At The Heartland Institute’s 31st anniversary benefit dinner on October 8, keynote speaker Angelo Codevilla delivered a piercing analysis of the new “Ruling Class” in America. These privileged individuals went to the best universities, know the right people, and have careers that depend largely on access to the money governments take from the rest of us. They are utterly convinced of the correctness of their opinions despite being dead wrong on the most important issues facing the country.

I talked with Dr. Codevilla prior to his talk about what the rest of us – the heartland of America – can do. We came up with five ways to beat the Ruling Class:

1. **Educate Yourself**
   Can you defend capitalism? Can you explain the four institutions that a free-market economy needs to produce not just prosperity but also individual freedom and justice? Do you know why “the worst rise to the top” in governments?

   The Ruling Class is sure that socialism, not capitalism, is the way to achieve its vision of a good society. That vision is based on ignorance or a fundamental misunderstanding of how markets work, the role of government envisioned by the Founders of the United States, and the lessons of history.

   To beat the Ruling Class, you need to explain how empowering individuals to make their own choices and cooperate voluntarily with others to solve problems is the only way to create the Great Society that Adam Smith first foresaw and described in his great book, *The Wealth of Nations*, published in the very year, 1776, that the world-changing American experiment in freedom was launched.

   **CONTINUED ON PAGE 2**
The Heartland Institute can help you take this first step. Call us at 312/377-4000 and we’ll send you a free copy of Tom G. Palmer’s *Why Freedom* for the basic principles, and a copy of *The Patriot’s Toolbox* for how these principles apply to current issues. The box on page 3 of this newsletter has some short essays available online that will make you sound like a genius compared to your Ruling Class opponents.

2. Educate the People Around You

Don’t hide your knowledge under a bushel basket! Talk to your children, other family members, coworkers, and golf partners. Don’t let false claims go unanswered out of fear of being “politically incorrect.” Often, all it takes is saying “I don’t believe that’s true” to stop a Ruling Classer in his or her tracks.

Has increasing the size and power of government ever solved a problem? The record of government’s failures is long and irrefutable. Are “big corporations” all evil? Corporations built the cars we drive and produce the food we eat. Would life really be better without big corporations producing virtually everything we see, touch, and consume?

And of course, there’s “global warming.” The government’s own satellites show there’s been no warming for 18 years, so how can any recent hurricanes, droughts, floods, wildfires, and so on have been caused by “global warming”? And isn’t China now the world’s largest emitter of carbon dioxide? What kind of government does China have?

Once again, Heartland can help. Direct your friends and coworkers to our website at www.heartland.org and urge them to “just browse around.” They can’t help but get educated.

3. Be a Role Model for Others

Leonard Read, the legendary founder and long-time president of the Foundation for Economic Education, believed the best way to sell the “freedom philosophy” is to be a role model for others. Dave Padden, Heartland’s founder, was similarly convinced that the way to persuade others that your ideas are valid is by being someone they admire and want to imitate.

Being a role model isn’t easy. It requires being a good spouse and parent, holding a job, avoiding drugs and other bad habits, and keeping promises. It requires being honest, admitting what you don’t know, and genuinely caring about other people.

When you become a role model, people ask about your views on the big issues of the day. When you tell them you believe people should be free to make choices and solve problems without the government telling them what to do, they are likely to accept that as a philosophy of life they too can embrace.

The best guide to becoming a role model is still Dale Carnegie’s *How to Win Friends and Influence People*. Originally published in 1936, it’s still in print (and required reading at The Heartland Institute).

Have you read it? Has it been a long time since you did? Pick up a copy and read it again. It will change your life ... and make you a more effective advocate of freedom.

4. Help Build New Institutions

Since the 1930s, the political Left has “marched through the institutions” of the United States, taking over and then corrupting one after another. They conquered Hollywood to shape popular culture, universities, mainstream media, and government agencies. Today they control those institutions and use them to hide and demonize any ideas or people who disagree with their fantastical view of the world.

Trying to take back Hollywood, the universities, and so forth from the Left is a hopeless endeavor. Their control is so complete and entrenched that it will take generations to displace them. But here’s the good news: The Left destroys the institutions it takes
over. Their movies are bad, their universities are too expensive and fail to teach even basic grammar and civics, and nobody believes what the mainstream media report on their front pages anymore.

This creates an opportunity for folks from the heartland to build new institutions that can out-compete those crippled by the Left. Colleges like Hillsdale, media outlets like Fox News, CNS News, and Washington Times, charter schools and home schooling, and websites like Breitbart and The Federalist are all institutions challenging the hegemony of the Ruling Class.

Institution-building can take place right in your neighborhood. Join your condo board, Rotary Club, arts and crafts club, volunteer fire department, or even a bowling team. This is where leadership skills are created and new leaders are discovered.

5. Hang Together

At the signing of the Declaration of Independence, Benjamin Franklin famously said, “We must all hang together, or assuredly we shall all hang separately.” His sentiment is true today. There is strength in numbers. One man standing up against the Ruling Class is easily ignored, silenced, or worse. One hundred cannot be so easily defeated. One thousand is a revolution.

It’s traditional, at this point in a speech or essay, to quote Margaret Mead’s observation: “Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.” At The Heartland Institute, we like a more recent quotation, from an Apple Computer ad campaign in 1997: “The people who are crazy enough to think they can change the world are the ones who do.”

Joining The Heartland Institute – as a donor, a volunteer, a writer, or just as a fan and promoter – is one way to join forces with others to beat the Ruling Class. Today we are 6,000-strong, counting only recent donors, but we count millions of people as our friends and supporters. By hanging together, we most assuredly are having more impact than we could as solitary voices for the truth.

* * *

The Ruling Class is powerful. From the president of the United States to the teacher showing An Inconvenient Truth to his captive audience of fifth-graders, they have the status and resources to impose their vision on the rest of us. But we can fight back and win. And now you know how.
Executive Summary

By the Numbers

During the third quarter of 2015, The Heartland Institute ...

▶ Launched the Center for Constitutional Reform in Dallas, Texas; hosted an Affordable Energy Summit in Las Vegas; and hosted a school choice debate in its new Arlington Heights, Illinois office.

▶ Contacted elected officials 269,144 times, including 7,817 one-on-one contacts by phone, email, or in person.

▶ Generated at least 45 broadcast, 794 online, and 102 print media hits reaching 8.2 million subscribers.


▶ Released one book, one booklet, one Heartland Policy Study, one Policy Brief, and 24 Research & Commentaries.

▶ Added 61 interviews to podcasts, attracting 365,203 listeners.

▶ Addressed 28 events with audiences totaling at least 4,905 people.

Center for Constitutional Reform

▶ Hosted a launch event in Dallas, Texas in August and will host an event on Women in Politics in November.

▶ Logged 246 personal contacts with legislators on constitutional reform issues.

▶ Attended five meetings with allies and prepared for October meetings with elected officials in Madison, Wisconsin.

▶ Produced a podcast with Rob Natelson, attracting 18,248 listeners as part of the Budget & Tax News podcast.

▶ Launched a new webpage at heartland.org presenting the best research and commentary on constitutional reform.

Center on Environment and Climate

▶ Published three issues of Environment & Climate News, 11 issues of Climate Change Weekly, and four Research & Commentaries on environment and energy issues.

▶ Mailed 51,000 copies of Senior Fellow James Taylor’s rebuttal of an alarmist Environmental Defense Fund fundraising letter and more than 7,100 copies of a Heartland Policy Study on frac sand mining by Research Fellow Isaac Orr and Mark Krumenacher.

▶ Logged 961 personal and 53,919 group contacts for a total of 54,880 contacts with legislators on environment and climate issues.

▶ Logged 1,378 personal and 35,998 group contacts for a total of 37,376 contacts with legislators on energy issues.

▶ Generated at least four broadcast, 216 online, and 41 print media hits reaching more than 2.1 million people on energy issues.

▶ Generated at least 21 broadcast, 381 online, and 24 print media hits reaching more than 2.0 million people on environment and climate issues.

▶ Produced 28 new podcasts on energy, environment, and climate issues, attracting 88,611 listeners.

▶ Addressed 20 events with audiences totaling at least 3,100 people.

Center on Budgets and Taxes

▶ Published three issues of Budget & Tax News and 14 Research & Commentaries on budget and tax issues.

▶ Mailed 10,500 copies of Senior Fellow Peter Ferrara’s book, Power to the People:
Executive Summary

The New Road to Freedom and Prosperity for the Poor, Seniors, and Those Most in Need of the World’s Best Health Care.

- Logged 2,296 personal and 60,458 group contacts for a total of 62,754 contacts with legislators on budget and tax issues.
- Generated at least seven broadcast, 77 online, and 22 print media hits reaching more than 1.8 million people.
- Produced 16 new podcasts on budget and tax issues, attracting 54,102 listeners.
- Addressed five events with audiences totaling at least 1,200 people.

Consumers for Health Care Choices

- Published three issues of Health Care News, 11 issues of Consumer Power Report, and five Research & Commentaries on health care issues.
- Senior Fellow Peter J. Ferrara spoke to 100 people at Freedom Fest in a breakout session about repealing and replacing Obamacare.
- Logged 1,374 personal and 51,022 group contacts for a total of 52,396 contacts with legislators on health care issues.

Center for Transforming Education

- Published two issues of School Reform News, 14 issues of School Choice Weekly, and one Research & Commentary on education issues.
- Logged 1,064 personal and 48,942 group contacts for a total of 50,006 contacts with legislators on education issues.
- Generated at least nine broadcast, 39 online, and eight print media hits reaching more than 1.0 million people.
- Produced seven new podcasts on education issues, attracting 49,152 listeners.
- Addressed three events with audiences totaling at least 605 people.

See you in Paris!
Details, p. 11
At an August 31 event in Dallas, Texas, The Heartland Institute launched its Center for Constitutional Reform to offer proposals addressing the constitutional crisis facing the nation. The center has a website at https://www.heartland.org/constitutional-reform and a full-time project manager, Kyle Maichle (mikely).

The center was established to highlight individuals and organizations working to find solutions to the nation’s constitutional crisis. Limits on the size and power of the national government intended by the Founding Fathers and placed in the Constitution have been violated repeatedly and with devastating consequences. The national government has grown to the point that it is now a clear and present danger to American life, liberty, and happiness.

The Heartland Institute does not endorse one particular path to constitutional reform. Instead, we support and seek constructive debate on all efforts to restore constitutional order. We plan to work with groups outside Washington and especially with state legislators who hold the key to constitutional reform. We have recruited as policy advisors for this project an impressive group of leading scholars and advocates of constitutional reform.

Former U.S. Senator Tom Coburn, former U.S. Rep. Allen West, and Nick Dranias, head of Compact for America, spoke at the Dallas event. We sent press releases announcing the event to nearly 5,000 reporters and media contacts. Maichle was quoted in a Wilson County News article about the event, which was attended by 45 people.

**Working with Allies**

On August 20–22, Maichle attended the Defending the American Dream Summit in Columbus, Ohio.

On September 12, he met with Mark Meckler of the Convention of States during the Central Illinois Patriot Dinner in Springfield, Illinois.

On September 14–16, he was in Washington, DC for training with the Leadership Institute. While there, he distributed copies of Heartland’s *Policy Studies* on frac sand mining to members of Congress. He also attended the Wednesday meeting hosted by Grover Norquist of Americans for Tax Reform and distributed more than 150 copies of an op-ed he wrote on the Clean Power Plan.
On September 17, Maichle participated in a strategy breakfast with Roman Buhler of the Madison Coalition regarding the Regulation Freedom Amendment.

**Working with Elected Officials**

On September 8, Research Fellow Jesse Hathaway, managing editor of *Budget & Tax News*, set up an interview for a *Budget & Tax News* writer with Ohio state Rep. Kyle Koehler (R-Springfield) about the Compact for America bill and constitutional reform.

During the week of September 21, State Government Relations Manager Nathan Makla made 50 contacts with elected officials and policy experts to set up meetings for a constitutional reform tour he and Maichle were planning for Madison, Wisconsin on October 13–14.

On September 17, the Michigan Senate voted 26–11 to join the Compact for America. Michigan could become the fifth state to approve legislation calling for a constitutional convention to pass a federal balanced budget amendment.

**Attracting Media Attention**

On September 17, *Townhall* published an op-ed by Maichle and Director of Research S.T. Karnick titled “Solution to Government Overreach Is in the Constitution.” They wrote, “As we celebrate Constitution Day, on September 17, it’s useful to remember the Preamble to the Constitution states the signers’ intention to ‘form a more perfect Union.’ We should follow their lead. The means to do so are already in the Constitution.”

On September 29, Maichle produced a blog post for *Somewhat Reasonable* on the topic of reform of federal ownership of land in the western United States. He wrote, “Returning lands owned by the national government to the states is emerging as a public policy issue. The battle line for this issue has been drawn in the West.”

In August, Rob Natelson, a policy advisor to the Center for Constitutional Reform, senior fellow at the Independence Institute, and former constitutional law professor at three universities, appeared on the *Budget & Tax News* podcast to discuss the history and practicality of an Article V Constitutional convention. The podcast is available online at http://heartland.org/issues/budgets-and-taxes.

---

**Coming Up**

- On November 18, the center will host “Women in Politics, The 2016 Election,” in The Heartland Institute’s meeting space in Arlington Heights, Illinois.
- Also in November, the center will print and mail more than 9,000 copies of a Heartland *Policy Brief*, “The Article V Movement: A Comprehensive Assessment to Date and Suggested Approach for State Legislators and Advocacy Groups Moving Forward,” by attorney David Guldenschuh, a policy advisor to the center.
- Nick Dranias, president and executive director within the Office of the President of Compact for America Educational Foundation, Inc., has updated a Heartland *Policy Study* we released in July 2014, “Introducing ‘Article V 2.0’: The Compact for a Balanced Budget.” We will distribute the update digitally.
- Dranias also has produced a booklet-length version of his *Policy Study*. We plan to include copies of the booklet in an issue of *Budget & Tax News* and to do additional distribution.
Heartland continued its multi-pronged effort to defend sound science and reliable energy in the face of climate alarmism.

On August 24, we co-hosted an Affordable Energy Summit in Las Vegas to coincide with and provide an alternative point of view to the energy message presented at the Clean Energy Summit hosted by Minority Leader Sen. Harry Reid (D-NV) and President Barack Obama. The National Black Chamber of Commerce, Nevada Policy Research Institute, and Libertarian Party of Nevada co-hosted our event.

Speakers at the Affordable Energy Summit included Niger Innis, representing the National Black Chamber of Commerce and Congress of Racial Equality; Arizona state Sen. Carlyle Begay (D); Victoria Seaman, a spokesperson for the presidential campaign of Carly Fiorina; political commentator Wayne Allyn Root; and several members of the Nevada state legislature.

Associated Press coverage of our event was picked up by dozens of media outlets, including the Houston Chronicle, Minneapolis Star-Tribune, Sydney Morning Herald, U.S. News & World Report, and FoxNews.com. Two 30-second radio scripts by Heartland aired a combined 33 times on CBS Newsradio/KXNT-AM (860) in Las Vegas on August 24 when Obama was in town to speak at Reid’s Clean Energy Summit.

In an August 24 Forbes.com op-ed, “What the Clean Energy Summit Doesn’t Want You to Know,” Senior Fellow James Taylor wrote, “Barack Obama and Harry Reid claim prohibitively expensive wind and solar power are ‘clean’ energy and thus worth their high cost. The problem with the Obama-Reid narrative is wind and solar power are not only prohibitively expensive, but they produce worse environmental damage than the conventional power Obama and Reid seek to vilify.”

The Heartland Institute supports states’ efforts to reject the mandates imposed by the Obama administration’s Clean Power Plan. The plan will hurt consumers and the economy, raising the cost of electricity and reducing the reliability of the power grid. Research Fellow H. Sterling Burnett appeared on 15 radio shows discussing the plan, including an August 3 appearance on WRKO-AM in Boston, an August 5 spot on WNJC 1360-AM in Philadelphia, and a September 2 conversation on WNVY-AM in Pensacola, Florida.

In August, CNS News published an op-ed by Burnett, “Obama Delivers Deathblow to Coal with Clean Power Plan.” The Colorado Statesman published an op-ed, “Coloradoans split over EPA’s Clean Power plan,” quoting Burnett as saying, “Obama must really hate coal miners and coal-fired power plant workers, because he’s doing everything he can to put them out of work and in the food line.”

“Obama must really hate coal miners and coal-fired power plant workers, because he’s doing everything he can to put them out of work and in the food line.”

**Renewable Energy and Solar Power**
Heartland continued to lead the fight for market-driven energy policies, pointing out how energy subsidies and mandates increase costs for ratepayers and businesses, cause job losses, and harm the environment.

In July, Heartland posted a podcast interview with David Williams, president of the Taxpayers Protection Alliance (TPA), discussing his organization’s study warning federal and state subsidy schemes supporting rooftop solar power are creating a financial bubble similar to the housing bubble of the 2000s. Heartland’s government relations team produced a *Research & Commentary* highlighting TPA’s findings and sent it to 1,120 state and local elected officials in Arizona, California, Florida, Hawaii, Nevada, New Jersey, and New Mexico.

Heartland’s efforts bore fruit in the third quarter, with states targeted with *Research & Commentaries, Environment & Climate News* articles, and op-eds reining in their support for renewables. Kansas, North Carolina, and Ohio each cut support for renewable energy in the third quarter.

**Pope Francis Visits the United States**
During his September 22–27 visit to the United States, in speeches at the White House, U.S. Capitol, United Nations, and Independence Hall in Philadelphia, Pope Francis did not address climate change directly but said governments had dual obligations to protect the environment while improving conditions for the world’s poor. Heartland pointed out those goals are undermined by global warming alarmism and the policies it drives.

The pope’s visit was the lead story in the November issue of *Environment & Climate News* and the topic of several podcasts and *Climate Change Weekly* stories.
ber 25, Burnett discussed Francis’s comments to Congress on Watchdog Radio, broadcast on 134 radio stations nationwide. On September 24, Taylor discussed the pope’s remarks on the Capitol Hill Show with host Tim Constantine on WILC-AM in New Jersey.

In a September podcast E. Calvin Beisner, founder of the Cornwall Alliance for the Stewardship of Creation, discussed where he believes Pope Francis has gone wrong. The pope’s fallibility on climate issues was the lead essay in the September 25 issue of Heartland’s Climate Change Weekly e-newsletter, which quoted a Human Events article by Burnett: “[T]he pope either has been misled or is being willfully ignorant concerning climate science. ... Despite the best efforts of many to educate the pope on the virtues of capitalism and the widespread use of fossil fuel, Francis continues to decry both.”

Further Efforts on Climate Change

The environmental Left often makes false assertions to attract media attention and raise money, but a recent mailer from the Environmental Defense Fund “may have set a new low,” wrote Taylor in “Top 10 Global Warming Lies,” our full-color 12-page response to EDF’s alarmism. We sent copies of Taylor’s rebuttal to 16,000 trustees of colleges and universities; nearly 13,000 local, state, and national elected officials; 9,900 civic and business leaders; 6,000 environment reporters and bloggers; and 6,000 Heartland donors. Legislators found Taylor’s piece compelling, with lawmakers in Arizona and Minnesota requesting additional copies.

Heartland also prepared a brief on climate change for the Republican Study Committee of the U.S. House of Representatives and background material for U.S. Rep. Sean Duffy’s (R) staff on how The Heartland Institute shaped the message for its Rome events earlier this year and for Pope Francis’s environmental encyclical.

Defending Hydraulic Fracking

With Research Fellow Isaac Orr leading the way, Heartland continues to promote – in publications, media activities, and speaking engagements – responsible hydraulic fracturing (aka fracking) and the sand mining and processing activities that support it.

In September Heartland released “Roadway Impacts of Industrial Silica Sand (Frac Sand) Mining,” the third Heartland Policy Study in a series by Orr and Mark Krumenacher, a senior vice president of GZA GeoEnvironmental, Inc. More than 7,100 copies of the Policy Study were mailed to state elected officials, environment media, business and civic leaders, and donors.

In July, Tulsa World published an op-ed by Orr, “Fracking not causing the Oklahoma earthquakes.” He wrote, “Although Oklahoma and Texas have experienced increases in earthquakes, North Dakota, which also uses wells to dispose of fracking wastewater, has not experienced any earthquakes as a result of using this method.”

In September, we turned the tide once again in Houston County, Minnesota, where
for the second time in just six months county commissioners were considering a proposal to ban frac sand mining. We sent the commissioners information in advance of a September 29 public hearing on the proposed ban, explaining fossil fuels remain necessary for baseload power and that fracking and sand mining are safe. The ban was rejected by commissioners in a 5–2 vote.

On September 17, Orr spoke before the Industrial Minerals Association (IMA) and National Industrial Sand Association (NISA) in Palm Springs, Florida, and on September 24, Orr and Krumenacher spoke in San Antonio, Texas at the Frac Sand Logistics and Supply Conference hosted by the Petroleum Connection and International Frac Sand Association. Representatives of IMA, NISA, and Unimin, a leading producer of non-metallic minerals including frac sand, expressed interest in working with Heartland to promote the Policy Study series. A Badger Mining representative said the firm often uses Heartland’s studies addressing the economic impacts of frac sand mining.

Helping States vs. Obama
Using research from The Heartland Institute, states increasingly challenged the Obama administration’s regulatory overreach.

On June 29, the Obama administration finalized its Waters of the United States (WOTUS) rule expanding the federal government’s control over private property nationwide under the guise of protecting isolated, often temporary wetlands. Within days, 31 states filed lawsuits asking district courts to grant an injunction to prevent WOTUS from taking effect, arguing the agency unlawfully expanded federal jurisdiction over water resources beyond the limits set in the Clean Water Act. A federal district court in North Dakota issued a stay of WOTUS for the 13 states party to the challenge before it, and an Ohio appeals court later extended the stay nationwide.

Supporting the states’ legal challenges to WOTUS, the Daily Caller published an op-ed by Policy Advisor Ron Arnold, who quoted Burnett as saying, “Farmers, ranchers, developers, industry, and individual property owners would now be subject to the EPA’s arbitrary, unsound, and often incomprehensible regulatory system. [EPA] cannot be trusted.” The article was republished in the Canada Free Press and Watchdog. Northwoods River News published an op-ed on WOTUS quoting Taylor and Burnett.

On July 20–24, Research Fellow Bette Grande worked with lawmakers at the American Legislative Exchange Council’s annual meeting in San Diego, California to pass model legislation establishing funding for research detailing the environmental impacts and cost-benefit analysis of regulations EPA imposes on states.

On August 8, Heartland’s Emerging Issues Forum–West in Seattle, Washington attracted more than 60 elected officials and policy experts from a dozen states. On the program’s environment panel, Taylor and Utah state Rep. Ken Ivory (R-Salt Lake County) discussed what states can do to push back against the overreach of the Environmental Protection Agency.

Ron Arnold
Policy Advisor

We plan to be in Paris on December 3–7 to speak out for sound science and economics during a United Nations conference on global warming. Visit www.heartland.org for news and live feeds.

Bette Grande
Research Fellow

Ken Ivory
State Representative Utah
Even in the third quarter, after many state legislatures had closed their 2015 sessions, lawmakers across the country debated a wide range of measures aimed at improving their states’ business climates and lowering tax and regulatory burdens. The Heartland Institute continued to push for entitlement and tax reform at all levels of government.

Senior Fellow Peter Ferrara worked closely with prominent U.S. senators to develop proposals for personal accounts for Social Security. He wrote a white paper outlining how to solve the imminent 2016 financial crisis for Social Security Disability Insurance with private disability insurance and is working to get the chief actuary of Social Security to score a bill implementing personal accounts. At Freedom Fest in Las Vegas, Nevada, Ferrara spoke about entitlement reform and his new book, *Power to the People*.

The Remote Transactions Parity Act (RTPA), a proposed change in how the government taxes online sales, was addressed in a July *Research & Commentary* sent to 743 federal allies and lawmakers. “Instead of forcing out-of-state businesses to serve as government tax collectors, Congress and state legislators should improve the existing sales tax system,” Senior Policy Analyst Matthew Glans wrote.

The Center on Budgets and Taxes also promoted tax competition among states and overall tax reforms. As Pennsylvania lawmakers debated the commonwealth’s biennial budget, we sent a *Research & Commentary* by Glans to 273 elected officials. “[Gov. Tom] Wolf vetoed the legislature’s budget bill, which would have eliminated guaranteed public pensions for new school and state employees without raising taxes,” Glans wrote. “Wolf’s $33.8 billion spending plan, which represents a 16 percent increase in spending, increases both the state’s income and sales taxes and expands the sales tax base.” The governor also planned to increase the cigarette tax by $1 per pack and extend it to smokeless tobacco and e-cigarettes.

Research Fellow Jesse Hathaway wrote an op-ed encouraging states to compete with one another for taxpayers. The op-ed was published in the *Bucks County Courier Times*. 

---

**By Jesse Hathaway**
Research Fellow
Managing Editor
Budget & Tax News
The Hill newspaper, and the Post-Journal. “Instead of doubling down on outdated policy ideas such as raising taxes and increasing government spending, state governments facing budget crises should look to successful states for ideas on how to jumpstart their own economies and reverse population declines,” he wrote.

Civil Asset Forfeiture Reform
Like Heartland’s new Center for Constitution-al Reform, the Center on Budgets and Taxes at times highlights constitutional problems and the solutions lawmakers are proposing. One widespread constitutional problem is civil asset forfeiture, a legal process allowing law enforcement officers to seize property and assets from persons suspected of involvement with crime, without first alleging or proving the commission of a crime.

In July, Michigan lawmakers approved a package of bills reforming the state’s rules on civil asset forfeiture. In an interview with Budget & Tax News, Michigan state Rep. Klint Kesto (R-Commerce Township), chairman of the state’s House Judici-ary Committee, said the bills were intended to gather information on how law enforcement agencies were using civil asset forfeiture, to help lawmakers decide whether reform was needed.

“As far as a complete re- peel of Michigan’s civil asset forfeiture goes, I don’t know if that is the right direction – maybe it is – but we can’t make that decision without clear information from these agencies,” Kesto said. “Police often say it’s an important tool to connect the dots on major drug transactions, and yet we don’t want agencies willy-nilly seizing property either.”

We sent a Research & Commentary on civil asset forfeiture to more than 1,000 state and local elected officials in Alabama, Maine, Oklahoma, South Carolina, South Dakota, Washington, and Wyoming. “Many local police agencies have begun to work with federal authorities to sidestep restrictions through so-called equitable sharing agreements, in which both parties agree to classify the suspected criminal activity as a federal crime and divide the seized assets between them,” Glans wrote. Oklahoma state Sen. Kyle Loveless introduced a civil asset forfeiture reform bill requiring a criminal conviction before agencies could keep property or funds; the bill also would address the incentive problem by requiring forfeited funds to be sent directly to the state’s general fund.

In Wisconsin, the state supreme court halted Milwaukee County District Attorney John Chisholm’s years-long war against Gov. Scott Walker and conservative orga-nizations, ruling Chisholm “employed theories of law that do not exist in order to investigate citizens who were wholly innocent of any wrongdoing.” Eric O’Keefe, director of Wisconsin Club for Growth, told Budget & Tax News government regu-lation of speech, the pretext under which Chisholm harassed his enemies, is antithetical to American principles. “It may well serve as a case study in why government cannot be trusted to regulate campaign debates,” O’Keefe said.
With Obamacare subsidies having survived King v. Burwell in the U.S. Supreme Court, the next big question is whether Congress can repeal Obamacare. Rep. Paul Ryan (R-WI), chairman of the House Ways and Means Committee, says Republicans will use the budget reconciliation process to prove they can make significant changes. Heartland was in the thick of the repeal and replace discussion.

Senior Policy Analyst Matthew Glans published a Research & Commentary documenting the lingering problems with Obamacare, and Senior Fellow Peter Ferrara spoke to 100 people about Obamacare at a breakout session at Freedom Fest in Las Vegas.

On August 21, the government relations department’s weekly e-newsletter, The Leaflet, was sent to 12,454 state and local elected officials as well as allies and federal contacts. The lead essay discussed Heartland’s Emerging Issues Forum in Seattle and highlighted the event’s health care panel, which “discussed the debate over the expansion of Medicaid, the future of Obamacare after the King v. Burwell decision, and welfare reform.”

The ‘Cadillac Tax’
The August issue of Health Care News reported the Burwell ruling appears to have strengthened the motivation of Obamacare’s critics by making it clear only Congress can repeal and replace the president’s health care law. Until that happens, potential reforms with bipartisan support include repealing the “Cadillac Tax,” an excise tax that increasingly affects non-wealthy taxpayers with high-end employer-provided health plans, and the medical device tax.

The Cadillac tax could force many employers to cut back or even eliminate employer-provided health care for their workers. Beginning in 2018, the tax will be levied on insurance plans costing more than $10,200 annually for one person or $27,500 annually for family coverage. It will be imposed on self-insured employers and insurance companies selling group health plans to employers. Employers will almost certainly pass along the additional cost to employees.

Glans addressed the Cadillac tax in two Research & Commentaries sent to elected officials and health care allies.
Health Insurance Premiums Increase
Major insurers in some states proposed hefty rate hikes on plans sold under Obamacare. Young people were especially hard hit by the premium hikes.

On July 2, Human Events published an op-ed by Editor Justin Haskins explaining, “According to a study by HealthPocket, Inc., the average pre-Obamacare premium cost in 2013 for women 23 years old increased by nearly 45 percent in 2014.” In Consumer Power Report, he reported, “Since 2014, when most health insurance requirements established under the Affordable Care Act were fully implemented, the cost of health insurance has increased for every significant demographic.” That’s one reason, Haskins explained in an op-ed for Townhall, conservatives ought to re-frame the health care debate to address the concerns of young Americans.

Covering a related development, the September issue of Health Care News reported on perverse incentives in Medicare sending per-beneficiary costs skyrocketing as the number of Americans reaching eligibility age is rising rapidly, creating a looming fiscal catastrophe.

State Medicaid Expansion
Before Obamacare, Medicaid traditionally covered only children, pregnant women, poor families, the elderly, and the disabled. Under Obamacare, states are encouraged to expand Medicaid to cover working-age adults with no children and no disabilities. Several states have accepted the offer ... and now Medicaid rolls and spending are rising sharply, threatening to break future budgets.

The July, August, and September issues of Health Care News addressed Medicaid, as did the health care panel at Heartland’s Emerging Issues Forum–West in Seattle on August 8. Nevada state Sen. Scott Hammond (R-Clark County) praised the event, saying, “The Emerging Issues Forum in Seattle tackled all the major issues facing our country in a timely and efficient manner.”

Writing in a September issue of Consumer Power Report, Haskins summed up the problems with Medicaid as follows: “[T]he growing Medicaid population could lead to state government meltdowns around the country and a national health care crisis for which most Americans are completely unprepared.”

Consumer Choice
With the country’s health insurance system largely in disarray thanks to Obamacare, entrepreneurs are seeking to provide health care products and services consumers want at prices they can afford.

The September issue of Health Care News reported on innovative providers bringing doctors to your doorstep with telephone apps – a health care version of Uber. In Consumer Power Report, Haskins reported on “jiffy” health care clinics and the return of the house call.

Governments continue to fight consumer choice, of course. On September 25, The Leaflet noted several communities are attempting to regulate the personal fitness training industry. And in third-quarter podcasts, Jeff Stier, a senior fellow at the National Center for Public Policy Research in Washington, DC, discussed the Food and Drug Administration’s new food labeling law, and food writer Julie Kelly talked about the Healthy, Hunger-Free Kids Act of 2010, the signature policy of First Lady Michelle Obama.
Victories Galore for School Choice

By Heather Kays
Research Fellow
Managing Editor
School Reform News

Schools may have gone on summer break in June, but The Heartland Institute’s efforts on school choice did not. We had a busy – and successful – third quarter.

In just one week, more than 650 families applied for education savings accounts (ESAs) under the Nevada program signed into law in June. The American Civil Liberties Union challenged the program’s constitutionality; we responded with a press release quoting Research Fellow Heather Kays and Project Manager Lennie Jarratt. The Reno Gazette-Journal published an op-ed by Kays defending the program. Tennessee passed an ESA program for students with special needs, and an Arizona lawmaker wants to expand his state’s first-in-the-nation ESA program.

Voucher programs also scored victories in the third quarter. The North Carolina supreme court deemed constitutional the state’s Opportunity Scholarship Program. Dick Komer, senior attorney for the Institute for Justice, discussed the program in an August Heartland podcast.

Ohio Gov. John Kasich and Wisconsin Gov. Scott Walker signed budgets increasing funding for their state’s voucher programs. Responding to the news in Wisconsin, we sent a press release quoting Senior Fellow Bruno Behrend, Kays, and Jarratt.

The nation’s first school-district-run voucher program, in Douglas County, Colorado, was struck down by the state supreme court because it sends some money to religious schools. In

Public or Private Schools?
On July 25, Behrend took part in the famous “Bughouse Square Debate” before 500 people in Washington Square Park on Chicago’s near north side. Behrend debated Troy LaRavie, principal of Blaine Elementary School in Wrigleyville on Chicago’s north side, on the question: “Public or private? What should be the future of public education in Chicago?”

Behrend highlighted the right of parents to choose, for whatever reason they deem important, the school their children attend. He called for breaking up large urban districts into local parent councils, wards, or individual schools run by excellent principals and teachers. He noted the best vote a parent could make was not for mayor or alderman, but taking an education savings account and voting with that money to open a “vast new array of education opportunities” for his or her child.

On September 22, Behrend and LaRavie reprised their debate for an audience of 25 people at The Heartland Institute’s new offices in Arlington Heights. The two were joined by a third debater, James Thindwa, community engagement coordinator for the American Federation of Teachers.

Common Core and Curriculum
The battle against Common Core State Standards proved more challenging in the third quarter than school choice. A U.S. district judge refused Louisiana Gov. Bobby Jindal’s request for an injunction against the U.S. Department of Education’s imposi-
tion of Common Core, saying the governor failed to show the federal government would penalize his state for abandoning the standards. We responded with a press release quoting Kays: “It’s not surprising that the judge ruled this way. The good news is Gov. Jindal is going to appeal and will continue to fight Common Core in Louisiana.”

Jarratt developed for Heartland’s website two new landing pages on Common Core. The first summarizes the Common Core controversy and provides links to scores of newspaper articles, op-eds, videos, podcasts, and testimony on the topic. The second offers a timeline of Common Core’s development.

Jarratt also has developed two new Common Core palm cards and a school choice palm card we will be printing and distributing at events. Contact him if you’d like to distribute the cards at local political events, parent-teacher meetings, or other gatherings.

**Higher Education**

Education woes in the United States aren’t restricted to K–12 schooling. Rising costs and falling quality affect higher education as well.

Pullmann reported in *School Choice Weekly*, “The Hechinger Report has published bombshell results from its recent survey of 100 top colleges and universities, both public and private: ‘Since 2000, taxpayers have spent $300 billion on Pell grants … with no way of knowing how many of the recipients ever actually earned degrees.’”

Editor Justin Haskins encouraged students to think twice about saddling themselves with the expense of a college education. In an op-ed for *The Blaze* he wrote, “Young people have been taught from their earliest years in the classroom that everyone ought to go to college. ... What they don’t tell students is that college does not equal success, nor does it guarantee prosperity.”

On September 30, *The Hill* published an op-ed by Haskins titled “Obama Administration Deserves an ‘F’ for its New College Scorecard System.” He wrote, “The College Scorecard is a great platform in theory, but ... [a]nyone who has spent time looking into college lately has to be wondering why the Obama administration would waste so much time and money to create an ugly-cousin college evaluation system.”

### Performance Highlights

- Published two issues of *School Reform News*, 14 issues of *School Choice Weekly*, and one *Research & Commentary* on education issues.
- Logged 1,064 personal and 48,942 group contacts for a total of 50,006 contacts with legislators on education issues.
- Generated at least nine broadcast, 39 online, and eight print media hits reaching more than 1.0 million people.
- Produced seven new podcasts on education issues, attracting 49,152 listeners.
- Addressed three events with audiences totaling at least 605 people.
- Hosted two Emerging Issues Forums attracting more than 140 elected officials from 22 states.
- Attended meetings of the Council of State Governments, National Conference of State Legislatures, American Legislative Exchange Council, State Policy Network, and several libertarian, Tea Party, and GOP organizations.
Heartland’s 31st Annual Benefit Dinner

The Heartland vs. the Ruling Class

On October 8, The Heartland Institute held its 31st Anniversary Benefit Dinner at The Cotillion in Palatine, Illinois, not far from its new home in Arlington Heights. A good time was had by all, as you can see by the photographs below. Want to see more? Visit The Heartland Institute’s Facebook page at facebook.com/HeartlandInstitute and click on the photos tab.

Heartland Institute President Joe Bast (left) sports a hard hat to symbolize the construction involved in creating Heartland’s new home, which he described in his opening remarks. Above, Dr. Angelo Codevilla delivers the keynote address.

Heartland Institute Vice President James Taylor (seated, far right) and fellow attendees socialize after the benefit dinner.
It’s not a party without a selfie. Veronica Harrison, marketing manager for The Heartland Institute, and Heartland Senior Fellow Peter Ferrara capture the moment.

Attendees listen to Illinois State Rep. Tom Morrison (right) and later enjoy a dessert buffet.

Donald J. Devine was awarded the Heartland Liberty Prize. Political scientist, author, and former government official, Devine was famously described by The Washington Post as Ronald Reagan’s “terrible swift sword of the civil service” when he served as director of the U.S. Office of Personnel Management during President Reagan’s first term.
Sign up a Friend

The Heartland Institute relies on the generosity of approximately 5,300 individuals, foundations, and corporations for financial support. You can help! Please use the space below to buy a one-year gift membership for a friend, coworker, or neighbor. We will send them a letter announcing your gift with their first QPR.

☐ $50 PATRIOT  Heartland Patriots receive QPR, our quarterly newsletter, and invitations to Heartland events.

☐ $100 FRIEND  Heartland Friends receive Patriot-level benefits and also receive free copies of Heartland Policy Studies.

☐ $250 SUSTAINING  Sustaining donors also enjoy a 20 percent discount on all events and are included with our professional staff in monthly conference calls on the hottest issues of the day.

My check for amount of $_________ is enclosed.
Charge $_________ to my
☐ Visa  ☐ Mastercard  ☐ American Express

NAME

TITLE

BUSINESS

STREET

CITY, STATE, ZIP

EMAIL ADDRESS

The Heartland Institute can be found online at heartland.org, on Facebook at facebook.com/heartlandInstitute, and on Twitter at twitter.com/heartlandinst. Be our friend and follow us!

Subscribe to Heartland Publications

The Heartland Institute produces weekly e-newsletters and regular email updates on a wide range of issues. To receive publications by email, subscribe online at heartland.org or mark below the publications you want to receive, print your email address in the space provided, and return this form to us by fax or in the enclosed reply envelope. You’ll receive an email message acknowledging your subscription. Email subscriptions are free.

☐ BTN Online  ☐ Heartland Events
☐ ECN Online  ☐ Consumer Power Report
☐ SRN Online  ☐ Climate Change Weekly
☐ HCN Online  ☐ School Choice Weekly

PolicyBot™

FAST, RELIABLE, FREE.

PolicyBot™ is Heartland's online database and search engine offering reviews and the full text of more than 25,000 articles and reports from 350 think tanks and advocacy groups. Visit policybot.org.