationwide groundswell for alternatives to insurance, some folks are clamoring for even more insurance in the form of a single-payer health care system with government as the sole insurer. Heartland sent elected officials in Massachusetts a Research & Commentary on a proposed statewide single-payer health care system known as MassCare, and Health Care News also covered the proposal.

On November 8 - after this issue of QPR went to press - Coloradans will vote on a ballot proposal to establish a statewide single-payer health care system. Heartland has covered the proposal extensively, most recently in a Health Care News podcast with Docs4PatientCare Foundation Secretary Dr. Hal Scherz.

Right to Try, CON Reform

The Philadelphia Inquirer published an op-ed by Hamilton titled “Give Pa. patients right to try experimental drugs and treatments,” and we sent elected officials in Ohio a Research & Commentary examining right-to-try laws, which “give patients the ability, with the advice of their doctors, to choose what treatments work for them,” Glans wrote. Health Care News covered U.S. Sen. Ron Johnson’s introduction of legislation strengthening state right-to-try laws, a bill Senate Minority Leader Harry Reid blocked in September.

Last quarter, with Heartland’s assistance, Tennessee lawmakers reformed the state’s certificate of need program, which requires special approval from a state board before building, expanding, or renovating medical facilities or purchasing expensive equipment. This quarter, the state’s CON review board appeared to retaliate by raising the minimum, nonrefundable CON application fee by 400 percent.

In North Carolina, lawmakers tried and failed to thwart the hospital lobby by attaching CON repeal legislation to a bill naming the bobcat as the state cat. Heartland covered each state’s CON battle in Health Care News and Consumer Power Report.
The Convention of States Project (COS) made history with a simulated Article V convention held in Williamsburg, Virginia on September 21–23. One hundred thirty-seven delegates representing all 50 states participated. Heartland promoted the simulation on social media and in press releases, radio interviews, and podcasts.

On August 26, we sent a press release headlined “Convention of States Project Announces Historic Article V Convention Simulation” to 9,124 reporters and media contacts. Heartland Policy Advisor Neal Schuerer was a guest that day on the Joe Pags Show on WOAI-AM in San Antonio, Texas to talk about the simulation. We also sent a press release on September 22 updating reporters on the convention’s progress.

On August 29, Project Manager Kyle Maichle and substitute host Mike Siegel discussed the convention simulation on Midday with Charlie Sykes on WTMJ-AM in Milwaukee, Wisconsin. We released that interview as a podcast on September 15.

During the third quarter, Maichle issued more than 2,600 tweets from the Center for Constitutional Reform’s Twitter account, scores of which promoted the simulated convention. On September 29, Maichle and 20 participants on the Center’s monthly conference call discussed amendments approved at the simulated convention: allowing states to reverse unconstitutional laws from the national government, a balanced budget requirement, congressional term limits, reforming the Commerce Clause, and requiring congressional approval for new regulations.

To date, eight states have passed resolutions backed by COS calling for an Article V convention. In 2017, Arizona, Kentucky, Michigan, Missouri, North Carolina, Ohio, Pennsylvania, Utah, Texas, and Virginia will be top priorities for COS. In July, we sent state and local elected officials in those states and others a Research & Commentary on constitutional reform, and Maichle was a guest on Steel on Steel on the USA Radio Networks to debate whether an Article V convention is necessary to rein in the national government.

**Policy Briefs Support Article V Effort**

The Center for Constitutional Reform released two Policy Briefs in the third quarter, both by Senior Fellow Robert G. “Rob” Natelson, widely acknowledged to be the country’s leading scholar on the Constitution’s amendment procedure.

In early July, we distributed, by mail and email, more than 30,000 copies of “The States’ Duty to Defend Against Federal Excess: James Madison and the Methods of ‘Interposition.’” Natelson notes that state legislatures enacting constitutional reform measures aren’t merely exercising an “option” they have under the U.S. Constitution: They are performing a solemn duty.

In mid-August, we released “A Brief Assessment of the Proposed Convention Rules Adopted by the Assembly of State Legislatures.” Natelson gives “two cheers” to the proposed rules, noting: “The ASL rules contain much that is useful and valuable, and a great deal of ASL’s time has been spent well. ... Unfortunately, the ASL rules seem to have been drafted almost on a blank slate, with insufficient attention to the solid experience of prior conventions.”

Natelson was quoted in an article in The New York Times (circ. 2,101,611) and interviewed by the Pittsburgh Tribune-Review (circ. 89,807) about his work. CNS
News published two of his op-eds, titled “SCOTUS Sweeps Away Constitutional Liberties, Creates Nonexistent Rights” and “America’s First Freedom Doesn’t Just Protect Political Speech.” World Net Daily published an article titled “Trump, Brexit ... And Now The Constitutional Convention movement” that cited Natelson.

Natelson discussed his work on several talk radio programs, including The What’s Up Radio Program on KKHT-FM in Houston; WTKF-FM Traffic Radio in Atlantic, North Carolina; the Mike Schikman Show on WSVA-FM in Harrisonburg, Virginia; and the nationally syndicated Mike Siegel Show and An Economy of One.

Parties Reject Article V Planks
In July, the nation was focused on the major political party conventions. Neither the Democratic, Green, Libertarian, or Republican parties included planks in their national platforms calling for an Article V convention.

We pointed out the parties’ failure in a July 29 press release sent to 5,713 media contacts. The release quotes Maichle as saying, “Both the DNC and the RNC missed a huge opportunity to send a message to the American public that they are serious about reforming Washington through the Article V convention process.”

Property Rights and the Constitution
On July 20, we hosted an event featuring Timothy and Christina Sandefur of the Goldwater Institute, authors of Cornerstone of Liberty. They discussed property rights in the United States, from redevelopment projects that seize people’s homes and businesses for the benefit of politically connected developers to asset forfeiture laws that allow the police to seize property even if the owner is not accused of wrongdoing. Twenty-seven people attended and 30 watched via live-stream.

In a bit of good news on civil asset forfeiture, a Budget & Tax News article reported, “California Gov. Jerry Brown (D) signed into law a bill restricting local and state government police agencies’ ability to participate in a federal program distributing assets and property seized from citizens without criminal charges or search warrants.”

Freedom of Speech
On July 27, we hosted an event titled “The Use of State Power to Silence Patriots” featuring Eric O’Keefe, who described the pre-dawn raids, subpoenas, and smear campaigns he and other conservatives endured during the “John Doe” investigation in Wisconsin that took place from August 2012 to July 2015. More than 40 free-market organizations were targeted by the investigation. O’Keefe and others were denied basic constitutional and civil rights, including the right to legal counsel. Fifty-three people attended the event and 62 watched via live-stream.

The Wisconsin Supreme Court ruled the investigation unconstitutional in July 2015. In early August, the John K. MacIver Institute for Public Policy filed suit against Milwaukee County District Attorney John Chisholm’s office, alleging it illegally kept donor lists and other documents collected in subpoenas issued during the investigation. Maichle commented on the lawsuit in a statement we sent to 1,514 reporters and media contacts.

Eric O’Keefe visits Heartland to discuss the abuse of state power on July 27.
In August, Heartland hosted its Summer 2016 Emerging Issues Forum in Chicago, attended by 91 lawmakers and policy experts from 25 states. During the budget and tax panel, state lawmakers learned how their colleagues across the nation are taking steps to protect workers by outlawing compulsory union membership and taxpayers by enacting common-sense fiscal and public pension reforms.

North Carolina is among the states working to promote prosperity and job growth by reforming tax codes. In a Research & Commentary, Senior Policy Analyst Matthew Glans explained how lawmakers have made the state’s tax structure fairer and more neutral, flattening and lowering taxes across the board.

In Georgia, Government Relations Director John Nothdurft testified before the State Senate Finance Subcommittee on Tax Reform, telling lawmakers, “Eliminating deductions and credits, expanding the sales tax base, and capping the growth rate of spending and instituting revenue triggers would ... put the state on a sustainable path toward fully eliminating one of the most economically destructive taxes and make the state a more attractive place for entrepreneurs, businesses, and high-quality workers to come.”

Diagnosing Years of Stagnation

A new Heartland Policy Brief by Senior Fellow Peter Ferrara, titled “Why the United States Has Suffered the Worst Economic Recovery Since the Great Depression,” attracted national attention in August. Ferrara appeared on national and regional broadcast talk radio shows to explain how post-2008 budget and tax policies have hindered the nation’s economic recovery, and he offered alternatives that would promote greater economic prosperity.

In the Policy Brief – electronic and print copies of which were distributed to more than 23,000 elected officials, newspaper opinion-page editors, radio talk show hosts, community leaders, and other influential audiences – Ferrara notes elected officials’ ideologically driven decisions to revive failed policies of the past have retarded the nation’s economic progress, held down family incomes, expanded the number of people in poverty, increased income inequality, and ballooned the federal budget deficit and national debt.

“Although presented to the public as a progressive, forward-looking thinker, Obama has actually taken the United States back to the thoroughly failed economic policies of the 1930s and 1970s, and so ultimately to the same results,” Ferrara wrote.

Good News about Entitlement Reform

Heartland worked with lawmakers across the nation to help reform government pension and entitlement programs, encouraging recipients to return to the workplace and ensuring taxpayers’ money is not squandered by irresponsible spending.

Heartland staff attended FreedomFest, a free-market convention in Las Vegas, Nevada, where we hosted a booth and met with convention-goers. Nearly 300 people registered to join Heartland’s mailing and email lists, and hundreds listened to Ferrara talk about his book, Power to the People. Ferrara reported he is “rounding up a congressional posse to introduce proposals providing for a personal savings, investment, and insurance account for Social Security, which can be used to build up new grassroots support for Social Security.”

In an op-ed published in The Hill, an
influential political newspaper in Washington, DC, State Government Relations Manager Logan Pike praised Maine for taking the lead on welfare reform, writing, “Not only has Maine reduced the number of welfare enrollees, but the recent welfare reforms have led to more employment, higher earnings, and less dependency.” She commemorated the 20th anniversary of national welfare reform, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, with an op-ed also published in The Hill.

**Fighting Special-Interest Favors**

Heartland’s fight for tax fairness and economic freedom continued as staff and research fellows explained how government efforts to “pick winners” in the marketplace do more harm than good.

We sent 506 state elected officials in New York, Utah, and Virginia a Research & Commentary discussing government-run economic development plans such as New York’s START-UP program. Glans noted such programs fail to address the underlying causes of economic recession and job losses, and he recommended lawmakers lower tax rates across the board instead of making taxes more complex with special benefits for politically connected businesses.

In another Research & Commentary, Glans reported on the folly of government subsidies to sports stadiums. He wrote, “Atlanta, Las Vegas, the Twin Cities, and Arlington, Texas are recent examples of an out-of-control trend: the public funding of private sports facilities. These cities have spent or are likely to spend hundreds of millions of dollars through loans and tax subsidies to fund the construction of multi-million-dollar sports facilities. … [A]ccording to Pacific Standard magazine, between 1991 and 2010, 101 new sports facilities have opened in the United States (a 90 percent replacement rate), and nearly all the projects received direct public funding.”

Lawmakers’ approval of stadium financing deals transferred billions of dollars in taxpayers’ money to private investors and owners. “According to Bloomberg, using tax-free bonds to finance stadiums costs the U.S. Treasury $146 million a year, and since 1986, $17 billion in tax-exempt debt has been used to help finance stadium projects, costing taxpayers $4 billion,” Glans noted.

An August 4 op-ed by Executive Editor Justin Haskins in the Orange County Register also tackled the subject of government subsidies for sports stadiums. Sports team owners should invest in their businesses with their own money, instead of demanding the risk of investing be socialized using other people’s money, Haskins argues. “Rather than holding teams hostage in the communities that have long supported them, millionaire and billionaire sports team owners should do what is best for their communities by paying for their own stadiums that they alone earn the profits from,” Haskins wrote. “If they aren’t willing to do that, perhaps they should be the ones to leave town.”
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Happy New Year!
Season’s Greetings from The Heartland Institute

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