Protecting Liberty & the Tenth Amendment

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Message from the President

President Reagan often said that we “have it within our power to make our nation new again.” This statement resonates loudly today as decision makers in Washington continue to reach deeper into taxpayer pockets by expanding programs, increasing regulation, and spending recklessly.

The Texas Public Policy Foundation is taking a stand against this overreach and working to take back our nation through the establishment of our Center for Tenth Amendment Studies, which we proudly announced at a special May Policy Primer event featuring a keynote speech by Attorney General Greg Abbott and other special guests. As part of the Foundation’s newest Center, we are thrilled to have former Texas Solicitor General Ted Cruz and former Texas Supreme Court Justice Scott Brister join the Foundation as Senior Fellows. They will guide our work on Tenth Amendment issues as we fight for freedom and liberty against federal overreach.

Here are just a few examples of how the federal government has expanded beyond its intended role:

- The national debt continues to blow through debt ceilings set by Congress. In fact, Steve Moore of The Wall Street Journal pointed out that, at his current rate of spending, President Obama will accumulate more national debt in just his first three years than every other president combined;

- In spite of clear pushback from Americans, Congress passed a $2 trillion health care plan that will cost $6,474 for every man, woman, and child living in America, increase health insurance premiums by 61 percent over the next five years, and raise Texas’ Medicaid population by 50 percent; and

- Reports on stimulus “success” list jobs created in congressional districts that do not exist, unemployment remains high, and still the federal government plans more stimulus spending without accepting the reality that it is only plunging our nation further into debt with no benefit to our economy.

The Tenth Amendment to the Constitution states, “the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Our Center for Tenth Amendment Studies will lead the effort to educate policymakers and the general public about the unconstitutional expansion of federal government, the negative consequences of this expansion for the states, and viable solutions for Texas to avoid costly government interference.

Over the last year, the Foundation has directed several nationwide efforts in policy areas including health care, federal spending, and energy policy. We will continue our collaboration with other states through the Center for Tenth Amendment Studies. Your support has elevated the Texas Public Policy Foundation to a level beyond what other groups like ours can accomplish. Although our focus remains on Texas, joining forces nationwide has a stronger impact in the federal arena.

As President Reagan said, YOU have the power to make our nation new again, and you can do so by supporting the Texas Public Policy Foundation’s Center for Tenth Amendment Studies. On behalf of the entire board and staff, we thank you for continuing to stand with us in our efforts to preserve liberty and the Tenth Amendment.

For Texas,

Brooke Rollins
President & CEO

www.texaspolicy.com
WE KNOW IT’S NOT POLITE TO SAY, “I told you so,” but sometimes it just needs to be said.

Last July, the Texas Public Policy Foundation commissioned Dr. Arthur Laffer, former Reagan economic advisor and internationally acclaimed economist, to produce academic research showing the consequences ObamaCare would have on both our state and country. The report, “The Prognosis for National Health Insurance,” was released on the national stage, reaching huge audiences through media outlets such as CNN’s Newsroom, FOX News’ Your World with Neil Cavuto, Bloomberg’s Inside Look, CNBC’s Squawk on the Street, the Rush Limbaugh and Laura Ingraham radio programs, The Wall Street Journal, and many more.

The Foundation’s Center for Health Care Policy has been actively engaged in the national health care “reform” debate via research and outreach activities. “Reform” is in quotes because the definition (“the improvement or amendment of what is wrong, corrupt, unsatisfactory…”) does not reflect the bill passed by Congress in March. That bill will definitely not create an improved system. While there have been many voices raising similar concerns over the past year, the Foundation’s research was undoubtedly influential in informing the American people of the harmful effects of ObamaCare. The major findings of this research indicate that the legislation would:

- Reduce Americans’ access to health care;
- Drive costs up;
- Increase health care cost inflation more than doing nothing;
- Add more than $285 billion to the national deficit over the next 10 years; and
- Still leave more than 30 million people uninsured.

As the country learned the specifics of “reform,” public sentiment turned against passage of such an onerous, one-size-fits-all piece of health care legislation. Even after passage of the bill, 63 percent of likely voters favor repeal of the legislation, according to a Rasmussen poll published on May 24. Only 18 percent believe health care costs will go down under the new legislation, and 20 percent predict health care quality will improve.

Their concerns were validated by the April 22 release by Rick Foster, the chief actuary for Centers for Medicare and Medicaid (CMS). The CMS estimate is for 2010-2019; however, it should be noted that the costly programs do not begin until 2014. Therefore, the true costs of the program are concealed as the legislation increases taxes for 10 years and pays for only six years of the program. To get back to “I
told you so,” compare the Laffer predictions with the CMS actuary report.

✓ REDUCE ACCESS TO CARE

CMS: About 15 percent of Part A Medicare providers would become unprofitable during the first 10 years. This would intensify the challenges Medicare patients already have in finding a health care provider. Fixing that problem would greatly lessen projected savings, adding even more to the cost of the bill. Decreased access to care would also be felt by the Medicaid population, possibly even more. In Texas, the number of people on Medicaid will increase by a jaw-dropping 65 percent with little hope of a similar increase in the number of providers.

✓ DRIVE COSTS UP

CMS: Federal spending would increase by $311 billion. That is bending the “cost curve” up instead of down.

✓ STILL LEAVE MORE THAN 30 MILLION PEOPLE UNINSURED

CMS: The estimate of those left uninsured is 23 million. Only 15 percent lower than the Laffer estimate, the CMS estimate is optimistic in the number of people who will choose to pay the fine rather than enroll; or employers who will drop employee coverage and pay the fine rather than provide expensive, government-prescribed insurance.

The CMS actuary report also validates concern about the new entitlement, Community Living Assistance Services and Supports Act (CLASS), calling it unsustainable because of adverse selection. Just as with the other parts of the bill, the goal was worthy, but the methodology to achieve the goal is severely flawed. The goal was to get more people into long-term care insurance to reduce reliance on Medicaid in the future. What has happened instead was the creation of yet another entitlement program at a time when this country can no longer afford the entitlement programs we already have. Of the big three entitlements—Social Security, Medicare, and Medicaid—it is Medicaid that is of the greatest concern to the states.

As the cost of the state’s Medicaid program continues to soar, a greater share of state resources will be needed just to sustain the program, meaning that less money will be available for other programs.

Medicaid, an entitlement program created to help low-income single moms and their children with health care costs and low-income elderly in need of care in a nursing home, was enacted by Congress in 1965 and started in Texas in 1967. Texas’ 2010-11 budget appropriates a total of $44.8 billion (nearly 25 percent of the All Funds budget) to the state’s Medicaid program—a $4.5 billion growth in spending from last biennium’s budget.

Research by the Foundation on our state’s Medicaid program has determined:

- Of the $44.8 billion in total appropriations, Texas taxpayers are directly responsible for around $19 billion or 42 percent of the program’s cost, with federal funds covering the rest.

- Overall, appropriations for the program increased by 11 percent over the previous biennium, with the largest percentage increase, 15.3 percent, coming from the state’s General Revenue (GR) fund.

- Since appropriations from GR consist mostly of tax revenue, Medicaid’s $2.5 billion increase in GR likely translates into a heavier burden for the state’s taxpayers. This continues a trend of asking the state’s taxpayers to directly pay billions for public health care services that they may or may not use.

- Medicaid spending paid for out of General Revenue has almost doubled in the past 10 years. If this same trend continues, taxpayers could have to pony up an additional $2 billion in 2013.

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As indicated previously, as the cost of the state’s Medicaid program continues to soar, a greater share of state resources will be needed just to sustain the program, meaning that less money will be available for other programs.

Speaker Joe Straus recently wrote in the Houston Chronicle that “many Texans may not realize how dramatically the new law expands the state’s Medicaid program. … It mandates that every legal resident of Texas must purchase private health insurance or be enrolled in the Medicaid program, resulting in a projected increase of more than two million Texas Medicaid recipients.” The Speaker continued by saying that serious reforms are necessary or the state will face “even greater challenges down the road as a result of mandates in the new federal health reform legislation.”

The Foundation considers the decision about continuing the Medicaid program in Texas to be one of the most critical decisions facing the next Legislature. With the cost estimates for the expansion of Medicaid requiring an additional $27 billion in General Revenue in the first 10 years of implementation, one has to ask, “Where is the breaking point?” The voters have figured out that federal taxes are going to explode, but they have yet to be informed of the added demand on state taxes.

To inform both legislators and the public, the Foundation will explore the anticipated costs of Medicaid to Texas taxpayers over the next 10 to 20 years and the effects of increased Medicaid spending on the other functions of state government—education, transportation, etc.

To educate policymakers and the public on this important issue, the Foundation hosted a Policy Primer in May that addressed the health care reform bill and options for the state (see recap of event on page 8). Distinguished panelists—including the Cato Institute’s Michael Cannon, the Heritage Foundation’s Ed Haislmaier, and Utah House Speaker David Clark—discussed the new Medicaid requirements, the possibility of states “opting out” of Medicaid, and the establishment of state health insurance exchanges.

Texas Attorney General Greg Abbott spoke on the lawsuit challenging the individual mandate filed by Texas and 19 other states. Estimates of the time it will take these lawsuits to reach the Supreme Court range from two to four years. Yet that remains the nation’s best hope for rescinding this legislation that, according to Dr. Laffer, will decrease the quality and accessibility of care, increase the cost to both federal and state governments for health care, and increase the cost of health insurance for individuals.

But while the lawsuit runs its course, we have work to do in Texas. Texans have to make decisions about how we are going to deal with Medicaid and the health insurance exchange. In fact, we are going to have to decide how all Texans get their health care. Do we stay in Medicaid? Do we seek a waiver? Do we take part in the federal exchange?

These are just a few of the questions that have to be asked—and answered—sooner rather than later. While many of the programs of ObamaCare don’t go into effect until 2014, the planning must be done sooner, and many of these questions will have to be addressed by the Legislature in 2011.

The Foundation is gathering all its resources to provide the information and recommendations to help the Legislature move forward in the least harmful way to the freedom and liberty that we Texans cherish.☆

The Honorable Arlene Wohlgemuth is the Texas Public Policy Foundation’s executive director and director of the Center for Health Care Policy. See all of the Center for Health Care Policy’s research and commentaries at: www.TexasPolicy.com.
10th Amendment needed because men aren’t angels

By TED CRUZ and SCOTT BRISTER
HOUSTON CHRONICLE

This past year, the federal government has marched further and faster than ever toward control of the economy and our everyday lives. This would dismay our Founding Fathers, whose vision of a carefully limited federal government animated the Constitution.

The most explicit statement of limited government in the U.S. Constitution is the 10th Amendment: “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Thus, any power that the Constitution does not affirmatively give to the federal government, it does not have.

The 10th Amendment embodied a revolutionary concept. Written just a few years after we had won our independence from Britain, the Constitution fundamentally changed the relationship between people and government.

For millennia, the source of power and authority had always been kings and government, and rights were seen as gifts by grace from the monarch. The Constitution inverted that understanding, with sovereignty beginning in the American people—beginning with We the People—and power given to government only to a limited degree.

Indeed, that was the genius of the Constitution—limiting government to protect the liberty of the people. Because the Framers recognized that unchecked government can strip the people of their freedoms, they designed a constitution to prevent that from happening.

As James Madison, the Constitution’s primary author, explained:

“If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.”

Because men are not angels, the Constitution was designed to create an effective national government while preventing the government from overreaching.

Thus, the Constitution “split the atom of sovereignty,” as the Supreme Court has put it, separating governmental power between the legislature, the executive and the judiciary, and between the federal government and the 50 states.

History had taught the Framers that those in government almost always try to get more power, and the magic of dividing governmental power into many separate parts is that each part fights hard against the others to prevent them from expanding their power. As a result, government power overall is limited and our freedom is protected.

Keeping as much governmental power at the state and local level yields two additional benefits. It makes government more accountable—it is much easier to express your views to your local city council member than it is to the U.S. Treasury secretary—and it allows the states to adopt different policies reflecting their distinct views. Thus, the states can be laboratories of democracy, reflecting the values and priorities of their individual citizens.

No one would expect California, Texas, New York, and Massachusetts to adopt the identical policies—the views of their citizens are considerably different. And the people can vote with their feet, as reflected in the fact that large numbers of people move to Texas every day, no doubt seeking a more hospitable economic climate.

We would not presume to impose the values of Texans on the citizens of Massachusetts. Yet when the federal government forces a single policy on the entire nation, the result is that everyone must live under a one-size-fits-all national plan. Once centralized in Washington, that national program inevitably grows and grows, far removed from citizen control.

That is why we are working with the Texas Public Policy Foundation to establish the Center for Tenth Amendment Studies. Through research, education and outreach, we intend to build a bulwark for restoring the balance between federal power, the states and the American people.

Hundreds of thousands of Americans at tea parties across the nation are rereading the Constitution and showing a profound interest in the 10th Amendment—and with good reason. If the 10th Amendment is respected—if the Constitution’s limits on the federal government are given force—then government power will be restrained. Governmental leaders will be accountable. And our liberty will be preserved.

Cruz and Brister are senior fellows at the Texas Public Policy Foundation, a nonprofit, free-market research institute based in Austin. Cruz is Texas’ former solicitor general and has personally presented more oral arguments before the U.S. Supreme Court than any attorney in Texas. Brister served six years as a justice of the Texas Supreme Court, during which time he authored 122 opinions.
On May 20, 2010, the Foundation hosted a special sold-out Policy Primer to discuss the ramifications of federal health care reform on Texas, and states’ options under ObamaCare.

Legislators and other elected officials, legislative staff, the public, and members of the media filled the ballroom of the AT&T Executive Conference Center to hear Texas Attorney General Greg Abbott, former Texas Solicitor General Ted Cruz, and a panel of experts, all of which discussed the road ahead in the new landscape of ObamaCare.

Distinguished panelists, including the Cato Institute’s Michael Cannon and the Heritage Foundation’s Ed Haislmaier, discussed the new Medicaid requirements and the possibility of states “opting out” of Medicaid.

The other major requirement of the states is the establishment of a state health insurance exchange. Utah House Speaker David Clark spoke about Utah’s exchange, the challenges they faced, and their solutions.

General Abbott spoke on the lawsuit challenging the individual mandate filed by Texas and 19 other states. According to Abbott, the lawsuit was brought about because the “price of inaction is too high” with regard to the individual health insurance mandate which he believes is one of the “biggest threats to liberty in modern times.”

In keeping with the theme of the event which focused on states’ options and Tenth Amendment issues in the health care reform debate, Foundation President Brooke Rollins announced that Cruz and former Texas Supreme Court Justice Scott Brister have joined the Texas Public Policy Foundation as Senior Fellows to direct the Center for Tenth Amendment Studies, the Foundation’s eighth policy center.

The Foundation’s Center for Tenth Amendment Studies was established to pursue the restoration of the Constitution’s original system of checks and balances through which citizens can restrain their own government and thereby enjoy their unalienable rights of life, liberty, and the pursuit of happiness. The Center will accomplish this through research and outreach to policymakers and the public.

“The Center for Tenth Amendment Studies is arguably the most important project we have undertaken,” Rollins said. “Texas has shown that it can meet the needs of its citizens without the support or interference of the federal government. Now is the time to address the more fundamental question of how we can protect our freedoms and roll back the encroachments of an increasingly voracious national government.”

“Right now, we are facing from Washington, D.C., the greatest threat to our liberty we have ever seen, and we have to fight that threat on every front … I’m honored to be working with the Texas Public Policy Foundation to defend the Tenth Amendment and to preserve our liberty.”

~Former Texas Solicitor General Ted Cruz
“Ted Cruz and Scott Brister are two of Texas’ most outstanding attorneys and constitutional experts,” Rollins said. “Their experience paired with our existing policy capabilities will help the Texas Public Policy Foundation produce sound research that shows how America can restore a proper balance between the federal government, the state, and the people.”

“Right now, we are facing from Washington, D.C., the greatest threat to our liberty we have ever seen, and we have to fight that threat on every front,” Cruz said. “Our Constitution was designed to prevent federal government power from controlling our everyday lives, and I’m honored to be working with the Texas Public Policy Foundation to defend the Tenth Amendment and to preserve our liberty.”

For more information on the Foundation’s Center for Tenth Amendment Studies, please visit the Foundation’s website at: www.texaspolicy.com.
As the next legislative session draws near, the spotlight on the state’s upcoming budget shortfall is growing more intense. Just pick up the Sunday paper or turn on the nightly news and chances are you’ll run across at least some mention of the state’s looming financial woes.

But just what kind of trouble are we in? And how do lawmakers plan on solving the problem?

To answer these questions and get a handle on the situation ahead, Veritas interviewed Talmadge Heflin, director of the Foundation’s Center for Fiscal Policy, and James Quintero, fiscal policy analyst.

**VERITAS:** Talmadge, how big of a budget shortfall is Texas facing?

**HEFLIN:** While no one knows for certain, odds are that lawmakers will have to grapple with a budget shortfall in excess of $10 billion next session. This grim statistic was most recently confirmed by Texas House Speaker Joe Straus, who stated that the projected shortfall was expected to range anywhere “between $10 billion and $15 billion.” Though not unprecedented—think the $10 billion shortfall of 2003—the size of next session’s shortfall is sure to present a big challenge for lawmakers come January 2011.

**VERITAS:** That is a lot of money to be short, which brings up another question. What is a budget shortfall?

**HEFLIN:** A budget shortfall is the difference between what the state projects it will spend and what it projects it will collect in revenue. In this case, considering the revenue and spending trends, it is easy to see how anticipated spending could be $10 billion to $15 billion more than the revenue the state will collect, which is a cause for concern.

**VERITAS:** Now that we know what a shortfall is, why do we have one?

**QUINTERO:** There are a lot of reasons.

One is our weak economic environment. While Texas has weathered the current economic storm better than most, that is not to say the state’s economy has come away unscathed. In 2009, Texas’ gross state product declined by 1.7 percent, while the state’s economy lost nearly 350,000 jobs.
“Even if the ‘rainy day’ funds were flush with enough money to balance the budget, it would be irresponsible to use one-time funds on continuing expenditures rather than address the root of the problem: the growth of government.”

These declines, though still below the national average, have helped contribute to a weaker economy, lower levels of consumption, and fewer investment opportunities which, in turn, has had a significant impact on state revenue collections.

Sales tax revenue, which represents the bulk of tax revenue at the state level and make up a considerable portion of local government finances, has seen significant declines in the recent past.

According to the Comptroller’s office, March 2010 state sales tax collections totaled $1.5 billion, a decrease of 7.8 percent compared to collections in March 2009. Of that, $394.1 million was passed on to local governmental entities, which represents a 3.9 percent decrease as compared to the same time last year.

Prior to these latest figures, sales tax collections had seen “an eight-month stretch of double-digit declines,” which are expected to continue to moderate in the near future and eventually grow later this year.

HEFLIN: I’d add the fact that we have recurring expenditures leftover from the stimulus. When the American Recovery and Reinvestment Act (ARRA) was passed in early 2009, the Foundation strongly urged the Legislature to consider turning away federal stimulus dollars that had strings attached because accepting these funds would create long-term financial obligations for the state once the money dried up. In large part, the Legislature ignored those warnings and now faces several billion dollars’ worth of ongoing obligations as a result. To its credit, the Legislature did reject $555 million of stimulus funds for Unemployment Insurance, which would have created an additional tax liability of $75 million per year for Texas’ employers that would have continued forever.

At a Foundation Policy Primer late last year, Legislative Budget Board Director John O’Brien said that of the nearly $14.5 billion in stimulus dollars accepted by the state, about a third, or $4.5 billion, would likely result in ongoing state obligations. That figure represents one-half to one-third of the state’s entire shortfall.

VERITAS: I’ve heard the state has billions in reserves. Aren’t those funds enough to cover the shortfall?

QUINTERO: The short answer is no.

The long answer is that even though the state’s Economic Stabilization Fund, or “rainy day” fund, is expected to provide lawmakers with $9.6 billion to work with in the 2012-13 biennium, the “rainy day” funds in and of themselves aren’t enough to bridge the shortfall. And, as the Foundation has argued in the past, even if the “rainy day” funds were flush with enough money to balance the budget, it would be irresponsible to use one-time funds on continuing expenditures rather than address the root of the problem: the growth of government.

VERITAS: How does the Foundation recommend the Legislature close the shortfall?
HEFLIN: In order to close the shortfall, the Foundation recommends the Legislature adopt a zero-based budgeting philosophy, consider merging and/or eliminating programs or agencies, find programs that can do more with less, and a limit use of the “rainy day” fund.

By employing these tactics, the Legislature should be able to balance the budget, and do so without a tax increase.

VERITAS: Does that mean we are going to have to cut the Texas budget?

HEFLIN: Not necessarily. In 2003, while there were some programs that received reduced funding, the overall Texas budget grew slightly, but general revenue spending was reduced. We balanced the budget not by cutting overall spending, but simply by exercising spending restraint. While the details are yet to be determined, much of the projected shortfall will be based on projected spending needs. To balance the budget, we may only need to increase overall spending by 1 percent rather than 6 percent. Depending on how much growth we have in population and what the inflation rate is, the 1 percent in overall growth could require some cuts in programs.

That is why some people call modest spending increases cutting the budget. Regardless, I am sure there are many people in these tough economic times who would be very happy to see modest increases in their take-home pay. ♠

The Honorable Talmadge Heflin is the director of the Foundation’s Center for Fiscal Policy. James Quintero is a fiscal policy analyst within the Center. See all of the Center for Fiscal Policy’s publications and commentaries at: www.TexasPolicy.com.

TEXAS BY THE NUMBERS

338,600
The amount of jobs Texas lost last year.

1.7 PERCENT
The amount Texas’ economy shrank in 2009.

8 MONTHS
A recent stretch of time when sales tax collections had experienced double-digit declines.

$4.5 BILLION
The amount of recurring expenditures the state will have to pay for in the next budget which were created by the federal stimulus program.

$10-$15 BILLION
The amount Texas likely must bridge to balance next session’s budget.
Deepwater Horizon: A Tragedy Four Decades in the Making

by Kathleen Hartnett White, Distinguished Senior Fellow-in-Residence and Director, Armstrong Center for Energy & the Environment

Editor’s Note: As this edition of Veritas went to print, this commentary had been published by more than two dozen Texas newspapers.

The oil still floating in the Gulf of Mexico following the April 20 explosion of BP’s Deepwater Horizon drilling rig may well become an environmental and economic disaster of record proportions. However, it is too soon to draw conclusions.

The incessant media and political chatter about the oil spill overlook the broader context and a key culprit: the government. Federal policy of the last 40 years has increasingly denied access to domestic oil resources.

BP is drilling for oil one mile beneath the surface of the Gulf and 50 miles from the coast of Louisiana not because the U.S. has run out of more easily recoverable oil, but because the federal government has erected off-limits signs across energy-rich areas in western states, Alaska, and nearer to shore. BP is operating at a depth, pressure, and temperature challenging the most advanced technology to stop this spill.

Data from the Minerals Management Service of the U.S. Department of Interior (DOI) conservatively estimates that 33 billion barrels of oil have been set off limits by federal policy. Industry experts contend that 112 billion barrels are accessible with existing technology. The U.S. Department of Energy estimates 2 trillion barrels from unconventional oil resources like oil sands and shale oil.

Original government estimates of the oil recoverable from Alaska’s Prudhoe Bay were one billion barrels. Prudhoe already has produced 18 billion barrels and is still going.

If legislation to allow drilling in the Arctic National Wildlife Refuge had overcome a 1995 presidential veto, enough domestic oil to replace imports from Venezuela might be flowing through a pipeline. For three decades, environmentalist opposition has blocked its development—an area comprising only 0.001 percent of the vast 19.5 million acre refuge. Alaska’s Chukchi Sea may hold 77 billion barrels.

The 92 million acres of federal lands in western states also contain valuable oil resources. A 2006 DOI study found that only 25 percent of these lands were open for oil and gas development. Accessibility by federal lease, however, is still subject to restriction or veto by federal environmental laws. Bureau of Land Management data from 2001 to 2004 showed 4,251 protests on 11,886 leases, setting 2 million acres off limits. The United States is the only country in the world that so extensively denies access to energy resources.

Until the BP oil spill, offshore oil development had a stellar environmental record. The 1989 Exxon Valdez spill was from a tanker, not a well head. According to DOI, the spill rate from the more than 4,000 offshore rigs on the Outer Continental Shelf has been 0.001 percent.

Of course, the BP spill demands a scrupulous review of existing regulation, technology, and deepwater risks. But speculative pronouncements about this offshore disaster should not fuel hollow rhetoric about ending U.S. “addiction” to oil. There are no near-term alternatives to petroleum dominance in transportation fuels.

If offshore drilling is further curtailed, environmental risks to Gulf Coast resources would be magnified. Tankers transporting oil to the U.S. have spilled far more oil closer to our shores than offshore rigs.

U.S. oil consumption is not much more today than in 1978, when the U.S. economy was about half the size of today. Market forces have generated remarkable efficiencies. Energy use per dollar of output has declined by 50 percent since 1975. Domestic oil production has declined by more than 1 million barrels per day over the last decade. Less production—not more consumption—is why the U.S. imports 60 percent of oil.

Increasing barriers to domestic oil production as a means of “getting off carbon-rich fuels” is childishly unrealistic and economically destructive. Even after a month of continuous spill, polled majorities still support offshore oil production. The sleeping giant gets it!

And while energy independence is economic folly, reducing the extent of U.S. dependence on imported oil is wise. If the federal government would get out of the way, energy entrepreneurs could likely produce at least the 13 percent of current oil imports from Persian Gulf countries.

Kathleen Hartnett White is Distinguished Senior Fellow in Residence and Director of the Armstrong Center for Energy & the Environment at the Foundation. White is the former Chair of the Texas Commission on Environmental Quality.
The Honorable Talmadge Heflin, 20-year Texas legislator and current director of the Foundation's Center for Fiscal Policy, at a press conference with Governor Perry in 2009.

In Shongaloo, Louisiana, on January 16, 1940, Talmadge Heflin was born in his grandparents’ home off of Route 3 in a rural stretch of northwest Louisiana. The next closest town was Leton, which boasted one store and a cotton gin. Talmadge was the youngest child of the family, growing up in a house with two older sisters.

Talmadge's father, Sam, got his degree from Centenary College of Louisiana and taught school for two years before returning to the farm where he grew up, so the family lived and worked in the rural landscape of Webster Parish, Louisiana. Talmadge started his first grade education at Evergreen Elementary School—so small that grades one, two, and three were all in the same room. Just months after starting at Evergreen, his father sold the family farm and purchased an 80 acre farm just outside of Cotton Valley, LA. “From my rural perspective, Cotton Valley was a big town of nearly 2,200,” recalls Talmadge. “A booming metropolis!”

Talmadge was enrolled in Cotton Valley school (500 students, 1st through 12th grade) where he grew up and finished his high school education. During this time, he also began his religious education. “When I was 12 years old, I accepted Jesus as my Savior and started my walk with him. Rocky at times, but I continue to depend on him as I walk the rest of this journey.”

Growing up in a rural area had its advantages for a young boy with an adventurous spirit and a love of the outdoors. When Talmadge was 10 years old, he got his first—and only—horse. She was used for riding, pulling a sled, and plowing the garden (about 5 acres, including a watermelon patch). Learning to drive at a
“Through my work with the Texas Public Policy Foundation, I hope to influence the Legislature to keep the state budget growth in check and I hope to see the day when we no longer have a property tax in Texas.” ~ Talmadge Heflin

young age was another advantage to living in the country. Talmadge first took up driving at the age of 11—a 1940 Ford half-ton pickup truck that he maneuvered across the family’s pasture. By the age of 12, he had moved into the driver’s seat of the family’s new tractor.

“Being the only boy and the youngest, my sisters claimed I had privileges they never had,” recalls Talmadge. “That could be partially true.” His dad gave him a .410 gauge shotgun when he was 11, and he grew up hunting rabbits, squirrels, and birds on their property—much of it covered in heavy timber. He also enjoyed spending long days fishing the two stock tanks (ponds) that were on their property. “They always had plenty of fish in them!”

During his high school years, Talmadge played trombone in the band. He also played on the football team (left end, offense, and defense). “It was routine in those days to play football and then march with the band at halftime,” Talmadge remembers. The family’s vacation time was usually spent on Lake Bistineau, fishing and building a camp house on their lake front lot. “My dad bought a lake front lot when I was just 10,” Talmadge said. “We spent the next several years building the lake house, getting it finished in time for me to enjoy through my high school years.”

But, possibly the most life-changing event occurred in his senior year of high school, when a new family, the Johnsons, moved to town with four girls—the oldest, Janice. Talmadge and Janice developed a strong friendship and as soon as she finished high school, they were married on May 29, 1959.

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After graduating from high school, Talmadge enrolled in college at Louisiana Tech at Ruston before going to work in petrochemical construction.

During that part of his career, Talmadge moved wherever the job would take him—working in Louisiana, Texas, New Mexico, Oklahoma, and Minnesota. In 1961, while they were living on the West Bank of New Orleans, in the town of Marrero, Louisiana, their first (and only) child, Gordon, was born.

In 1965, they were living in Buras, Louisiana, just south of New Orleans, when Hurricane Betsy blew through and wiped them out, totally destroying their mobile home. Not long after living through that kind of devastation, the Heflins came to Texas. “As soon as I was done with my part of the project in Venice, Louisiana, we left and came to Houston,” Heflin said. “Two days after I got to Houston, I was offered a job for a different company in the same business, and wasted no time getting right back to work.”

In 1967 Talmadge was offered a position in the home office in Houston. With this more stable position and an end to the heavy travel schedule, the Heflins bought a home in Alief and are still there today.

With roots now permanently planted, Talmadge and Janice became very involved, visible members of the Alief community.

In 1973, Talmadge was elected to the Alief School Board and served until October 1980. Later that fall, the board named Talmadge Heflin Elementary school in his honor. The school opened in September of 1982 and children are still being educated there today.

Following redistricting in 1981, District 149 was created to represent the Alief area in the Texas Legislature. Many members of the Alief community who knew Talmadge, because of his work and service on the Alief School Board, came to him and asked him to consider running for the District 149 seat. Finally, at one of his regular Lion’s Club meetings, he told the fellow members that they should quit bugging him about it. Talmadge insisted, “I wouldn’t even consider running unless I left here with the money for the filing fee in my pocket.” He left the meeting with far more than enough to cover the filing fee, and he was off to start his political career as Representative Heflin.
During his political tenure, Talmadge served with three House Speakers, five Lieutenant Governors and five Governors. He was a founding director of the Texas Conservative Coalition, ranked as one of the top conservatives throughout his legislative career, and received an honorary “Doctor of Laws” degree from Houston Baptist University. Focused on taxes and the budget for most of his legislative career, he also played a role on the House Public Education Committee in the writing of HB 72, a major education reform bill. In 2003, Talmadge chaired the House Appropriations Committee and authored the legislation that balanced the budget without a tax increase in the face of a $10 billion shortfall.

Talmadge started with the Texas Public Policy Foundation as a Visiting Research Fellow in October 2005 and became Director of Fiscal Policy in March 2008.

Talmadge credits his success in life and politics to the support of his family. “My life could not have been as rich without the support of my wife and life partner, Janice.” Talmadge is also proud to have the support of his son, Gordon; daughter-in-law, Becky; and two granddaughters, Shawna and Kristy. Recently, Talmadge has been a part of another great adventure—becoming a great-grandfather to beautiful Sofia.

A big story for a small-town boy from Cotton Valley, Louisiana.
Policy Circles

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