

Special Report**Burgeoning Conservative Think Tanks**

National Committee for Responsive Philanthropy

Public Policy Initiatives Shifting To Jefferson City, Olympia, Albany

States are the public policy battleground of the 1990s, according to people across the political spectrum, from right-wing think tanks to President Bush to the progressive Center for Policy Alternatives. Justice Louis Brandeis's observation that states are the laboratories of democracy is being quoted from all quarters.

For decades "states rights" were viewed by progressives as a euphemism for preserving racial discrimination. In 1948, States Rights Democrats, or

Dixiecrats, broke with the Democratic Party over its support of federally-mandated civil rights measures.

States rights were further given the conservative imprimatur when Ronald Reagan announced his "new federalism." Responsibility for social programs began to be shifted from the federal government to the states. Funds were cut and consolidated in the form of block grants. This trend was stepped up when President Bush announced in his recent State of the Union address that \$15 bil-

lion worth of programs would be turned over in a single consolidated grant "for flexible management by the states." The proposal was endorsed by the National Governor's Association, eager to have more control over federal monies.

The governors' response indicates that Reagan's new federalism may not result in a diminished role for government as he intended. Instead, many states aggressively are trying to fill the void left by budget cuts in Washington.

"When you have a federal government that for eight years in the 1980s basically shut down all sorts of environmental, worker, health and human social service programs, there becomes

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THE MADISON GROUP: Heritage Foundation Offshoots Seek to Influence State Legislation

"We simply will not have power on the national level until we declare war on state legislatures," declared Don E. Eberly, president of the Commonwealth Foundation for Public Policy Alternatives, Harrisburg, PA, in an address before the Heritage Foundation.

Eberly's think tank is one of some 55 public policy institutes that have sprung up in 29 states in the aftermath of Ronald Reagan's "new federalism." While the think tanks share a strong free market, anti-government philosophy, they represent a mix of Goldwater conservatism, libertarianism and New Right ideology.

State level think tanks provide the rationale and local spin needed to win over sympathetic legislators to the conservative agenda. Patterned after the Heritage Foundation, their materials are often in the form of brief policy backgrounders ("For people with limited time and a need to know," as the National Center for Policy Analysis in

Dallas puts it), which are widely circulated to the media, elected officials, business leaders and government agen-



Don Eberly

cies. Books and videotapes are also produced, and many maintain a speakers' bureau.

"The entrepreneurial growth of conservative and libertarian policy groups on the state and local scene has been one of the sleeper trends of American government in the 1980s," accord-

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Editorial

The social and political future of our nation increasingly will depend on public policymaking at the state level. More and more decisions that directly affect people's lives — on issues such as housing, environmental protection, health insurance, public education, poverty and discrimination — are being made in the states.

The funding community has responded to this shift by supporting many worthwhile programs at the local and state level. But more could be done to develop a progressive vision for the country.

Policy centers or think tanks have an important role to play. Think tanks can focus attention on problems and propose innovative solutions with a credibility activist organizations sometimes do not have. Their ideas and research can be useful to progressive advocates and legislators who have too little time and resources for the critical changes they seek in their states and our nation as a whole.

By showing the sophisticated network of legislators and think tanks on the Right and by offering models of progressive think tanks, this report hopes to spark interest and discussion about public policy development in the coming decade.

Robert O. Bothwell

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Conservative, Libertarian Think Tanks Articulate Diverse Populist Themes

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ing to an article in Heritage Foundation's *Policy Review*, by John K. Andrews, Jr., president of the Independence Institute, Golden, CO. "The proliferation of intellectual resources on the Right and the revolution in information technology have made it possible."

The think tanks are loosely affiliated through the Madison Group, launched by the American Legislative Exchange Council or ALEC (see story, p. 20) and housed in the Chicago-based Heartland Institute. Founded in 1986, the Madison Group acts as a communication link among its 79 members, which include not only state think tanks, but also conservative legal foundations and national groups like ALEC, Heritage Foundation and the National Rifle Association. Members receive a bimonthly newsletter, *The Madison Report*, a membership directory and may attend an annual workshop sponsored by Heritage and the Free Congress Foundation to discuss policy and develop strategy.

"The entrepreneurial growth of conservative and libertarian policy groups on the state and local scene has been one of the sleeper trends of American government in the 1980s."

In Andrews' article, called "So You Want to Start a Think Tank — A Battlefield Report from the States," he offers this blueprint: Find an energetic and versatile front person who can lead the group. Assemble a working board of recognizable names from the business and political communities. Recruit academics. Seek businessmen who can be angels for the fledgling center. Locate strategically close to the seat of government, industrial centers, and major media markets.

Media coverage is a prime goal for legitimizing the conservative agenda.

Each think tank distributes thick packets of press clippings it has garnered, from *The Wall Street Journal* to right-wing journals and small-town newspapers. "One way we measure our success is to count newspaper and magazine clippings that refer to Heartland research and tally their circulation," according to



Robert Woodson of National Center for Neighborhood Enterprise advises Madison Group members

Heartland Institute literature.

Some, like the Independence Institute, Commonwealth Foundation and the Washington Institute for Policy Studies in Bellevue, Wash., were created by disenchanted White House insiders, who felt they would be able to make more meaningful contributions at the state level. Others, like the Heartland Institute and John Locke Foundation in Raleigh, were created by local businessmen, anxious to have their point of view better represented in policy debates.

Despite their corporate support and agenda, conservative think tanks are adept at speaking in populist terms. "Welfare for the Rich," is the lead for an article on HUD block grant programs to prosperous cities. "Building consensus," says another, and "Ten Commandments for a Successful Public Interest Strategy." Other recurring themes are empowerment for the poor and consumer choice.

The libertarian streak is also stronger in think tank philosophy than in

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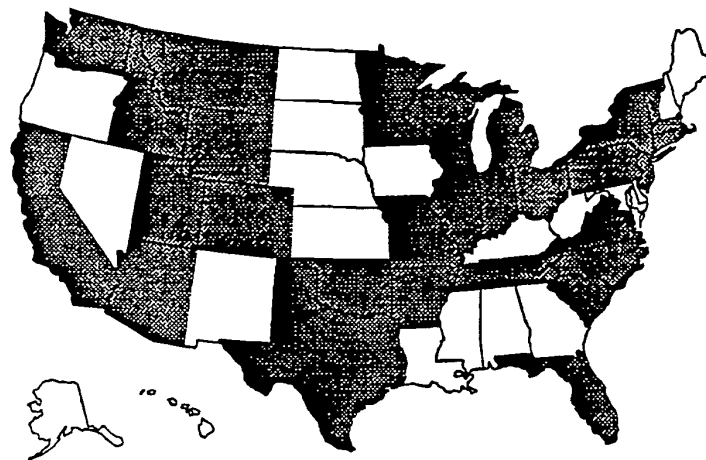
Members of the Madison Group

Western Region

- ★ California Public Policy Foundation
Sherman Oaks, CA
- ★ Capitol Resource Institute
Sacramento, CA
- Claremont Institute
Montclair, CA
- Institute for Contemporary Studies
San Francisco, CA
- Pacific Legal Foundation
Sacramento, CA
- Pacific Research Institute for Public Policy
San Francisco, CA
- Reason Foundation
Santa Monica, CA
- Rose Institute for State and Local Government,
Claremont McKenna College
Claremont, CA
- ★ Utah State University
Institute of Political Economy
Logan, UT
- ★ Washington Institute for Policy Studies
Bellevue, WA
- Wyoming Heritage Society
Casper, WY
- Political Economy Research Center
Bozeman, MT
- Foundation for Research on Economics and the Environment (F.R.E.E.)
Bozeman, MT
- Center for Market Alternatives
Caldwell, ID
- ★ Barry Goldwater Institute for Public Policy Research
Flagstaff, AZ
- ★ Independence Institute
Golden, CO
- Mountain State Legal Foundation
Denver, CO

Cooperating organizations:

- Advocates for Self-Government
Fresno, CA
- Consumer Alert
Modesto, CA
- Independent Institute
Oakland, CA



Shaded areas indicate states with Madison Group members

- Center for Independent Thought
San Francisco, CA
- National Inholders Association
Battle Ground, WA
- Pattern Research
Denver, CO

Midwest Region

- American Federation of Small Business
Chicago, IL
- ★ The Heartland Institute
Chicago, IL
- ★ Kansas City, MO
- ★ Cleveland, OH
- ★ Milwaukee, WI
- ★ Indiana Policy Review Foundation
Fort Wayne, IN
- Institute for Business Ethics,
DePaul University
Chicago, IL
- Lincoln Legal Foundation
Chicago, IL
- The Mid-America Legal Foundation
Chicago, IL
- New Coalition for Economic and Social Change
Chicago, IL
- Specular
Chicago, IL
- ★ Urban Policy Research Institute
Dayton, Ohio

- Rockford Institute
Rockford, IL
- ★ The Mackinac Center
Midland, MI
- ★ Center of the American Experiment
Minneapolis, MN
- ★ Constitutional Coalition
St. Louis, MO

- Landmark Legal Foundation
Kansas City, MO

- ★ Wisconsin Policy Research Institute
Milwaukee, WI

- Cooperating organizations:
Hillsdale College (Shavano Institute)
Hillsdale, MI

Southern Region

- American Legislative Exchange Council
Washington, DC
- Competitive Enterprise Institute
Washington, DC
- The Heritage Foundation
Washington, DC
- The Center for Individual Rights
Washington, DC 20037
- Sequoia Institute
Washington, DC
- Washington Legal Foundation
Washington, DC
- Atlas Economic Research Foundation
Fairfax, VA

- American Studies Institute,
Harding University
Searcy, AR
- Free Market Foundation
Dallas, TX
- Institute for Policy Innovation
Lewisville, TX
- National Center for Policy Analysis
Dallas, TX
- Texans for an Informed Public
Houston, TX
- ★ Texas Public Policy Foundation
San Antonio, TX
- Law and Economic Center,
University of Miami
Coral Gables, FL
- ★ James Madison Institute for Public Policy Studies
Tallahassee, FL
- Mississippi Center for Public Policy Studies
University, MS
- ★ John Locke Foundation
Raleigh, NC
- ★ South Carolina Policy Council
Columbia, SC
- South Foundation
Knoxville, TN
- ★ Southwest Policy Institute
Edmond, OK

Cooperating organizations:

- Citizens for a Sound Economy
Washington, DC
- National Rifle Association of America
Washington, DC
- National Taxpayers Union
Washington, DC
- Institute for Humane Studies
Fairfax, VA

Northeast Region

- Atlantic Legal Foundation
New York, NY
- ★ Commonwealth Foundation for Public Policy Alternatives
Harrisburg, PA
- ★ Ehan Allen Institute
Windsor, VT
- New England Center for Political Studies and Research
Springfield, MA
- New England Legal Foundation
Boston, MA
- ★ Pioneer Institute
Boston, MA
- ★ Public Affairs Research Institute for New Jersey
Princeton, NJ
- ★ Yankee Institute for Public Policy Studies
Norwalk, CT

Cooperating organizations:

- Foundation for Economic Education
Irving-on-Hudson, NY
- Institute for American Values
Dudley, MA
- Pennsylvania Family Institute
Harrisburg, PA

Key:

- ★ Conservative state think tanks
- Other conservative think tanks and networks
- Conservative legal foundations

Note: "Cooperating organizations" are not shown on map

Sources: ALEC, Heartland Institute

Madison Group

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many corporate boardrooms. Loyalty to the free market and aversion to government manipulation are benchmarks of this movement. Chrysler-type bailouts would not happen under their leadership, nor would taxpayer subsidies to farmers.

"These think tank, conservative, supply-side hot dogs have been arguing for deregulation and unleashing capitalism in the private sector — without considering that the consequences are concentrated wealth and speculation," complained renegade Republican author Kevin Phillips in a recent interview in *People* magazine.

While generally united in their view of the world, the think tanks vary in their missions. About half are focused primarily on influencing public policy in their states (see map, p. 3). Others are more national in scope, but have state public policy components. Still others are "cooperating organizations" which share the "conservative, libertarian or good government" vision, but do not focus on state policy.

"Free market environmentalism" is one of the main concerns of the Political Economy Research Center (PERC), in Bozeman, MT. Opinion leaders are brought to a scenic conference center in the mountains for seminars and recreation. In 1988, for example, PERC received a \$50,000 grant from the Olin Foundation for a conference for congressional staff. That same year, Bradley Foundation gave \$42,400 for PERC's National Journalists Conference on Economics and Protection of the Environment.

The Dallas-based National Center for Policy Analysis, claiming to draw "on the best minds in the academic world," takes credit for being the first "to identify the economic benefits of a space-based defense system," "to show that minorities have the most to gain from privatizing Social Security and Medicare," and "to show that the Reagan tax program has helped women, the working poor and the elderly."

The think tanks also draw on stars in the ultra-conservative universe. William F. Buckley and Barry Goldwater, for example, were selected by the Washington

WASHINGTON INSTITUTE FOR POLICY STUDIES

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INSTITUTE HITTING IT BIG

In the last few months the Washington Institute has attained success on three separate fronts:

Our 31-point program to help business people cut through bureaucracy and red tape has received enormous amounts of media attention and credibility including endorsements from political leaders in both parties. (see page 4)

Education reform, that is, meaningful education reform got a strong boost in Olympia when the "education choice" proposal, which the Institute strongly supported, won unexpected legislative approval. The measure will allow parents much more freedom and discretion in deciding where their children should attend school. (see page 3)

And finally, Barry Goldwater.

The father of American conservatism rarely travels outside his home state of Arizona these days, but he agreed to fly to Seattle on June 27th to be honored by the Washington Institute. It will be the high point in our five-year existence. (see page 2)



Goldwater to Address Institute Supporters



The May Cover of Sound Business

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Newsletter of Madison Group member in Bellevue, WA

Institute to receive its Columbia Award, given each year "to the individual who best exemplifies the principles of individual freedom and limited government." (Tickets for the awards dinner were \$175, \$150 of which was tax deductible.)

Among the other names and faces appearing on think tank literature are Rep. Newt Gingrich, Midge Decter, a leading neoconservative and executive director of Committee for a Free World, Burton Yale Pines, research director for Heritage Foundation, and Robert Woodson, a leading black conservative and president of the National Center for Neighborhood Enterprise in Washington, D.C.

Like ALEC, the think tanks rely on businesses and conservative foundations for the bulk of their funding. Olin, I.M.

Scaife, Adolph Coors and Bradley Foundations have all contributed significant sums, in grants ranging from \$10,000 to \$100,000.

The role of the think tanks is not intellectual so much as political in nature. They focus on fiscal issues and have adopted a pragmatic style, stressing their bipartisanship.

"Kill your darlings," advises Andrews, referring to the Right's tendency to use ideology in their writing.

And Eberly offered this counsel: "While we have a well-developed appreciation of the power of ideas, we need to spend more time developing our ideas about power. We must always ask ourselves what we are actually achieving in terms of real change." ■

Liberal Foundations Often Unaware Of Right's Efforts in State Capitals

"Is there increased focus on the states?" asks Shepard Forman, director of human rights and governance programs for the Ford Foundation. "From the grantee community, the answer seems clearly yes."

While there is near unanimity that public policy is shifting significantly to the state level, foundations differ widely in how they are responding to this shift, according to interviews with nearly two dozen funders.

"Our funding has substantially changed from pre-1985, when it was mainly national," says Donald K. Ross, director of the Rockefeller Family Fund. "Since then there has been a very dramatic shift to the state and regional level."

Stephen Viederman, president of the Jessie Smith Noyes Foundation, agrees. "We've moved most of our giving to the state level," he says. "Increasingly I believe it's going to be a matter of things happening at the state level, then working themselves up to the national level."

And according to Daniel Cantor, program officer for the Veatch Program, "That's our main thing. We've decided the states are where the action is."

But most foundation leaders were not as emphatic. "There have been substantial shifts to the states, but it's not the total picture by any means," says Eli N. Evans, president of the Charles H. Revson Foundation. "There is still a strong and important national role."

Several leaders said their foundations' structures did not lend themselves to state-level giving. For example, June Makela, executive director of the Funding Exchange/National Community Funds, said their grants were too modest to make an impact at the state level. The Tides Foundation and AT&T also have not shifted giving significantly to the state level.

Others say it depends on the program. "The states are very important, but it really depends on the issue," says Vivien Stewart, chair of education and healthy development of children and youth programs for the Carnegie Corpo-

ration foundation. While she feels health and science are more federally focused, education lends itself more to state and local programs.

For her program area, a shift to the states began around 1980. "In the Reagan years, it became clear that there were not going to be federal initiatives in children and youth activities, so the grantmaking shifted at that point," she says.

Stewart notes that foundations may find it daunting to work with 50 different states, instead of a single national program. One way to handle this difficulty



Lance E. Lindblom

is to sponsor competitions in which states compete for funds. Carnegie, Robert Wood Johnson and Ford Foundation have sponsored such competitions.

The Ford program, called Innovations in State and Local Government, recognizes ten localities each year that have implemented new social programs or public policies.

Virtually all the leaders queried were unaware of the national movement of conservative think tanks described in this report.

"I don't see the cropping up of little state think tanks," says Peggy Ayers, executive director of the Robert Sterling Clark Foundation. "There just isn't enough money to do that." She observes

that even the Manhattan Institute, the most well-established think tank with a budget of \$2 million, has had to "struggle over the last 10 years and they've had a lot of very powerful people back them."

This year, the Clark Foundation gave the Manhattan Institute a grant for

Virtually all the leaders queried were unaware of the national movement of conservative think tanks described in this report.

the first time, to study using vouchers for public education.

Like Ayers, most New York-based foundations were familiar with the Manhattan Institute and found its work interesting, but few were aware of the Madison Group. Similarly, foundation leaders elsewhere in the country have heard of the think tanks in their cities but were unaware of others.

While conservative foundations such as Scaife, Bradley and Olin have been heavily funding conservative think tanks, foundation leaders queried for this report generally did not see their role as funding the development of progressive public policy alternatives.

"Progressive funders are funding direct service efforts at the state or local grassroots level," says Linda Tarr-Whelan, executive director of the Center for Policy Alternatives. "What's missing is anything dealing with a larger vision. Who is funding the infrastructure for a progressive agenda?"

But some funders indicated that progressives have failed to come up with a vision worth funding. Whether or not they agree with their philosophy, funders often think conservative think tanks are a better source of provocative ideas that challenge the status quo.

Lance E. Lindblom, president of the J. Roderick MacArthur Foundation, believes that initiatives such as school vouchers and privatization of garbage collection and other services should be explored.

"Heritage Foundation puts out a coherent vision that is integrated and

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States: The New Public Policy Battleground

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incredible pressure on local officials to do something," says Donald K. Ross, director of the Rockefeller Family Fund, of the growing importance of state policy.

Ross notes that in 1980, lobbyists in the state of New York earned \$4 million. By 1990, that number was over \$26 million. "Money and lobbying follow real issues, real power, real decisions," he says.

"I have heard speaker after speaker talk about the shifting emphasis to the states," says Dick Vander Woude, the National Education Association's liaison to the National Council of State Legislators. "Groups who want to see something done about the health crisis, for example, are giving up on the federal government. They feel we have to go after it on a state-by-state basis, then Congress will find it politically possible."

The importance of state legislation may be seen by the sheer volume of bills — some 138,000 pieces of legislation introduced annually, with 42,000 becoming law, compared to 7,390 bills and 228 laws in Congress.

Corporate lobbyists were some of the first to see both opportunity and danger in the shift to the states.

"Big business is extraordinarily well-organized at the state level," says Linda Tarr-Whelan, president of the Center for Policy Alternatives (CPA) in Washington, D.C. "The more progressive community has got to get organized at the state level, because frankly we're being taken to the cleaners."

Despite this assessment, some business leaders are expressing concern about the direction "new federalism" is taking.

"As the federal government eased its regulatory squeeze on business, state governments started tightening their

grip," according to a recent cover story in *Nation's Business*, the journal of the U.S. Chamber of Commerce. "This sharply increased state activism is having a major impact on American enterprise."

Corporate concern over the experiments being cooked up in the laborato-

ing primarily on creating an unfettered business climate, groups also touch on foreign policy, including opposition to South Africa sanctions and support of SDI (star wars), and on social issues, such as drug abuse and AIDS.

Pitted against the well-funded Right are progressive coalitions and policy

centers that are striving to push their states beyond the federal government in areas such as environmental protection, family issues and homelessness. CPA describes this trend as "progressive federalism."

"The players are not in Washington," says Tarr-Whelan. "They are in places like Olympia, Tallahassee, Jefferson City and Albany."

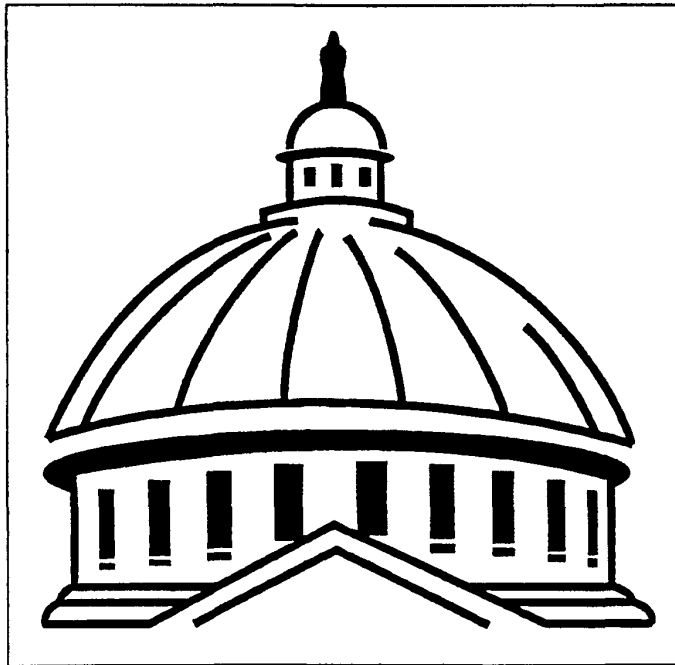
She cites several important bills now before Congress that flow from legislation enacted at the state level, including family leave, election law reform and recycling measures.

The battle over the direction of state government, and the resulting

impact on national policy, promises to grow in importance in the coming years.

"States are places that initiate and incubate ideas," according to David Cohen of the Advocacy Institute. "They really are laboratories of democracy, and they can produce progressive or reactionary agendas. This is an area that must be addressed and can be a source of competent, innovative, imaginative and even compassionate government."

This report will examine one important element of the battle to influence the states: public policy centers or think tanks. How have conservatives organized at the state level to influence public policy? How does the funding community view the shift to the states? And finally, what are progressives doing to fight back? ■



ries of democracy parallels a burgeoning movement of state-level conservative think tanks known as the Madison Group. Like its mentor, the American Legislative Exchange Council or ALEC (see story, p. 20), the Madison Group hopes to influence the direction of public policy by offering strong anti-government, free market solutions to state-house fiscal woes.

The state think tanks' agenda includes privatization of most public services, from mass transit to health clinics to environmental protection, and even libraries; vouchers and tax credits to promote competition between public and private schools; deregulation of business; opposition to labor-backed policies like the minimum wage and family leave; and rollback of taxes. While concentrat-

Privatization — from Garbage to Schools — Is Hallmark of State Conservative Movement

Privatization is the altar at which the American Legislative Exchange Council and the Madison Group worship. There are few problems too complex for the market to handle, from poverty to education to environmental protection and health care. For most public services, it is believed the private sector not only acts more efficiently, but that it has the inalienable right to the task. The exceptions are some infrastructure programs like the interstate highway system and national defense.

Education

An overriding concern behind demands for educational reform is the fear that U.S. companies are losing their edge because of an ill-educated workforce. As *Nation's Business* explains, "According to a major forecasting firm's projection of 60 key trends for the decade, U.S. businesses will have no choice but to hire a million new workers a year who cannot read, write or count."

While most Americans would agree that educational reform is badly needed, the ALEC/Madison Group approach is founded on a basic hostility to public education — which they often prefer to call "government" education.

From the Department of Education on down, the value of public education is disparaged. "The establishment of a Cabinet-level Department of Education was an historic blunder, a combination of overweening federal ambition and pandering to interest groups," according to *Mandate for Leadership II*, the Heritage Foundation blueprint for Reagan's second term.

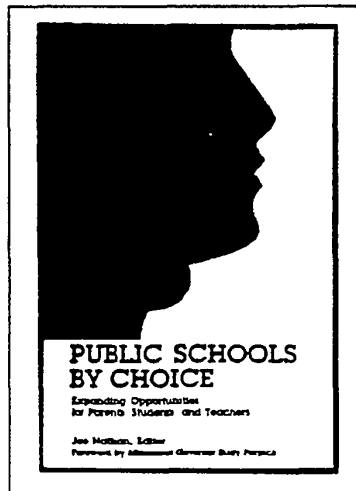
Teachers unions are seen as a selfish and powerful enemy, whose goal is to protect the bureaucracy and stifle progress in education.

The thrust is aimed at breaking the public education "monopoly," primarily through vouchers and tuition tax credits. This once discarded notion has been updated for the 1990s, and is now known as school choice. Its proponents, anxious to shake the charge of elitism, stress that vouchers would allow chil-

dren from poor families to attend private schools.

"Conservative intellectuals have learned to make the case for education vouchers solely in behalf of the ghetto poor rather than the tuition-burdened lower middle class," says Nicholas Lemann in his critical review in *Atlantic* (2/91) of *Politics, Markets and America's Schools*, by John Chubb and Terry Moe. (It is a testament to the popularity of the choice idea that the book was published not by Heritage, but by Brookings.)

While education is usually the single biggest item in a state budget, this is one area where conservatives are not look-



Think tank study funded by the Gates Foundation

ing to save money. Don Eberly, president of Commonwealth Foundation, says of the educational choice movement he's leading in Pennsylvania, "This is not an initiative that we would see as an immediate cost saver." In fact, Eberly says, the measure will cost the state more because the choice bill would include new money for private school vouchers.

School choice advocates say marketplace competitiveness would benefit education. Bad schools would close, while good quality schools, both public and private, would flourish by drawing more students and subsequently more tax dollars.

Deborah Meier, a progressive school principal and an architect of the highly acclaimed school choice program in East Harlem, wrote in *The Nation*, "While Chubb and Moe contend that they favor public education, what they mean is public funding for education. Public institutions are their enemy."

People across the spectrum have endorsed variations on the choice theme, including magnet and alternative schools, but not everyone is eager to jump on the market bandwagon.

"The whole marketplace analogy fails in the public sector," says Dick Vander Woude, who has worked in education associations around the country and currently handles government relations for NEA. "The function of public school teachers isn't to compete with one another. Their function is to provide a good learning experience for the children who come into their care."

But critics disagree. "Organized as public monopolies, America's schools now have many of the same serious problems — excessive regulation, inefficient operation and ineffective service — that are inherent in this form of organization," according to the Washington Institute for Policy Studies. "Competition will force the school bureaucracy to respond to the needs of the people they are intended to serve."

Other measures proposed by ALEC and/or Madison Group members include:

- Allowing teachers to be independent contractors instead of public employees [read union members], as a way to lure more scientists to the field and to spark innovation.
- Replace teacher certification with a system that gives principals the same authority private school administrators have to hire and fire.
- Amend the U.S. Constitution to ban forced school busing.
- Create a commission to assess the moral teaching in public schools.
- Require at least one semester of instruction on the free enterprise system as a prerequisite for high school graduation.

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Progressive Public Policy Centers Begin Changing Direction of States

At a recent Center for Policy Alternatives (CPA) gathering in Washington, D.C., 300 progressive legislators and advocates strategized on how to translate progressive ideas into effective state policies — and ultimately into national action. Such gatherings make Linda Tarr-Whelan, president of CPA, enthusiastic about the future.

"What's happening on the electoral side, who is sitting in the legislatures, is the good news," says Tarr-Whelan. "Who's lobbying on the outside is still the bad news."

Tarr-Whelan thinks liberal funders could play a much greater role in helping progressives on the state level overcome the negative influence of many corporate lobbyists and their conservative allies in the American Legislative Exchange Council (ALEC) and the Madison Group.

Her wish list would begin with taking funders on a study tour of the states. "There's an enormous narrowness of vision about what states can do," she says. "I'd take people to meet these very exciting progressives out there."

She also would put more resources into message development. Acknowledging that progressives lag far behind the Right in articulating a vision, she asks, "What are the common themes to use in your campaigns, or against which you would judge legislation? What does it mean to worry about community development, for example? There's a huge need to educate people about the legitimate role of government."

Also needed, says Tarr-Whelan, is an opportunity for progressive state legislators to meet regularly to share ideas, support each other and strategize, opportunities that are provided to conservative legislators through ALEC.

David Cohen, co-director of the Advocacy Institute in Washington, D.C., agrees. "Funders should recognize that supporting activities in a given state can have a reach well beyond the state itself," he says. "Programs and leaders of nonprofit organizations should be bolstered in their efforts, which are often made against very adverse conditions

and against people who have a lot more economic resources."

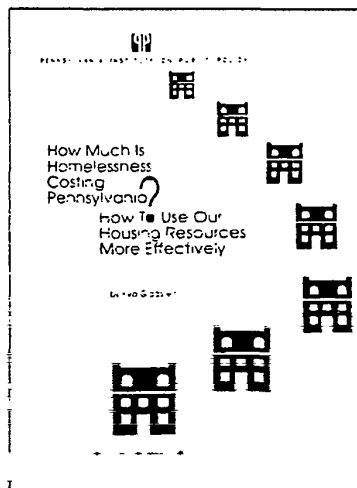
Among these nonprofits are progressive public policy centers. While still small in number, these centers show a strong potential for helping states move in a progressive direction. Three different models are described below.

North Carolina Center for Public Policy Research (NCC)

Formed in 1974 by two volunteer lobbyists for Common Cause, Gerry Hancock and Robert Spearman, this think tank has become a highly respected and influential voice in the state.

"There were many good people in advocacy organizations, pushing one point of view or another," according to Hancock, in a report on NCC's first ten years. "What did not exist was an organization that would identify problem areas and then propose solutions to them."

NCC not only conducts research on issues of statewide importance, but also monitors the legislature, evaluates state programs, raises new issues for public debate and actively seeks to have an impact on state policy. Education, taxes, health, and the environment are among the issues it covers.



Study by Pennsylvania Institute on Public Policy



Ran Coble

Two recent accomplishments include:

- A study of the state income tax structure which found that people making only \$4,500 a year were having to pay income taxes. As a result, a more progressive tax structure was adopted in 1989, and 700,000 poor people were removed from the tax rolls.
- Creation of a state environmental index, the first in the country. NCC recommended the index in 1988 as a way to measure progress or decline in the state's protection of water, air, wildlife and land resources. Gov. James Martin (R) endorsed the idea in a 1989 inaugural address, and in 1990 the first draft State Environmental Index was released.

"The Center for Public Policy Research is credible enough that if they analyze an issue, they can put it on the state's political agenda, or put it out there so advocacy groups can put it on the agenda," according to Bill Holman, lobbyist for the North Carolina chapter of the Sierra Club, who often draws on the Center's research. "When the Center does a report, it is actually read by decision makers, and editorials and news stories are written about it."

The Center is scrupulous in maintaining its credibility, says its director, Ran Coble, and its funding reflects this. About 55 percent of the center's \$450,000 annual budget comes from foundations, with \$75,000 coming from business. Corporate contributions of

(continued on page 10)

Foundations Disagree on Need To Counter Madison Group

(continued from p. 5)

cohesive and has a political strategy to implement it," he says. Progressives, on the other hand, have failed to articulate clear alternative policies, according to Lindblom.

"It is in fact true," responds Tarr-Whelan. "The more conservative think tanks have been very conscious of the fact that the message is as important as the policies. And so they have very carefully formulated their policy goals in ways that ordinary Americans would understand and could easily explain to other people, whether they be funders or opinion makers."

She and June Makela both feel that progressive forces need more financial

resources. "The more conservative think tanks have been very conscious of the fact that the message is as important as the policies. And so they have very carefully formulated their policy goals in ways that ordinary Americans would understand and could easily explain to other people, whether they be funders or opinion makers."

Others feel that funding think tanks is not particularly useful, regardless of

"We have to have good science, but that's supplemental to community organizing and empowerment," he says. "The other side can always outgun us on Ph.D.s."

Generally, foundation leaders say they are already playing a positive role in supporting state level public policy and don't plan to make changes. Forman says the Ford Foundation for years has worked with state and local elected officials on public policy initiatives, among them economic development, women's economic opportunities, reproductive rights, voter registration and redistricting.

Mary Reynolds Babcock and Z.

"Progressive funders are funding direct service efforts at the state or local grassroots level," says Linda Tarr-Whelan, executive director of the Center for Policy Alternatives. "What's missing is anything dealing with a larger vision. Who is funding the infrastructure for a progressive agenda?"

resources to develop their public policy alternatives. "It costs money to pay academics, publish books, and distribute them to influential people," says Makela.

"Perhaps too much of the time of progressive groups has been spent fighting off the Right rather than articulating a coherent vision of the future," says Viederman.

Other funders were less enthusiastic about the need for progressive public policy development.

Gary Doran, program officer of public policy activities for AT&T Founda-

tion, felt that corporate foundations would not fund think tanks at either end of the political spectrum. "We tend to fund national organizations in the mainstream with moderate views," he says. "That is fairly common among big corporations." Duane Scribner, program director of Dayton Hudson Foundation, agreed.

Others feel that funding think tanks is not particularly useful, regardless of the political perspective. Marty Teitel, executive director of the C.S. Fund, says state legislators are too beholden to special interests and that public policy suffers as a result. Campaign finance reform, therefore, is the answer.

"The way to make good local government is to clean up the political process, not try to skew things from a particular point of view," he says.

Larry Kressley, senior program officer for the Public Welfare Foundation, also questions the role of think tanks.

Smith Reynolds Foundations have been mainstays of the North Carolina Center for Public Policy Research (see article, p. 8), and many foundations have supported the Center for Policy Alternatives and its work with progressive state legislators.

Among those donating more than \$25,000 to CPA are Carnegie Corporation, Charles Stewart Mott, Ford, Jessie Smith Noyes, Joyce and Hewlett Foundations, and the Rockefeller Brothers and Rockefeller Family Funds. ■



Linda Tarr-Whelan

Photo by Rosa Wells

Progressive Centers

(continued from p. 8)

more than \$5,000 are declined. "We don't want the public to think somebody bought the results," says Coble.

NCC has been helped immensely by the strong support of the Mary Reynolds Babcock and Z. Smith Reynolds Foundations. "They've done two things that foundations don't usually do. They've given money for general operating support and they've supported us for more than a decade," says Coble. "That is key to our being independent."

Coble feels think tanks wedded to an ideology sacrifice credibility. The John Locke Foundation, a Madison Group member in North Carolina, is an example. "Its goal is to promote free market and limited government," says Coble. "They already have a conclusion and no matter what they study, that's what they're going to come up with."

Coble says there is new interest in forming centers similar to NCC in other states, including Kentucky and West Virginia.

Progressive Policy Initiatives

A joint project of the Northeast Citizen Action Resource Center of Hartford and the Commonwealth Institute of Cambridge, Progressive Policy Initiatives is a new network for elected officials in the region.

The project is an outgrowth of a coalition of 80 organizations and unions which have worked successfully to elect progressive state and local officeholders.

Information will be provided to officials on key issues, such as taxes, the environment, health care and crime. Conferences, seminars, regional workshops, reports and newsletters will be used to encourage information sharing and strategizing. Policy development will also be an important focus.

"The work is not some kind of pie in the sky think tank approach," says Marc Caplan, a leader of the project. Advocacy groups, grassroots organizations and policymakers will be involved in developing the policy initiatives.

The project will also try to move the progressive community from a defensive



Publication of North Carolina Center for Public Policy Research

posture on such issues as government waste.

"We're refining the work that public policy people are doing," says project director Cynthia Ward. "There is a tremendous resource of academics with very progressive viewpoints, and it's a matter of hooking them up with people in the legislature."

With an annual budget of \$100,000, Caplan says they are limited only by the amount of resources they can muster. "Public officials are anxious for these proposals. They're in positions of leadership, so this is a wonderful opportunity to get real action in a very immediate and concrete way," he says.

Similar coalition efforts are beginning to get underway in Montana, Minnesota, New Mexico and Oregon.

Pennsylvania Institute on Public Policy

This two-year-old think tank was founded by state legislator Allen Kukovich, with a \$100,000 grant from Hands Across America. "The Pennsylvania Institute on Public Policy was formed to develop and promote effective, progressive policies to reduce poverty and enable low- and moderate-income Pennsylvanians to achieve a

decent standard of living in a changing economy," according to its literature. "It aims to accomplish its mission through research, public education and advocacy."

The Institute's first report focused on housing and homelessness and how state funds could be used more effectively. The report concluded that the absence of a comprehensive state housing and homelessness policy was costing Pennsylvania "millions of dollars and thousands of damaged lives."

The result was new comprehensive legislation, House Bill 30, which incorporates many of the study's ideas.

The Institute will next turn its attention to job retraining programs.

"We're in the process of working on a series of briefer reports on human service programs," says Kukovich. "We're looking at how they've been underfunded and how they can save taxpayer money in the long run."

Like the North Carolina Center, Kukovich puts a premium on the Institute's credibility and objectivity. "Any research institute is tainted depending on where its money comes from and who is on the board," he says. "The only way to tell its effectiveness is the quality of its work product." ■

Marketplace Seen as Answer To Poverty, Environmental Ills

(continued from p. 7)

Poverty and Discrimination

"We tell blacks we were wrong," a reconstructed Burton Yale Pines, senior vice president for Heritage Foundation, was quoted as saying in a recent interview with *U.S. News and World Report*. Clearly, the conservative movement is tired of being accused of lacking compassion. An examination of the Foundation Center's *Grants Index* testifies to this. Funds are flowing to think tanks to come up with conservative solutions to problems of discrimination and poverty:

- J.M. Foundation gave \$20,000 to Hillsdale College to study the economics of Black America, \$10,000 to Independence Institute's Colorado Opportunity Network and \$20,000 to Pacific Research Institute for Public Policy for "Myth, Reality and the Welfare State, A Study in Political Economy." An additional \$15,000 grant was given in 1990 for the book, *Unfinished Business: A Civil Rights Strategy for America's Third Century*, published by the Pacific Research Institute's Center for Applied Jurisprudence.
- John M. Olin Foundation gave \$25,000 to Robert Woodson's National Center for Neighborhood Enterprise and \$50,000 to the Center for Applied Jurisprudence.
- The Bradley Foundation kicked in another \$75,000 to the Center for Applied Jurisprudence.

Current conservative thinking on poverty flows from Charles Murray's 1984 book, *Losing Ground*, published by the Manhattan Institute, which made the case that poverty programs cause poverty. Considered a seminal work in Reagan circles, the book came under heavy criticism for inaccuracies and omissions.

Sidney Blumenthal in *The Rise of the Counter-Establishment*, summarizes the critics as follows: "Murray's calculation that the poverty rate had not dropped between 1968 and 1980 failed to factor in the business cycle and unemployment rates. His assertion that the Aid for Dependent Children program

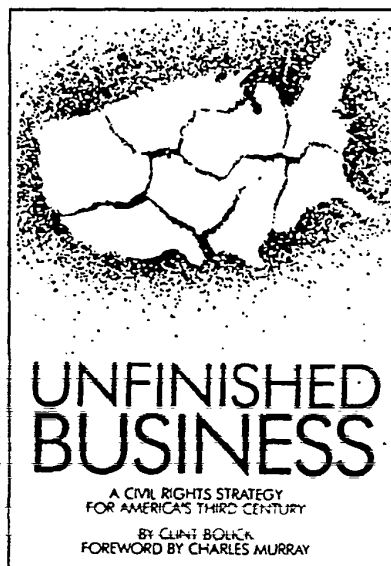
was the main source of illegitimacy among black teenagers neglected to consider or even to cite any of the extensive scholarship uniformly showing no such cause and effect...Also his statistics never passed 1970, after which welfare benefits in Pennsylvania significantly dropped."

Not to be deterred, Robert Woodson, founder and president of the National Center for Neighborhood Enterprise, picked up where Murray left off. In 1987 he wrote, "Breaking the Poverty Cycle: Private Sector Alternatives to the Welfare State," a report published by the National Center for Policy Analysis in Dallas and reissued in 1989 by Commonwealth Foundation, on whose board he sits.

Like Murray, Woodson blames public welfare programs for creating a host of urban problems, from teen pregnancy to crime, poor schools and lack of low-income housing.

"For black Americans, the goal of economic independence and self-sufficiency can only be reached by private sector, self-help efforts — not through more government control," he writes.

The well-funded study on civil rights mentioned above, *Unfinished Business*, by Clint Bolick with a forward by Charles



Murray, urges an end to affirmative action and a return to the days when "fundamental individual rights" were protected.

"A unique aspect of Clint Bolick's analysis concerns economic liberty," according to a policy briefing by Pacific Research Institute, summarizing the book. "Prior to the Progressive era, most Americans had an unfettered right to engage in virtually any trade or profession. The right to contract for wages and other conditions of employment was fully recognized in the courts and was considered as sacrosanct a liberty as any in civil law."

In this vision of civil rights, basic labor gains would be abolished, along with affirmative action. According to



Bush advisor C. Boynton Gray addresses PERC conference

the policy briefing, Bolick "seeks to strike down governmentally created barriers to economic activity such as licensing laws, minimum wage laws, the Davis-Bacon Act, and other constraints on entrepreneurship."

Environmental Protection

Not surprisingly, "free market environmentalism" is offered as the answer to environmental degradation. This is described as a "new approach for managing resources, based on property rights, individual decision making and market-oriented solutions."

Privatization of public lands is advocated, including grazing areas, national forests and the outer continental shelf. "The environment, whether plains, wilderness or seabed, is best protected and resources better managed when private property rights are well-defined (continued on p. 17)

Manhattan Institute

One of the most influential think tanks is the Manhattan Institute for Policy Research in New York. While not a member of the Madison Group, it is guided by a similar philosophy, which is described by its president, William Hammett, as libertarian.

The Institute was founded in 1978 by former Reagan CIA director William J. Casey. Early trustees included Edwin J. Feulner, head of Heritage Foundation, J. Peter Grace, T. Boone Pickens, Jr. and William E. Simon, among others. With a budget of \$2 million, Manhattan Institute is the most well-established of the conservative think tanks outside Washington, D.C.

Originally called the International Center for Economic Policy Studies, Manhattan Institute has shifted its focus increasingly to local and state affairs. New York City's rent control policies have come under considerable criticism, and the Institute is now setting its sights on Albany.

The Institute perhaps is best known for two of its books that were gospel to the Reagan administration: *Wealth and Poverty*, by George Gilder, and *Losing Ground*, by Charles Murray. In addition to publishing full-length books, Manhattan Institute issues memos and reports and sponsors forums and workshops.

"I frequently attend Manhattan Institute meetings," says Peggy Ayers, executive director of the Robert Sterling Clark Foundation. "It's the best place to find out what the conservative right are thinking. They are very smart, intelligent people."

Manhattan receives about half of its funding from foundations, including J.M., Bradley, Scaife, Lilly Endowment (\$100,000 for general support in 1988) and Sloan (\$90,000 in 1989). Corporations contribute a quarter of the Institute's budget. ■

ALEC-Corporate Connection

(continued from p. 20)

and Shell Oil contribute, as well as major companies in the chemical, banking, energy, telecommunications, transportation, pharmaceutical, food, insurance, manufacturing, and retail industries.

Support also is forthcoming from organizations such as the National Rifle Association and the Tobacco Institute.

A 501-C3 organization, ALEC has also garnered support from conservative foundations. In 1988, for example, the organization received \$25,000 from the Bradley Foundation for its resource center, and in 1989, \$20,000 from the J.M. Foundation for its drug abuse program. In addition, more than a dozen corporate foundations contribute, with Ameritech and Proctor and Gamble among the most consistent.

"If we intend to govern this nation, then our battle begins on the other side of the Beltway."

With a \$2 million annual budget, ALEC is able to pay for legislators to attend annual meetings and special seminars.

In 1989, 25 states hosted ALEC focus events, which highlight "a particular issue of importance to the legislators and private sector members in that state."

That same year, the *St. Petersburg Times* reported that ALEC spent \$35,000 to send 23 Florida legislators to its annual meeting in Monterrey, California.

"It's an excuse for a lot of legislators to go on trips and junkets," says Allen Kukovich, a liberal Democratic legislator in Pennsylvania. "Groups like that have more money than they know what to do with."

But legislators do more than play golf at ALEC functions. Senior administration officials frequently address the annual meetings, among them William Bennett, John Sununu, John Block, Elizabeth Hanford Dole, Dan Quayle, Jack Kemp, Manuel Lujan, and Samuel Skinner. And in March, as the Persian

Gulf war was coming to an end, President Bush found time to address an ALEC gathering.

"At first we were asked to look into trips paid for by the American Legislative Exchange Council to see if they were junkets," says Amy Young, who monitors state activities for *Common Cause Magazine*. "But it appeared that they actually did a lot of work at the meetings."

In addition to paid trips, legislators have access to an elaborate information system consisting of 3,000 reference volumes, periodicals, trade publications, state capitol newsletters, and sophisticated electronic data systems. By calling ALEC, legislators and businesses can



Sam Brunelli

obtain data, studies, sample legislation, expert testimony, and information on what other states have done on that issue.

Despite its right-wing roots, ALEC has succeeded in attracting more moderate legislators from both parties. According to Michael Byrd, chief lobbyist for the National Council of State Legislatures, "The original core were very right wing, but they have tried to temper some of that to be more acceptable. Still, if you look at the issues that they really beat the drums on, they tend to be pro-business, and almost on the far right."

Dick Vander Woude, a long-time observer of state legislatures from his perspective with the National Education Association (NEA), agrees that ALEC has succeeded in expanding its

base of support. "ALEC generates an awful lot of right-wing material, but it also has responsive, conservative legislators who don't buy into that."

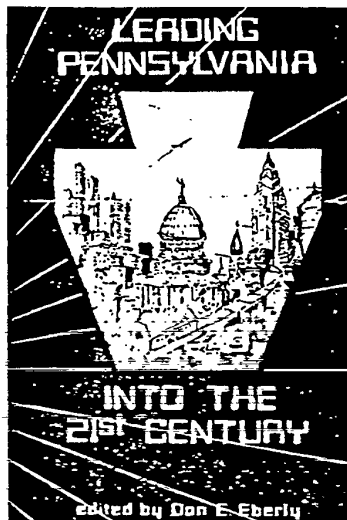
How large its moderate ranks grow will determine how effective ALEC will become. Clearly its leadership wants to do more than preach to the converted.

The Source Book of American State Legislation is ALEC's biannual booklet of model bills. Among the bills:

- Urging Congress to support Star Wars
- Repeal of bilingual ballots and limiting bilingual education
- Tax deductions for private school tuition
- Guidelines for anesthetizing fetuses during abortion
- Privatizing a variety of public services

As Brunelli said in his address to the Heritage Foundation:

"If we intend to govern this nation, then our battle begins on the other side of the Beltway. And we must recognize that on this new battlefield, a negative agenda will not sell. In the states, the conservative movement must advance a positive agenda for governance, an agenda which speaks to the real challenges people face and that draws its strength from the principles and values that the people hold dear." ■



Close-ups:

Commonwealth Foundation for Public Policy Alternatives Harrisburg, Pennsylvania

After working eight years in Washington, D.C., including stints as staff director for the Republican Study Committee and public liaison officer in the Reagan White House, Don E. Eberly settled in Harrisburg, Pa., and founded the Commonwealth Foundation for Public Policy Alternatives in 1988.

"Having been away from Washington now for several years, I could not be more optimistic about the future," he said in an address to the Heritage Foundation. "The state-level policy movement is conservatism's real growth sector, and it is a development about which we can all afford to be bullish."

Unlike some think tank leaders, Eberly is a consummate political animal. He understands the importance of building a grassroots base for his policy ideas. "You cannot separate ideas from politics," he said in an interview for this report. "To have an impact, ideas have got to be connected with citizens groups. I don't believe in just doing a study or policy report and making it available."

In addition to brief policy reports,

(continued on p. 14)

Independence Institute Golden, Colorado

The Independence Institute's biggest claim to fame is its president, John K. Andrews, Jr., who succeeded in winning the Republican gubernatorial nomination in 1990. After a leave-of-absence to campaign in what turned out to be a decisive defeat, he's back leading the Institute he founded.

Formerly a speechwriter for Richard Nixon who resigned during Watergate, Andrews initially worked for the Colorado branch of the Shavano Institute, a think tank founded by conservative Hillsdale College in Michigan. When Shavano had to cut back its Colorado project, Independence Institute

was created to fill the void.

Independence Institute issues are wide-ranging, although efforts are concentrated on four main areas: economic growth for Colorado, intergovernmental cooperation on water and transportation, education and "equal opportunity." The Institute plans to expand its agenda to include health care and the environment.

"A fifth issue priority, our wild card, we have called 'the world and Colorado,' according to 'So You Want To Start a Think Tank,' an article written by Andrews for Heritage Foundation. "This has let us nibble on topics as diverse as Pacific trade, Sandinista totalitarianism and the fallacy of U.S.-Soviet moral equivalence."

As part of its international work, Independence seeks advice from the International Commission on Moral Equivalence, whose ranks include R.

(continued on p. 15)

The Heartland Institute Chicago, Illinois

The Chicago-based Heartland Institute, founded in 1984, is a rapidly growing "chain" of think tanks. Its budget has grown from \$300,000 in 1988 to \$1 million in 1991, with affiliates in Cleveland, Detroit, Kansas City, Milwaukee and St. Louis.

According to public affairs director Gary Miller, the Institute's long-term goal is to have a Heartland affiliate in every state in the union. "For ease of operation we'd like to keep the Institute here in Chicago," says Miller. "But we found over time and through stories picked up by the wire services that Heartland's issues and interests are similar across the country."

Founded by Chicago businessmen, Heartland is less political and more focused on economics than many Madison Group members. From its inception, the goal was not so much to bring the Reagan revolution home, as to beef up the free-market perspective in policy debates.

Heartland shuns the conservative label, describing itself as "a reasoned voice for individual rights and social harmony." Its president, Joseph Bast, a

(continued on p. 16)

Commonwealth

(continued from p. 13)

Commonwealth released in 1990 a full-length book entitled *Leading Pennsylvania into the 21st Century*. The 25-chapter anthology examines a broad range of public policy issues, aimed at leading Pennsylvania along "the competitive path."

"We're careful to cultivate ties on both sides of the partisan aisle," says Eberly. "We send our materials to those who may not agree with the perspective we bring."

"The state-level policy movement is conservatism's real growth sector."

Commonwealth, with a budget of \$300,000 and a staff of four, also holds briefings for legislators, testifies at committee hearings, and sponsors seminars on privatization and school choice. In September 1989, it co-sponsored the Pennsylvania Leadership Conference, featuring Representatives Robert S. Walker and Newt Gingrich and Ambassador Alan Keyes, as well as a number of state legislators. Three hundred people attended.

According to Dale Davenport, editorial page editor for the *Harrisburg Patriot*, Commonwealth's op-ed pieces are "pretty decent." Unlike Heritage Foundation, which Davenport says sends an article or opinion piece literally every

Building an Arsenal

"Ideas are ammunition, the bullets of a political movement, but let us not forget that to fire those bullets effectively we need a full arsenal of weapons at the state level, just as we need them at the federal level. In Pennsylvania, we are trying to build that arsenal."

"We have organized a leadership team that is implementing a multifaceted organizational building plan called the Pennsylvania Plan, which consists of many of the same entities that have been used effectively in Washington. These entities include the Commonwealth Foundation, which is the Heritage Foundation equivalent. After over a year of development work, we have just brought on line the Pennsylvania Family Institute, which might be compared to the Family Research Council here in Wash-

ington [Gary Bauer's anti-abortion group].

"We now have both economic issues and social issues coalitions on the state level that meet regularly and are developing agendas. An effort is also now being made to develop local coalitions. This September we had our first statewide conservative conference for local leaders and activists, patterned after C-PAC in Washington. The conference, which will become an annual event, attracted 320 people from all across the state and sent shock waves throughout the political establishment. We now have funding commitments to create a statewide 501(C)(4) citizens lobby."

from "The States: The New Policy Battleground" a lecture to the Heritage Foundation by Don E. Eberly, Oct. 27, 1989.

day, Commonwealth limits its submissions to one every few months and its focus is always on Pennsylvania.

Davenport was introduced to Eberly by Herb Berkowitz, public relations director for Heritage. Since then, Eberly has been invited to address the editorial staff.

"We don't get a broad-based liberal effort from any organization," says Davenport. "There's nothing comparable to Heritage on the national level, and nothing comparable to Commonwealth on the state level."

While clearly seen as a conservative,

Eberly is eager to build alliances with people across the political spectrum. He credits Commonwealth with creating an educational choice movement in Pennsylvania, which is preparing to unveil a new legislative initiative this spring. The measure calls for statewide choice of public schools, plus grants and vouchers for private and parochial schools.

"Our educational choice initiative is going to surprise a lot of people because we'll have some very prominent liberals taking the lead on it," he says.

Other issues include privatization of mass transit, prisons, and 16 other areas of public services, tort reform, recycling, and substantial tax reduction. Commonwealth also has published a number of policy reports attacking labor-supported legislation such as raising the minimum wage, public employees' right to a "union shop" and expanding benefits to include family leave, insurance coverage for mental illness and two-month notification of plant and other business closings.

"Mandated benefits hurt competitiveness, and could involve some harmful consequences to American workers," warns a policy report, called "The Coming Mandated Benefit Movement."

Commonwealth Foundation Board of Directors

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cations

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Vice President, Sun Refining
and Marketing

Robert Woodson
President, National Center for
Neighborhood Enterprise

Not surprisingly, such positions have not endeared Commonwealth to the labor movement. "They profess to be nonpolitical, but everything they do is political," says David Wilderman, legislative director of the Pennsylvania AFL-CIO. "People don't take them that seriously, but they're a potential real threat."

Eberly sees unions as one of several special interest lobbyists whose "almost symbiotic" relationship with legislators is frustrating innovation in public policy. Also blamed by Eberly for exerting too much influence are professional groups representing trial lawyers, hospitals and physicians, and big business.

Such comments are meant to create some distance between Commonwealth and the business community. "We don't have a membership structure" allowing companies to join Commonwealth, Eberly says. "It would imply we're representing business."

"We don't get a broad-based liberal effort from any organization," says Davenport. "There's nothing comparable to Heritage on the national level, and nothing comparable to Commonwealth on the state level."

Nonetheless, the board of directors of Commonwealth reads like a Who's Who of corporate leaders in the state (see box, p.14). Chairman of the board is Alex G. McKenna of Kennametal, a \$470 million, 5,000-employee metals corporation, based in Latrobe. Another key player is Fred Anton, president of the powerful Pennsylvania Manufacturer's Association, described by Wilderman as "a web of very wealthy people who have financed the Republican party for 80 years."

Funding for Commonwealth comes from 300 donors, primarily corporations, says Eberly. Among the foundations to contribute are Scaife, with a \$50,000 general operating grant in 1988, J.M. Foundation and Pew Charitable Trust, which both gave grants for completion of the 21st Century book. ■

Independence

(continued from p. 13)

Emmett Tyrrell, Midge Decter, Sidney Hook, Richard John Neuhaus, Richard Pipes, Norman Podhoretz and Donald Rumsfeld, among others.

Independence Institute's international issue papers include "Sanctuary's Case Against America" and "Setting the Watch on Moral Equivalence."

To implement the recommendations of its state-level policy papers, Independence has established ten task forces, made up of sympathetic businessmen, academics and others. The task forces meet regularly "to build consensus for translating recommendations into action."

In addition to four staff members, the Institute draws on 120 researchers and academics to produce policy briefings and twelve senior fellows who help issue weekly op-ed pieces for 13 Colorado newspapers. The Institute also has a syndicated morning and afternoon radio commentary.

Independence Institute focuses more attention on Black and Hispanic issues than most of the think tanks. It created the Colorado Opportunity Network, described as "virtually unique in state and local policy circles, a coalition of black, white, Hispanic and Indian community leaders seeking to facilitate

Independence Institute focuses more attention on Black and Hispanic issues than most of the think tanks.

new answers and new attitudes toward the challenges of poverty, exclusion and discrimination."

Among these "new answers" are enterprise zones, increasing minority participation in business associations, educating youth for "entrepreneurship," and seeking private sector alternatives to welfare. Advising the network are

(continued on p. 16)

Partial Listing of Independence Institute Donors, 1985-1990

Corporations & Organizations

Amax Corp.
American Furniture Warehouse
Arapahoe Community College
Aroco Coal
Automated Business Systems
Bailey Companies
Ball Corp.
Benson Mineral Group
Cain Companies
Calson Constructors
Captiva Corp.
Celtech Corp.
Chevron Oil
Ciruli Associates
Colorado Assn. of Commerce & Industry
Colorado Assn. of School Executives
Colorado Bar Assn.
Colorado Interstate Gas Co.
Colorado National Bankshares, Inc.
Colorado Springs Chamber of Commerce
Colorado Springs Gazette Telegraph
Columbine Venture Fund, Ltd.
Cooley Gravel Company
Coopers & Lybrand
Custom Envelope Corp.
David, Graham & Stubbs
Deloitte Haskins & Sells
Denver Technological Center
Denver West, Inc.
Dix Paper
DTM Products
Duncan Cattle Company
Embassy Suites Hotel
Equity Syndication

Flatiron Companies
D.E. Frey and Co.
Frontier Oil and Refining
G.E. Johnson Construction
General Motors
Gerald Phipps Inc.
Great Southwest Construction Co.
Greater Denver Chamber of Commerce
Hewlett Packard
High Valley Group
Home Builders Assn. of Metro Denver
Hyatt Regency Denver
Ideal Basic Industries
Jostens Inc.
Kalmore Assoc.
Keystone Resort Inc.
King Soopers
Koelbel and Co.
Louisiana Pacific Corp.
Lucas Oil and Gas
Martin Marietta
Marriott Hotels
Mobil Oil Corp.
Mountain States Employers Council
North Central Life Insurance Co.
Oklahoma Publishing
One Source Management
Peat Marwick Main & Co.
Pepsi-Cola Bottling Co. of Denver
Phipps, Inc.
Gerald Phipps Inc.
Potential Inc.
Presto Print
Public Service Co. of Colorado
The Pueblo Chieftain
Ralston Purina Co.
Ready-Mixed Concrete
Ridgewood Realty
Robinson Dairy

Roche Constructors
Rocky Mountain Oil and Gas Assoc.
Rocky Mountain Orthodontics
Saunders Construction
Schuck Corp.
Security Life of Denver
Step Thirteen
Stock Imagery Inc.
Storage Technology
True Oil
United Bank of Colorado, Inc.
United Bank of Denver
U.S. West Communications
Vail Assoc.
Vessels Oil and Gas Co.
Webb Co.
Woodford Manufacturing

Foundations

Amoco Foundation
Anschutz Family Foundation
Atlas Foundation
Howard H. Callaway Foundation
Adolph Coors Foundation
Dobbins Foundation
El Pomar Foundation
Farley Foundation
Frost Foundation
Garvey Kansas Foundation
Geter Foundation
G.D. Searle Charitable Trust
Hawthorne Foundation
J.M. Foundation
Moss Foundation
Powell Family Foundation
Rawlings Foundation
Ruth and Vernon Taylor Foundation
White Foundation

Independence

(continued from p. 15)

Glenn Loury, Robert Woodson and HUD Secretary Jack Kemp, among others.

On transportation, the Institute urges that suburban government spends money not on rapid transit but on a beltway. Air quality and water distribution are also important issues. State Senator Paul W. Powers credits the Institute with inspiring his legislation to tighten up on sick pay for state employees. An Independence study claims the change will save taxpayers \$18 million annually.

"In coming years the opponents of local statism will enjoy advantages that did not exist in earlier decades — the power of public choice theory, proven techniques of privatization, and the burgeoning worldwide entrepreneurial culture. Thus, we go into the next round much better armed, whether to defend against mandated benefits and eco-hysteria, or to press the offensive against socialized approaches to education, government services, and infrastructure. We are in a good position to keep winning."

from "So You Want to Start a Think Tank, A Battlefield Report from the States," by John Andrews, *Policy Review*, Summer 1989



John K. Andrews, Jr., president of Independence Institute, was the Republican candidate for governor of Colorado.

Steven Newman, executive director of AFSCME Council 76 in Denver, expressed surprise that Independence Institute was behind the legislation. "If they were behind that, it makes me even angrier," he says. Newman says conservative legislators often cite data or research to support their legislation. "But you don't know where the research comes from — we don't get courtesy copies of what they do," he says.

Both he and Dr. Tony Rollins, executive director of the Colorado Education Association, describe Independence as a right-wing, rather than conservative, organization. "They want to turn back the clock and have very few state services," says Newman.

"They're way out there," says Rollins. "The nomination of Andrews caused dissension in the Republican Party because they didn't want him to be their flag bearer." Still, Rollins finds "they have influence in certain quarters and they clearly can provide information that is counter to a lot of things we would propose."

Like other think tanks, the Institute's \$200,000 budget comes primarily from businesses and conservative foundations (see box). Board members include Heritage Foundation's Burton Yale Pines, Guy T. McBride, Jr. of the Colorado School of Mines, John Hughes of the *Christian Science Monitor*, Michael Rosen of the *Denver Post*, two former state legislators and a number of businessmen. ■

Heartland

(continued from p. 13)

33-year-old libertarian, was quoted in the *Washington Times* as saying the conservative label "hurts our credibility."

The Institute grew out of a monthly dinner club of 30 to 40 businessmen in 1984, during a time when cab drivers were suing the city of Chicago and major cab companies. Dismayed that deregulation

"A Progressive Agenda for Chicago"

"A true progressive demands no additional spending on education; he supports a shift in current spending to reflect new priorities. He calls for removing money from fat administrative budgets, giving parents a stronger voice in their local school's operation, and — through tuition tax credits and vouchers — encouraging competition among public and private schools. Competition, accountability, and choice: These are the elements of a progressive agenda for school reform."

from an op-ed piece by Bruno Behrend, director of Illinois programs for The Heartland Institute, *Chicago Sun Times*, April 8, 1989

wasn't a central part of the debate, the group commissioned a position paper that eventually resulted in deregulation legislation being written.

The club then decided to institutionalize, with 20 members each contributing \$100 a month to the project.

Like other Madison Group members, Heartland churns out dozens of issue papers. In 1990 alone, it produced 25 "Perspectives" or opinion pieces and 24 Policy Studies, which were circulated for review among a 75-member Board of Advisors. These materials are distributed to every state legislator in Illinois, Michigan, Missouri, Ohio and Wisconsin, and to over 1,200 media outlets.

Coming out of the Ice: A Plan to

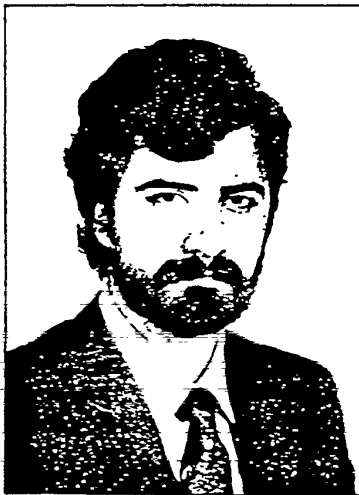
Make the 1990s Illinois' Decade was also published, a book similar to the Commonwealth Foundation's blueprint for economic recovery in Pennsylvania. The book blames government regulation and taxes for costing Illinois \$46 billion a year in lost goods and services.

To help spread the message, a 12-minute "educational video" based on the book was produced and distributed to 31,000 business leaders and "concerned taxpayers." Promotional brochures were distributed by the Republican Assembly, Illinois Manufacturers Association, the Illinois Independent Business Association and Illinois Management Association.

Press clippings are a key measure of success for Heartland. In 1990, they claim to have been cited in 1,000 newspaper and magazine articles and scores of radio and television interviews and news reports.

But Richard Liefer, editorial writer for the *Chicago Tribune* and until recently its op-ed page editor, finds Heartland too ideological. "What I usually disliked is they were so one-sided that you knew immediately what particular hobby horse they were riding that day," he says. "There was little acknowledgment of the other side's arguments."

Nonetheless, the Institute takes credit for influencing a number of public policy changes in Illinois, among them privatization of several services, deregulation of interstate banking, and deep reductions in budget allocations for sub-



Joseph Raci

Heartland's 1990 Corporate and Foundation Donors

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Detroit Forging, Inc.
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Amoco Foundation
Coleman/Fannie May Candies Fdn.
E.L. Craig Foundation

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Time Insurance Foundation
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USG Foundation
Wauwatosa Savings & Loan Foundation
Western Shade Cloth Foundation

sidies to businesses.

Heartland's willingness to "tweak the nose of the business community," as Craig Kennedy of the Chicago-based Joyce Foundation describes it, gives the Institute credibility and is evidence of its libertarian orientation. For example, Heartland spends considerable energy attacking subsidies for convention centers and sports stadiums, as a waste of tax dollars.

"For Heartland, privatization is ideological, they're opposed to government," says Roberta Lynch, director of public policy for Council 31 of the American State, County and Municipal Employees Union (AFSCME). "With business people, though, privatization is a combination of things. They've bought the line that the private sector can do it more cheaply and some believe more efficiently, and in a lot of cases they do that by being non-union."

One Heartland policy study even tackles libraries, complaining that by offering videos public libraries are competing unfairly with private video stores. "The author also presents the history of private book-lending libraries, and suggests that their demise may have been caused by the advent of public libraries," according to a summary.

In addition to privatization, Heartland works on education, ("Let Market Forces Improve Schools"), affirmative action ("dismantle current set-aside programs, repeal state prevailing wage legislation, encourage minority and

women-owned businesses to enter into mentor-protege relationships with nonminority businesses"), taxation and other issues. ■

Policy

(continued from p. 11)

and regulation is minimal," according to the Pacific Research Institute for Public Policy, which has published eight books on natural resource and energy policy.

One of the architects of free-market environmentalism is the Political Economy Research Center, based in Bozeman, MT. In addition to publishing books, articles and op-ed pieces, the center holds conferences at scenic guest lodges in the Northern Rockies. Participants are invited to ride horseback, hike and fish as they learn how privatization can save the environment. Special conferences are held for journalists, environmental leaders, congressional aides and business leaders.

While groups like Nature Conservancy and Audubon are praised for their stewardship, much of the environmental movement is condemned for favoring government regulation and being anti-development.

"If the greens can shame their opponents into silence, no one will challenge their agenda," warns an editorial in *Reason* magazine, a journal published by the libertarian Reason Foundation in Santa Monica, CA. "They can play 'trust me.' And, given a trusting public and shame-filled adversaries, they can win." ■

Publications of the National Committee for Responsive Philanthropy



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Women's Funds

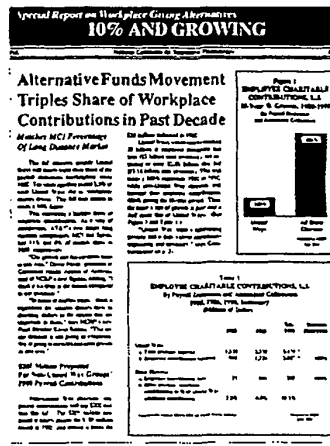
More than 60 funds dedicated to raising money for women's and girls' organizations and projects now exist. This report maps the terrain of who they are, why they have come into existence, what they do and where they are located. Profiles of five key funds also are included. 1986. 16 pp. (\$5)

Workplace Giving Alternatives: 10% and Growing

Alternatives to United Way raised \$205 million in payroll deduction contributions in 1990 (estimate). They total 134 in number, raising money for social justice, environmental, health, international, arts and other charities.

Fifty-six (56) of the 134 alternative funds raise workplace contributions for racial/ethnic minorities, women, other social change and environmental organizations. These 56 expect \$42 million in payroll deduction contributions from 1990 campaigns.

Who the 134 funds are, where they are, what they raise, how, all is discussed. Plus brief profiles of many of the social justice and environmental funds. 1990, 32 pp. (\$10)



The Effects of Workplace Charity Drive Competi- tion on United Way and Total Giving

Research report on 50 employers nationwide and the results of their workplace charity drives over time involving nontraditional charities and United Way. 1988, 16 pp. (\$15)

Community Foundations: Unrealized Potential for the Disadvantaged

Detailed examination of six of the largest community foundations, and their responsiveness to the disadvantaged and disenfranchised. Services, communications, grant patterns, risk-taking, fund raising, board and staff composition are reviewed. 1989, 65 pp. (\$20)



The Cleveland Foundation and the Disadvantaged: Top-Down Solutions for the Toughest Problems

Same focus as above, more depth. 1991, 65 pp. (\$20)

The Philadelphia Foundation and the Disadvantaged: A National Model in Grantmaking

Same focus as above, more depth. 1991, 51 pp. (\$20)

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Same focus as above, more depth. 1991, 57 pp. (\$20)

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American Legislative Exchange Council — Network Linking Conservatives in 50 States

"The forces of Liberalism are regrouping in their two remaining political strongholds — the states and the cities. Deadly traps await the Reagan Program as power and responsibility are turned over to the states."

So warned the American Legislative Exchange Council (ALEC) in a 1980 fund raising appeal.

ALEC has grown from a handful of right-wing legislators in 1973 to 2,400 conservative officeholders in all 50 states in 1991 — or nearly a third of the nation's 7,500 state legislators.

The group is housed in the Washington, D.C. headquarters of the Heritage Foundation, a seven-story brick building on Capitol Hill, appointed with thick rugs, chandeliers and enormous floral arrangements. On the second floor, near the Ukrainian Congress Committee of America and Amway headquarters, ALEC has a suite of offices.

ALEC has more in common with Heritage than an address. Both were born in 1973, with Paul Weyrich, head of the Committee for Survival of a Free Congress, playing a founding role in each. While Heritage focuses on Washington policy, ALEC was created to nurture conservative officeholders around the nation.

At a Heritage Foundation lecture in the spring of 1990, ALEC Executive Director Sam Brunelli offered this vision of his organization: "ALEC's goal is to ensure that these state legislators are so well informed, so well armed, that they can set the terms of the public policy debate, that they can change the agenda, that they can lead. This is the infrastructure that will reclaim the states for our movement."



Along with state level think tanks and regional legal foundations in the Madison Group (see article, p. 1), ALEC hopes to wrest control of state government from what it sees as Leftist domination. "As we might expect, [liberals] have read and understood Mao's dictum: take the countryside and the capital will fall," Brunelli warns.

A primary objective of ALEC is to advocate for corporate interests at the state level. "A Business Agenda for the 90s," the cover story in a recent issue of

Nation's Business, the magazine of the U.S. Chamber of Commerce, is strikingly similar to the ALEC agenda: no new taxes and a reduction in capital gains taxes, a continuation of Reagan's deregulation of business, no government mandating of worker benefits, and educational reform, to ensure a competent workforce for the future.

"ALEC's credo is that business *can, should, and must* be an ally of legislators," according to its literature (italics theirs). "The cornerstone of the ALEC program is the forum it provides for the private sector to work in a one-on-one relationship with state legislators to develop public policies that are pro-growth, pro-business and pro-freedom."

For a \$5,000 annual fee, businesses are invited to participate in ALEC's 16 issue-area task forces, described as "the engines that drive ALEC." Through the task forces, corporate representatives help develop model legislation, write publications and set ALEC's policy agenda and priorities.

More than 200 corporations have accepted ALEC's invitation to participate, from the Adolph Coors Company and Amway to IBM, Ford Motor, Philip Morris and Scott Paper. Exxon, Texaco
(continued on p. 12)

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