One year after the election of President Donald Trump, we’ve seen many changes, many of them good and in so many areas, except on health care. The American people elected a Congress and a president who promised to repeal the Affordable Care Act, a.k.a. Obamacare. After the election, Trump went right to work to keep his campaign promise. But 12 long months later, it’s pretty clear Congress won’t keep its end of the election bargain. There’s an old saying attributed to Alexander Graham Bell: When one door closes, another door opens. Congress may have slammed shut the door on the “repeal and replace” of Obamacare, but it opened many doors for health care reform.

What Trump’s HHS Can Do
The Affordable Care Act gives massive discretion to the Secretary of Health and Human Services (HHS). Former Kansas Gov. Kathleen Sebelius, HHS Secretary at the time Obamacare was first implemented, misused that discretion...
to impose new federal mandates, expand Medicaid rolls, shut down high-risk pools, limit high-deductible options, and reward politically connected businesses and labor unions.

In sharp contrast to his predecessor, Trump’s first HHS Secretary, Dr. Tom Price, promised to use that same discretion to roll back many Obama-era regulations and replace them with health care options to encourage consumer-directed health care, empower low-income Americans with work requirements, and restore the role states have historically played in health care.

Price wrote to all 50 state governors promising them unprecedented flexibility to replace top-down Obamacare and Medicaid programs with patient-centered, free market-oriented health care solutions. By using a legal process within both the Obamacare and Medicaid laws, Price encouraged states to apply for “waivers” allowing them to deviate from the one-size-fits-all federal model.

### What States Can Do

Trump’s HHS set the stage for real, state-led health care solutions. Sadly though, very few states have taken Price up on his waiver offer. Some governors and legislators may be waiting for Congress to repeal and replace Obamacare. Others may have simply given up promoting free-market ideas in the health care arena after so many years of unimpeded intrusion by Washington. And others simply may not believe a federal agency really is open to reducing its own power.

But it is time for states to return to this arena. Now it’s our turn!

Here at Heartland we have reviewed the law. We have sat down and visited with members of Congress, HHS policymakers, governors, and state legislators. We are working with leading experts in this area. Here is what we discovered.

States can apply for and receive waivers to implement free-market Medicaid reforms. HHS is practically begging for requests that impose work requirements on the millions of able-bodied adults on Medicaid, similar to the widely successful 1996 welfare reform. HHS will consider Medicaid block grants, defined-contribution payments, Medicaid health saving accounts (HSAs), and direct primary care initiatives. The Medicaid waiver door is wide open.

Using waivers to reform Obamacare is more difficult, but HHS is opening avenues for reform there too. Obamacare waivers take legislative rather than solely gubernatorial approval, so state legislators need to start now to formulate legislation and approve waiver requests. They can restart high-risk or reinsurance pools, expand general population HSAs, waive Obamacare penalties for individuals and businesses, and remove community rating and guaranteed renewal.

Through the Medicaid and Obamacare waiver doors, states can roll back decades of government control of our health care decisions. They also can implement other parts of a consumer-driven health care agenda that Heartland and other free-market advocacy groups have been writing about and promoting for decades.

### The Prescription Drugs Door

Heartland has identified another policy door Trump could open wide: making new prescription drugs available sooner, less expensive, and safe.

Prescription drugs are the fastest growing segment of America’s health care budget. Just 15 years ago, we were spending about $125 billion on pharmaceuticals, and now the cost is closer to $325 billion per year. For the last year of available data, drug spending increased at nearly three times the rate of all other health care expenditures. Within Medicaid, the increase was a staggering 24.3 percent.

Smart drug expenditures can reduce overall spending on health care by reducing the need for other health care spending, such as hospitalization. They can also reduce unnecessary pain and suffering and time away from work, and extend life. No one doubts the future of health care includes increasing the share of total spending devoted to prescription drugs.

But the high and rising prescription drug prices of recent years are not sustainable, and
the good news is they are not inevitable. A principal driver of rising prices is the Food and Drug Administration (FDA), which uses an antiquated trial and review process from the 1960s to approve new drugs. Experimental drugs may languish in the approval process for a decade or longer. Direct outlays to get a single new drug from lab to patients can top $1 billion.

Some promising new drugs are abandoned because of the cost and length of the FDA process. Some breakthrough drugs are available in other countries but not here, forcing Americans to travel abroad for treatment. As a result of the FDA roadblock, the United States is losing its position as the preeminent country for life-saving treatment.

Trump has appointed as head of FDA Dr. Scott Gottlieb, a scholar who has written extensively about the need for FDA reforms. As commissioner, Gottlieb announced the current drug approval system is on an unsustainable path, and America needs to do something now to make the entire process less costly and more efficient.

We believe the answer Gottlieb is looking for lies outside FDA. Why not create a path around FDA for people who want and need faster access to prescription drugs?

Let people choose which path they want to take: through FDA, which limits their choices to drugs that have gone through “gold standard” trials for efficacy for a decade or longer, or a free-to-choose track that goes around FDA, giving patients who choose it access to new drugs after only two or three years in the pipeline, drugs that have completed safety trials but are still in efficacy trials.

The Heartland Institute has worked with Bartley Madden to produce a detailed presentation of such a plan, called Free to Choose Medicine (FTCM). We have model legislation and have introduced the idea to scores of policy experts.

We are hopeful that key Washington leaders, including Trump himself, realize the key to affordable prescription drugs lies in replacing the old top-down-government-knows-best approach with free-market principles with one goal: improving the lives of all Americans.

Conclusion
It would have been nice if Congress had repealed and replaced Obamacare with a free-market alternative. It would have been tremendous if Congress recognized that patients and their health care providers should be in charge, not government bureaucrats. Alas, that did not happen.

Congress’ failure opens doors to exciting new opportunities for health care reform. We can free states from Medicaid and Obamacare dictates via robust waivers, implement state-level reforms that reduce the cost of health care, and speed up access to potentially life-saving new drugs.

Simply put, we can and must rejuvenate and transform America’s health care system. The doors are wide open. Your financial support is needed if these projects are to be undertaken and successful. I hope you will join us.

Tim Huelskamp, Ph.D. (thuelskamp@heartland.org) is president of The Heartland Institute.
By the Numbers

During the third quarter of 2017, The Heartland Institute ...

- Sent to the printer the 401-page Patriot’s Toolbox: One hundred principles for restoring our freedom and prosperity. More than 12,000 copies will be mailed in early November to influential audiences across the country.
- Contacted elected officials 220,966 times, including 5,547 one-on-one contacts by phone, email, or in person, and testified three times.
- Generated at least 52 broadcast, 656 online, and 147 print media hits reaching 16.7 million subscribers.
- Added 204 blog posts to Freedom Pub and 61 to American Exceptionalism, and released 67 podcasts attracting a total listening audience of 646,763 people.
- Added 12 videos to our YouTube channel, and all videos on the channel attracted a total of 66,357 viewers.
- Hosted nine events, spoke at 11 events, and attended, exhibited at, or cosponsored four events, reaching a total in-person and online audience of 9,671 people.

Consumers for Health Care Choices
- Published two issues of Consumer Power Report, three issues of Health Care News, one Policy Brief, and 14 Research & Commentaries on health care issues.
- Logged 1,228 personal and 51,611 group contacts for a total of 52,839 contacts with legislators on health care issues.
- Generated at least 15 broadcast, 76 online, and 23 print media hits reaching nearly 2.3 million people on health care issues.
- Produced six new podcasts, attracting 102,623 listeners, and 18 new posts on Freedom Pub on health care issues.
- Hosted two events on health care issues reaching a total in-person and online audience of 2,125 people.

Center for Constitutional Reform
- Published one Policy Brief on constitutional reform.
- Logged 325 personal and 15,211 group contacts for a total of 15,536 contacts with legislators on constitutional reform issues.
- Generated at least one broadcast, 27 online, and three print media hits reaching 306,837 people on constitutional reform.
- Produced eight new podcasts, attracting 27,892 listeners, and nine new posts on Freedom Pub on constitutional reform.
- Hosted one event on constitutional reform issues, spoke at one, and attended a third, reaching an estimated total audience of 4,139 people.
- Issued 171 tweets from the Twitter account @usconstreform.

Center on Budgets and Taxes
- Published three issues of Budget & Tax News and 13 Research & Commentaries on budget and tax and tobacco-related issues.
- Logged 1,221 personal and 37,026 group contacts for a total of 38,247 contacts with legislators, and testified twice.
Logged 190 personal and 9,128 group contacts for a total of 9,318 contacts with legislators on tobacco-related issues.

Generated at least nine broadcast, 49 online, and 14 print media hits reaching nearly one million people.

Produced 10 new podcasts, attracting 59,386 listeners, and 30 new posts on Freedom Pub on budget and tax issues.

Arthur B. Robinson Center on Climate and Environmental Policy

Published three issues of Environment & Climate News, nine issues of Climate Change Weekly, one testimony, two Policy Briefs, and six Research & Commentaries on environment and energy issues.

Logged 1,050 personal and 47,169 group contacts for a total of 48,219 contacts with legislators on environment issues.

Logged 940 personal and 30,400 group contacts for a total of 31,340 contacts with legislators on energy issues, and testified once.

Generated at least 21 broadcast, 373 online, and 87 print media hits reaching more than 9.5 million people on environment and energy issues.

Produced 17 new podcasts, attracting 222,742 listeners, and 60 new posts on Freedom Pub addressing energy, environment, and climate issues.

Hosted one event on environment and energy issues, spoke at seven, and attended one, reaching an estimated total audience of 1,815 people.

Center for Transforming Education

Published one issue of School Reform News, 10 issues of School Choice Weekly, and 12 Research & Commentaries on education issues.

Logged 592 personal and 24,874 group contacts for a total of 25,466 contacts with legislators on education issues.

Generated at least five broadcast, 69 online, and 11 print media hits reaching more than 3.3 million people on education issues.

Produced 10 new podcasts, attracting 42,484 listeners, and 25 new posts on Freedom Pub on education issues.

Hosted one event on education issues, spoke at three, and attended two, reaching an estimated total audience of 1,185 people.

Issued 5,719 tweets from education-focused Twitter accounts.

Your Guide to More Freedom and Prosperity!

Herbert Walberg and Joseph Bast, joined by 18 contributors, analyze the 10 most important issues facing America.

- Health Care
- Energy & Environment
- Elementary and Secondary Education
- Higher Education
- Privatization
- Firearms
- Telecommunications
- State Fiscal Policy
- Federal Tax Policy
- Constitutional Reform

Paperback: 401 pages
Publisher: The Heartland Institute
Price: $8.95

Now Available at: amazon.com
With Congress failing to repeal Obamacare, the states and President Donald Trump must take the lead in reforming the nation’s health care system. In October, Trump signed an executive order directing his administration to consider expanding access to association health plans, which could allow employers to form groups across state lines; increase coverage through low-cost, short-term, insurance; liberalize health reimbursement arrangements so employees can use them to buy insurance; and stop appropriations for cost-sharing reduction.


To guide the reform process, Heartland published “Health Care Reform: A Toolbox for Patriots and Policymakers,” which will also appear as Chapter 1 of the upcoming fourth edition of Heartland’s popular book The Patriot’s Toolbox. Heartland President Joseph Bast and Senior Policy Analyst Matthew Glans provide 10 principles for government policy to increase the affordability and quality of health care and put power back in the hands of providers and patients.

A Policy Brief by Glans, “Don’t Wait for Congress to Fix Health Care,” argued states can implement real health care solutions right now, through requests for waivers from federal Medicaid regulations and by repealing coverage mandates, guaranteed issue, community rating, occupational licensure laws, and certificate of need regulations; expanding health savings accounts; and encouraging telemedicine, high-risk pools, and price transparency.

Promoting State Medicaid Reform
Following Heartland’s blueprint, states worked to reduce the burden of the inefficient and ineffective federal Medicaid program. The Centers for Medicare and Medicaid Services (CMS) approved a five-year extension of Florida’s capitated Medicaid managed care program and low-income pool and Minnesota’s application to establish a reinsurance program.

A new Arkansas law will roll back Medicaid expansion and establish work requirements if CMS approves. Kentucky, Maine, and Utah submitted requests for permission to reform their Medicaid programs. Heartland published a Policy Tip Sheet and Research & Commentary arguing Maine should focus on reforming Medicaid instead of expanding the current system. Health Care News and Budget & Tax News covered this state-level activity throughout the quarter.

Pressing for Regulatory Relief
State governments impose countless unnecessary regulations that raise prices and limit access to care. Certificate of need (CON) laws, for example, require providers to show their services would not duplicate currently available ones. A Heartland Research & Commentary showed CON laws decrease competition, drive up costs, reduce access to care, and invite corruption. Mississippi lawmakers began discussing free-market reforms or repeal of the state’s CON laws.

Texas enacted a law freeing physicians
from having to meet private boards’ maintenance-of-certification processes in order to remain certified. The Michigan Legislature began considering two bills to prevent the state licensing boards and insurance companies from requiring doctors to maintain expensive and time-consuming certification by private accreditors. A new study found granting medical school graduates provisional licenses to practice medicine could help offset the national physician shortage. Health Care News reported on all those events.

The Florida Legislature began considering legislation to exempt direct primary care (DPC) agreements from regulations on insurance companies. DPC providers offer a wide range of services at a fixed price per month, outside the insurance system. Heartland sent Florida lawmakers a state-specific Research & Commentary on the subject.

Prescription Drug Progress
People across the nation are concerned about the cost of prescription drugs, and thousands suffer each year without receiving help from pharmaceuticals stuck in the Food and Drug Administration’s (FDA) protracted and expensive approval process. To break the FDA bottleneck, 38 states have passed “right to try” laws allowing patients to request experimental drugs that have not completed the FDA approval process.

Patients are benefiting from those laws, but it would take a national law to establish their full legality. With that in mind, the U.S. Senate passed a national right to try bill allowing some patients access to experimental medications that have undergone preliminary testing in humans. Heartland sent out a Research & Commentary, “National Right to Try Nears Finish Line,” explaining how the process would work and its prospects for passage.

FDA encouraged competition against certain brand-name drugs, publishing a list of off-patent drugs without FDA-approved generic versions. Health Care News reported on the reform.

Reducing Tobacco Harm
Numerous scientific studies have established alternative forms of nicotine delivery such as e-cigarettes greatly improve the public’s health by reducing harm from tobacco smoking. Heartland continued to inform lawmakers and the public of this proven method of tobacco harm reduction and warn of the health damage governments cause by treating these items the same as combustible tobacco products.

A Research & Commentary by State Government Relations Manager Lindsey Stroud reported public health officials around the world strongly recommend smokers switch to electronic nicotine delivery systems because they help people quit smoking and are 95 percent safer than tobacco cigarettes.

Two newspapers published an op-ed by Stroud noting pending legislation to amend FDA’s deeming regulations to exclude e-cigarettes has bipartisan support in Congress and among many public policy groups. On the state level, the Rhode Island Senate Committee on Health and Human Services opted not to consider a bill to add e-cigarettes to the state’s tobacco ban, Budget & Tax News reported.
Scholar’s Advice for Constitutional Reform

As the debt of the United States government continues to mount, efforts to add a balanced budget amendment (BBA) to the U.S. Constitution are gaining steam. But drafting such an amendment is not as easy as it sounds.

In a Policy Brief released by Heartland in July, constitutional scholar Robert G. Natelson takes on the task. He notes many challenges—political, practical, semantic—face those who would undertake to draft a constitutional amendment. He describes several criteria an amendment must meet to be successful and proposes a draft BBA that meets those criteria.

The Policy Brief was posted to the Center for Constitutional Reform’s website and released digitally to more than 15,600 elected officials, civic and business leaders, allies, and donors. We sent a press release announcing the publication to 9,665 media contacts.

Natelson was featured on a Heartland podcast and was published or mentioned by several media outlets during the quarter, including the Arizona Republic, The Hill, Huffington Post, Townhall, and the Washington Times.

Ariz. Planning Convention a Success
On September 12–15, Phoenix, Arizona hosted the Balanced Budget Amendment Planning Convention. Nearly 4,000 people attended, including delegates from more than 20 states, many of them current state lawmakers. Heartland Government Relations Director John Nothdurft and Deputy Director of Communications Keely Drukala attended, as did Policy Advisor Neal Schuerer. The three interviewed participants for future Budget & Tax News articles and recorded videos with participants to promote constitutional reform and Heartland’s involvement in it. A few days after the convention concluded, on September 19, Schuerer was a guest on the nationally syndicated An Economy of One on Radio America Network to discuss the proceedings.

As part of our promotional campaign for the event, Drukala built a convention-specific webpage, while Publications Director Sam Karnick and Managing Editor Jesse Hathaway planned Budget & Tax News coverage. Nothdurft and Schuerer arranged meetings with lawmakers and potential donors. Marketing Coordinator Chris Talgo and Communications Intern Andy Singer prepared a “best of” podcast compilation to feature on the webpage.

In July, American Spectator published an op-ed by Policy Advisor David Guldenschuh, “The People’s Constitutional Solution to Fixing Washington,” and in August, the Washington Times published an op-ed by David Guldenschuh, “Rising from the Political Ashes in Phoenix.” In September, the government relations department’s weekly e-newsletter highlighted the planning convention effort, and a press release headlined “Heartland Institute Scholars Comment on Historic Article V Planning Meeting in Arizona” was sent to 10,315 press and media contacts.

Creating the Declaration of Independence
On August 16, the center hosted an event featuring attorney David J. Shestokas, a Heartland policy advisor and author of Creating the Declaration of Independence. Thirty-seven people attended and 552 watched the livestream. Heartland donor Nancy Thorner blogged about the event at Illinois Review, writing,
I was transported back into the minds of Richard Henry Lee, John Adams and Thomas Jefferson in the weeks before July 4, 1776 to learn, among other fascinating details:

1) Lee’s trepidation as he knew when he proposes American Independence to the Second Continental Congress that he is literally risking beheading.

2) The meeting between John Adams and Jefferson at City Tavern as they begin crafting the Declaration.

3) The story of how Jefferson came to reluctantly draft the Declaration when few others, including Adams thought that Jefferson’s assignment was important.

4) A shortcut Jefferson used to craft a document of such immortality on such short notice. ...

Millennials and Constitutional Reform
On July 21–23, Marketing Director Veronica Harrison and Schuerer attended the Western Conservative Summit in Denver, Colorado and delivered a workshop on educating millennials about Article V. Nearly 40 people attended. The two also distributed Heartland’s Compact for a Balanced Budget booklet, written by Nick Dranias of Compact for America.

Media Efforts Promote Center’s Work
The center issued 171 tweets garnering 19,766 impressions, 627 profile visits, 219 mentions, and 43 new followers during the third quarter. Eight articles on constitutional reform were added to Heartland’s blog, Freedom Pub.


The center’s weekly podcast featured, among other people: Katie Kerschner of the Texas Public Policy Foundation; economic consultant Adam Kwasman, a former member of the Arizona House of Representatives; Christina Sandefur of the Goldwater Institute; and Nick Adams, founder and executive director of the Foundation for Liberty and American Greatness (FLAG).

The podcast with Adams highlighted the group’s “kid-friendly” publication, The United States of America Student’s Constitution. The book explains the history and principles of the Constitution in a style suitable for children from elementary school through high school. Heartland featured the kid-friendly Constitution in its online store for a special Constitution Day sale between September 17 and September 24.

Although the Center for Constitutional Reform does not produce its own regular publication, Budget & Tax News, Environment & Climate News, and School Reform News regularly feature articles addressing constitutional reform. In the third quarter, the newspapers published 15 such articles.
Congress and President Donald Trump laid the groundwork for serious reform of the federal tax code to make hard work and success work again for everyday Americans. Trump and congressional Republicans unveiled the Unified Tax Reform Framework, incorporating reforms Heartland has been promoting for years. The White House website republished a Heartland press release quoting new Heartland President Tim Huelskamp’s praise for the plan, with quotes from other Heartland researchers and policy advisors.

*The Daily Caller* published “America Needs a Big Reagan/Kennedy Pro-Growth Tax Cut,” by Heartland Senior Fellow Peter Ferrara, arguing tax reform would unlock prosperity for everyone. Ferrara expanded on this in an op-ed in *The Hill*, writing consumers’ and investors’ confidence about the chances for tax reform was already increasing economic activity and promoting prosperity. “The result is a robust recovery that [President Barack] Obama consistently failed to achieve,” Ferrara wrote.

Confirming that analysis, the U.S. Bureau of Labor Statistics’ July 2017 Employment Situation Summary reported U.S. business owners created 209,000 new jobs in July.

**Entitlement Reform Gains Momentum**

The Welfare Reform and Upward Mobility Act of 2017, a bill modeled on entitlement reforms in Alabama spearheaded by Heartland in 2016, gained 27 cosponsors in Congress. Bill sponsor Rep. Jim Jordan (R-OH) told *Budget & Tax News* imposing work requirements on food stamp recipients is not just a money-saving idea. “Most importantly,” Jordan said, “it helps the people who have been stuck in the system. Do we want to continue to do nothing, or do we want to help them get a skill set, get the training, get the education, and get the experience they need to move to something better in life?”

The U.S. Department of Health and Human Services rescinded an Obama-era memorandum encouraging states to eliminate work requirements for Temporary Assistance for Needy Families. The new policy encourages states to enact the requirements as required by federal law. A Heartland press release sent to 9,167 press and media contacts quoted Huelskamp, Ferrara, Senior Policy Analyst Matthew Glans, Research Fellow Jesse Hathaway, and others on this positive development.

The Georgia Division of Family and Children Services sent the U.S. Department of Agriculture a plan for bringing back work requirements in 60 counties, with 24 counties having already reinstated the mandates. *Budget & Tax News* reported work requirements are already helping Georgians, with the number of able-bodied individuals in Hall County receiving welfare benefits having declined by more than 50 percent between January 2016 and January 2017 and the county’s unemployment rate dropping.

We sent a *Research & Commentary* on Supplemental Nutrition Assistance Program work requirements to 727 elected officials in five states. Glans noted many individuals chose to leave SNAP in Maine rather than participate in training or community service, indicating they did not need the assistance enough to invest a few hours a week.

**Pressure for Pension Reform**

Public employee pensions are a growing problem for states and municipalities across the nation, threatening to blow massive holes in government budgets and leave taxpayers
on the hook for extravagant promises they can’t possibly keep. Michigan Gov. Rick Snyder signed a major pension reform moving all new teachers to a 401(k)-style defined-contribution plan, ensuring flexibility for employees and budget stability for the state. Budget & Tax News quoted the bill’s author, state Sen. Phil Pavlov (R-St. Clair Shores), as saying, “Going forward, there is no chance of the defined-contribution plan collecting any unfunded liabilities.”

With Kentucky’s public pension system in crisis, we sent 138 elected officials in the state a Research & Commentary recommending they switch workers from defined-benefit pensions to defined-contribution plans.

Counterproductive Millionaires’ Taxes
Legislators in Massachusetts and other states are pushing for “millionaires’ taxes” to boost revenues and expand government. These taxes undermine small businesses, the engines of job creation, because most such businesses file their taxes as individuals. We sent 200 Massachusetts legislators a Research & Commentary discussing the proposed millionaires’ tax. A Budget & Tax News article noted the tax would hit 10,000 small businesses across the state, crushing entrepreneurship and job opportunities.

Seattle residents filed a lawsuit in the King County Superior Court, arguing a new millionaires’ tax there violated state laws prohibiting municipal income taxes. Budget & Tax News reported the tax removes the benefits of living and working in Seattle for top-tier talent, which is why Washington state residents have voted nine times to refuse a state income tax.

Protecting Civil and Property Rights
Heartland continued to educate the public and lawmakers about civil asset forfeiture, a legal process permitting law enforcement agents to seize cash and property without proving a crime has occurred. Federal government policy offers a way for local and state law enforcement agencies to bypass their legal restrictions on civil asset forfeiture, essentially using the federal government to launder profits from policing while violating individuals’ rights to due process and property. In a Heartland podcast, U.S. Sen. Mike Lee (R-UT) called on Attorney General Jeff Sessions to eliminate this option.

In an August podcast, U.S. Rep. Peter Roskam (R-IL) discussed his bill to prohibit the Internal Revenue Service from using civil asset forfeiture in investigations into “structuring”: cash deposits the government suspects, but has not proven, to be criminal. The bill would require the government to prove financial crimes are being committed before IRS agents can empty people’s bank accounts.
The Heartland Institute’s Center on Climate and Environmental Policy continued to lead the push for the use of sound science to shape climate, environment, energy, and regulatory policy in the third quarter. Our efforts paid significant dividends when the U.S. Environmental Protection Agency (EPA) filed a proposal to repeal the Clean Power Plan (CPP) so as to facilitate the development of U.S. energy resources and reduce the unnecessary regulatory burden on the energy sector. By the government’s own estimates, CPP would have increased energy costs by billions of dollars annually for no measurable reduction in global temperatures.

One of our signature efforts was a series of “Red Team” briefings of scientists, economists, and policy experts on climate science and policy matters. With encouragement from The Heartland Institute, the Trump administration initiated a scientific discussion of the causes and effects of climate change, a stark reversal of the alarmist policies of the Obama administration. EPA Administrator Scott Pruitt proposed implementing a “Red Team-Blue Team” exercise in which government-recruited experts would engage in unrestricted discussion of the state of knowledge on the causes and possible consequences of climate change. “What the American people deserve, I think, is a true, legitimate, peer-reviewed, objective, transparent discussion about [carbon dioxide],” Pruitt said.

Heartland held Red Team meetings in Washington, DC and at its Chicago-area headquarters; a third and perhaps final meeting is taking place in Houston in November. The media widely recognized Heartland’s contribution to the Trump administration’s proposed process. Science magazine reported EPA consulted with “the free-market Heartland Institute for input on which scientists to include in the effort.” A Daily Caller story, “Trump Solicits Help from Conservative Group to Develop Climate Change Red Team,” reported, “President Donald Trump and the Environmental Protection Agency have enlisted the help of the Heartland Institute, a group widely considered to be the central hub for the academic push against what conservatives call ‘climate alarmism.’” Another Scientific American story, “The Skeptics Who Could Snag Science Adviser Slots,” stated, “The Heartland Institute—a Chicago-based free-market think tank that pushes alternative climate science—nominated many of the current prospects” for the Red Team. The Washington Post, Washington Examiner, Santa Fe New Mexican, and other newspapers published stories on Heartland’s involvement, as did E&E News and other websites.

The Hill published an op-ed by Heartland Institute CEO Joseph Bast and Policy Advisor Roger Bezdek, “Red Team-Blue Team Exercise Will Expose the Junk Science That Filled Obama’s EPA.” Bast and Bezdek wrote, “It is fiscally irresponsible and irresponsible governance to spend trillions of dollars on uneconomical technologies, forcing consumers to buy products they do not want, and destroying entire industries on the basis of untested hypotheses and inaccurate forecasts.”

Before EPA could start applying sound science to environment and climate regulation, it had to clear away the dead wood. Environment & Climate News reported the agency notified dozens of members of its sci-
Scientific advisory panels their services would no longer be needed when their current terms of office expire. Breitbart published a news story quoting Heartland President Tim Huelskamp as saying, “We all want a cleaner, better environment. The only question is, does it have to be giving more power to bureaucrats in Washington, DC or the powerful at the expense of the people.”

Correcting The New York Times
Heartland refuted alarmist claims by The New York Times after it published a false front-page story claiming a draft National Climate Assessment report by scientists from 13 federal agencies was leaked to it by scientists who feared the Trump administration was going to suppress the document. Heartland’s Climate Change Weekly newsletter showed The Times report to be based on lies. Far from being suppressed or hidden by the Trump administration, the report had been available to the public online since January, meaning it was out there not being suppressed for a full eight months before the Times “broke” the story, Research Fellow H. Sterling Burnett wrote. A few days later, The Times issued a correction acknowledging its claim was false. Burnett discussed the New York Times’ false report on Real Talk with Riggin on KZIM/KSIM in Cape Girardeau, Missouri, the nationally syndicated Freedom and Prosperity Radio, and the What’s Up Program on KKHT-FM in Houston, Texas.

The Washington Examiner reported, “Climate change skeptics at the Heartland Institute slammed the New York Times as ‘fake news’ Wednesday after the newspaper reported this week that President Trump was looking to suppress a new federal report on global warming despite the report being publicly available.”

Storm Over Hurricane Causes
The horrific damage and lives lost in this year’s unusually active hurricane season dominated headlines and policy debates during much of the third quarter, with climate alarmists rushing to claim anthropogenic climate change is making hurricanes more frequent and stronger. Heartland answered these false assertions in print and in the media.

Climate Change Weekly reported the use of fossil fuels has reduced the harm caused by hurricanes and flooding. Burnett reported the number of people dying from natural disasters such as floods, hurricanes/cyclones, earthquakes, and tornados has declined by 93 to 98 percent since the 1920s even as the world’s population grew from fewer than two billion people in 1900 to more than 7.4 billion today.

The Los Angeles Daily News quoted Science Director Jay Lehr in an op-ed titled “Here Are the Lessons Hurricane Harvey Of-
fers Southern California.” The author wrote, “The devastation in Houston was the result of an unusual storm that had absolutely no connection to climate change,” said Jay Lehr, science director of Heartland Institute, a conservative think tank.

In a Heartland podcast, Dr. Jane Orient, president of Doctors for Disaster Preparedness, pointed out there is no evidence humanity’s use of fossil fuels was causing unusual hurricane activity. Importantly, the energy from those fuels was critical to hurricane recovery efforts. No industry has done more than the fossil fuel industry to help the hurricane- and deluge-stricken areas to recover, Orient said.

Principia Scientific International published a letter to the editor by Tom Harris, executive director of the International Climate Science Coalition, citing work published by Heartland. Harris wrote, “In 2013 the Non-governmental International Panel on Climate Change explained, ‘in no case has a convincing relationship been established between warming over the past 100 years and increases in any of these extreme events.’”

To answer incorrect claims about sea-level rise, which has been blamed for increases in hurricane damage, Heartland published a Policy Brief, “Ten Cities Not Flooded by Global Warming,” by Dennis Hedke, past president of the Geophysical Society of Kansas and the Kansas Geological Society. Hedke studied records for ten cities and, with charts for each, demonstrates while carbon dioxide has been rising, sea levels have not risen accordingly.

The Virtues and Value of Coal
Heartland undertook an intensive effort to examine the long-term net positive value of coal to the American people and the benefits of rolling back rules issued by former President Barack Obama to bankrupt the coal industry. The Cleveland Sun published an op-ed by Research Fellow Isaac Orr and Senior Fellow Fred Palmer. “Many of the coal plants announcing their premature retirements are doing so in response to regulations limiting the amount of carbon dioxide that can be released by power plants under President Obama’s Clean Power Plan,” the authors wrote.

Breitbart published an op-ed titled “Heartland Institute: Dept. of Energy Report ‘Whitewashes’ How Regulations Crushed Coal.” The article stated, “A government report on the nation’s power infrastructure ‘whitewashes’ the crushing effects of government regulation on the coal industry, according to the Heartland Institute.” In an op-ed in The Hill, Burnett wrote, “At Trump’s direction, EPA is in the process of reviewing the Obama administration’s Clean Power Plan, and the expectation is the Trump administration will rescind or significantly reshape its limits on carbon-dioxide emissions from existing and new power plants.”

Fracking and U.S. Energy Dominance
The Heartland Institute continued to shine light on the myriad benefits of oil and gas development in the United States and to defend hydraulic fracturing, or fracking, from mistaken claims it harms people or the environment. We sent legislators in Arkansas, Louisiana, and Texas a Research & Commentary pointing out a recent U.S. Geological Survey study found no groundwater contamination from fracking. Policy Analyst Timothy Benson wrote, “[T]he Environmental Protection Agency concluded most injection wells do not cause earthquakes and ‘very few’ earthquakes produced by those that do can be felt by humans. Another study, published in Science in 2014, found only four of the roughly 4,500 injection wells in...
Oklahoma had most likely induced seismic activity.”

We sent elected officials in 22 states a Research & Commentary summarizing a study that found the U.S. oil and natural gas industries were responsible for 10.3 million jobs in 2015. Benson wrote, “The oil and natural gas hydraulic fracturing has enabled us to exploit are cost-effective and abundant, and they can ensure the United States is the world’s largest energy producer well beyond the twenty-first century.”

REINing in Unnecessary Regulations

Government rules and regulations issued in the United States annually impose $1.9 trillion in costs on individuals and businesses, amounting to $14,842 per U.S. household, enough to buy a good used car every year. At long last, Congress and some state legislators have begun to reclaim their legislative authority from unaccountable regulators.

Environment & Climate News reported the U.S. Senate Homeland Security and Governmental Affairs Committee sent five bills to the full Senate seeking to reclaim Congress’ constitutional lawmaker power from federal regulatory agencies. One of these, the Regulations from the Executive in Need of Scrutiny (REINS) Act, would require congressional approval of all new major regulations, defined as any rule imposing $100 million or more in costs on the economy, before they may take effect.

Wisconsin became the first state to pass a REINS Act. The new law requires legislative approval before implementation of any regulation that would impose $10 million in costs on the economy over two years. Heartland released a Policy Tip Sheet showing unelected government bureaucrats have usurped the lawmakers’ power of the Wisconsin Legislature in the past few decades, dramatically increased their agencies’ size and power through regulatory fiat, inflicted injustices on individuals, and reduced economic growth, job creation, and consumer choice. “There is no bill better suited for cutting back on the scope and power of government,” the tip sheet states. Heartland also reported on Wisconsin’s action in Environment & Climate News and a podcast.

Speaking to some 150 people at State Policy Network’s annual meeting in San Antonio, Burnett said other states should adopt similar legislation and told how think tanks could promote the process. In an op-ed for The Hill, Burnett wrote, “Besides accountability and transparency, another reason other states should pass their own REINS Act is that the massive number of government rules and regulations that have been passed by states across the country now cost consumers trillions of dollars every year.”
Expanding Voucher Programs

Heartland’s education team was active during the third quarter promoting policies to expand education voucher programs and publicizing successes. Ohio Gov. John Kasich signed a law increasing funding for the Cleveland Scholarship voucher program and made the application window for another voucher program year-round. The September issue of School Reform News reported on a bill under consideration in the Ohio Senate’s Education Committee that would dramatically expand the state’s voucher programs. The Wisconsin Senate Budget Committee approved a $60 million increase in funding for the state’s three main voucher programs and raised the income limits for participation in the state-wide Parental Choice Program.

Two recent polls confirmed widespread approval of vouchers. Writing in Townhall, Heartland Senior Fellow Robert Holland noted a poll by Chicago-based GenForward revealed millennials strongly support the use of vouchers to help needy children choose private schools. In addition, Holland wrote, the annual EdNext poll found the general public supports vouchers, with 45 percent in favor and 37 percent opposed. Heartland’s government relations department worked to make lawmakers aware of the popularity and advantages of vouchers, publishing three Research & Commentaries on the subject.

Societal Benefits of School Choice
Heartland has long made it a point to emphasize the benefits of school choice go beyond simply helping the people who use them. School choice improves the lives of everyone, even people without children. School Choice Weekly reported on the growing number of scientific studies indicating school choice helps reduce crime: “Fewer kids in trouble with the law, more kids learning, lower costs for taxpayers? Sounds like a win, win, win,” Research Fellow Teresa Mull wrote.

Thanks to Florida’s tax-credit scholarship program, thousands more of the state’s children are enrolling in college. School Choice Weekly reported a new study found participation in the Florida program increases college enrollment rates by 6 percentage points, or approximately 15 percent, and children in the program for four or more years experienced an 18 percentage point increase in college enrollment, a 43 percent improvement.
Jarratt spoke on “Educating Legislators on the Merits of Education Choice” to a breakout session of the North Carolina Public Charter School Conference, sharing statistics from surveys showing parental satisfaction with education choice programs. Heartland hosted an event on education freedom featuring Neal McCluskey, director of the Cato Institute’s Center for Educational Freedom, and Heartland Senior Fellow George Clowes. Twenty-six people attended the event, and 582 watched online.

Mull recorded two podcasts recounting school choice success stories during the quarter. She interviewed T. Willard Fair, president and CEO of the Urban League of Greater Miami, Inc., who explained why education choice is in demand in the black community. She also interviewed Caroline Makepeace, a mother of two elementary-school-aged daughters and a former teacher, about her family’s use of school choice to incorporate learning experiences into the family’s exploration of new cultures and places.

Curbing Curriculum Controversies
Progressive political propaganda is rampant in government schools across the nation, and while we work for education choice to end government-imposed curriculum controversies once and for all, Heartland’s education team has made a point of identifying biased classroom materials and exposing the problem to parents and lawmakers. Research Fellow Joy Pullmann spoke on the Caffeinated Thoughts radio program on KTIA-FM in Des Moines, Iowa about her book Education Invasion: How Common Core Fights Parents for Control of American Children.

Even The Washington Post now admits the increasing number of social disturbances such as protests, defamation, and vandalism may be rooted in what government schools across the nation have been teaching, School Choice Weekly reported. Mull hosted a podcast in which Lance Izumi of the Pacific Research Institute provided many vivid examples of how American public schools are “becoming increasingly politicized, less safe, socially biased, and mismanaged,” calling for more school choice to solve these problems.

Battling Blaine
Blaine Amendments in many states’ constitutions forbid the use of public money to fund religious institutions, and anti-choice groups have long used them to justify lawsuits against education choice. School Reform News reported on the U.S. Supreme Court’s decision finding the Missouri government cannot reject a church’s application for a state grant because of the institution’s religious character. Education choice advocates hailed the decision as a big victory, the story reported.

American Thinker and the Jackson Press published op-eds by Holland in which he stated the U.S. Supreme Court may be finally ready to declare Blaine amendments unconstitutional. He refuted claims education choice is rooted in racism, pointing out opposition to choice is where the real legacy of bigotry in education lies.
Some time ago, Joseph Bast announced his plans to retire from The Heartland Institute in January 2018, 34 years after cofounding Heartland with David Padden.

Diane Carol Bast, who joined Heartland just two years after it started and is now senior editor and finance manager, is retiring with her husband of 36 years.

Joe and Diane worked tirelessly for three decades to transform The Heartland Institute from a one-person shop operating out of a single donated room at a law firm, into one of the top ten free-market think tanks in the United States, according to thebestschools.org. According to The Economist, Heartland is “the world’s most prominent think tank supporting skepticism of man-made climate change.”

Joe has been recognized many times for his contributions to the freedom movement, including:

• 1994 Roe Award from State Policy Network
• 1996 Sir Antony Fisher International Memorial Award (with coauthors)
• 1998 Eagle Award from Eagle Forum
• 2004 Champion of Liberty award from the Libertarian Party
• 2016 Edward Teller Award for the Defense of Freedom from Doctors for Disaster Preparedness

A Legacy

To honor Joe and Diane’s accomplishments and ensure their life’s work continues after they retire, please consider renewing or increasing your regular contribution to The Heartland Institute. There are four special gifts you can make:

• place Joe and Diane’s names on or near our building here in Arlington Heights, Illinois,
• name one of our policy centers in Joe and Diane’s honor,
• endow one of our programs, such as internships or senior fellows, in their names, or
• make a special contribution to Heartland’s Endowment Fund.

Gwendalyn Carver, Heartland’s development director, can describe each of these opportunities in detail. Contact her at 312/377-4000 or by email at gcarver@heartland.org. Ms. Carver will help you craft your special gift in honor of Joe and Diane Bast.
Joe and Diane Bast worked tirelessly for three decades to transform The Heartland Institute into one of the top ten free-market think tanks in the United States.
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