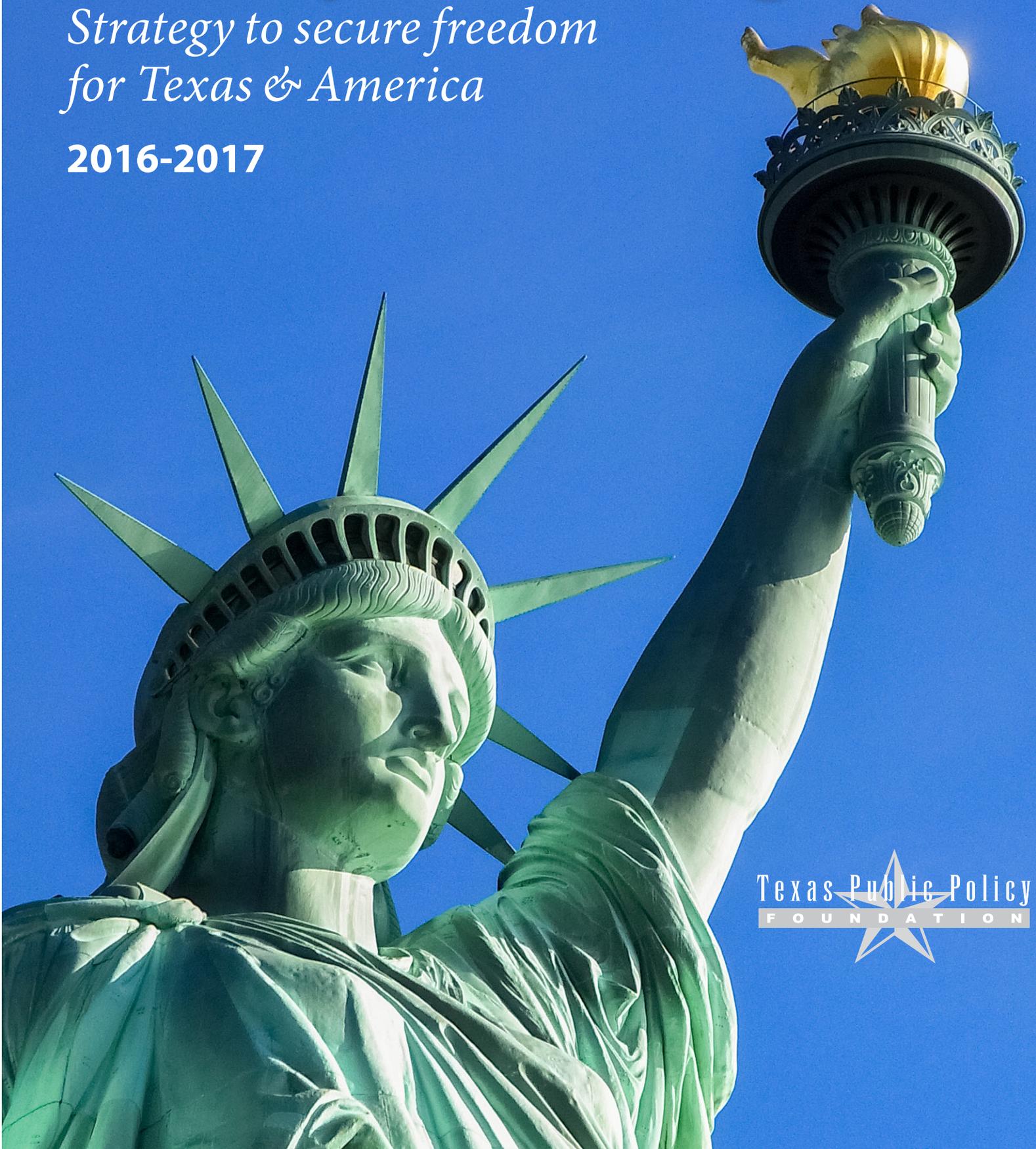

TEXAS PUBLIC POLICY FOUNDATION

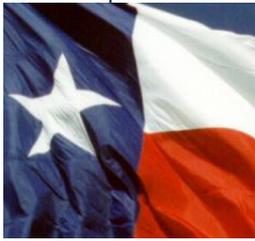
Liberty Action Agenda

*Strategy to secure freedom
for Texas & America*

2016-2017



Texas Public Policy
FOUNDATION



Texas Public Policy Foundation's ★ Liberty Action Agenda

EXECUTIVE SUMMARY

In the middle of the second decade of the 21st century, our nation faces a choice. We have before us two paths: the path of Washington, D.C., and the path of the Lone Star State. These are two very different models — the first of control and bureaucracy, the second of liberty and opportunity — and though they coexist now in uneasy juxtaposition, they will not forever endure together. One will eventually win: and so it is important to understand why it matters that *Texas* wins, and why the Texas Public Policy Foundation is indispensable to that victory.

THE THREAT TO TEXAS

The government of a nation that was “conceived in liberty,” in the words of Abraham Lincoln, has increasingly become a mechanism for the empowerment of certain elites. Our federal government’s actions today are the antithesis of what the American Founders intended. They envisioned a national government that could mostly be *ignored* by the average individual — except when it was needed to secure the lives, liberty, and property of the citizens of these United States.

Many of the advanced democracies of the world, particularly those in Europe, have asked themselves whether they prefer the uncertainties of a free society — where opportunities are guaranteed but outcomes are not — or the putative security of a managed state, in which freedoms are exchanged for supposedly guaranteed outcomes delivered by the hand of government. They have chosen the latter, and are now paying the price in diminished prosperity and social instability. The frightening thing is that this path of diminished liberty is immensely appealing and persuasive to many Americans today.

This, then, is one path facing these United States. But there is another. If one pole of the argument resides in Washington, D.C., then the other is in the Lone Star State.

Texas offers a compelling alternative to the big-government, big-spending ways that are so injurious to individual liberty and so contrary to our American heritage. If America is where the world turns for liberty, then Texas is where Americans increasingly turn for the opportunity and the potential that used to characterize life in *every* state from sea to shining sea.



Here in the Lone Star State, unlike the rest of the country, we have experienced exceptional prosperity in these first two decades of the 21st century. In this new century, Texas has become the nation’s largest manufacturing state. Texas attracts multitudes of immigrants, both from other states and from around the world.

Texas, with the leadership of the Texas Public Policy Foundation, has shown that it is possible to engage in comparative fiscal restraint and maintain a small

government — while delivering the basic infrastructure and services demanded by the citizenry. The Lone Star experience shows conclusively that it is not necessary for a government to tax and regulate heavily, nor to restrict liberty, to have world-class universities, modern highways, municipal services, and public safety. Texas stands as a counterargument to all those who would make the case that these things inevitably require big government. Simply put, this is the state where freedom proves its case, and liberty *works*.

WHY THE TEXAS PUBLIC POLICY FOUNDATION?

The Texas Public Policy Foundation is one of America's premier think tanks — a 501(c)3 non-profit, non-partisan research organization based in Austin, Texas. Our mission is to promote and defend liberty, personal responsibility, and free enterprise. We promote policy that allows for free markets — not government control — to shape the future of Texas and the nation.

The Foundation is uniquely significant among its peer institutions in its focus, not simply on thinking about policy, but on enacting it. For over a quarter-century, we have been at the forefront of the defense of liberty in the Lone Star State. Our mission has now extended into the other forty-nine states — from litigation, to energy, to the environment, to federalism, and beyond. The Foundation is centered upon a single state, but because of our extraordinary effectiveness, we have assumed national relevance.

We know that it is not enough to craft ideas for good policy; it is necessary to translate those ideas into real change. Whether influencing the national conversation on criminal-justice reform, turning around the policy conversation on the state budget, or directly influencing decisions of the United States Supreme Court, the Foundation defends liberty in the best tradition of both the Texas and American Revolutions. With a track record of real policy change, coupled to a media presence that is formidable and dynamic, the Foundation illuminates the entire nation with the light of the Lone Star.



OUR AGENDA

The 2016-2017 *Liberty Action Agenda* is divided into four overarching focus areas, which help to define and clarify our annual goals. Underneath each focus area are distilled individual goals for reshaping policy and changing the narrative. These are the objectives against which we will weigh our success at the end of the coming year.

Prosperity v. Poverty

We seek to tangibly demonstrate how liberty is the best path to human flourishing, and the only lasting antidote to poverty and disadvantage. Achieving the objectives of the *Liberty Action Agenda* will lift up all Texans, providing greater opportunity for economic success and undergirding a freer economy, with the most important first step being an accessible, affordable, and academically excellent education system for our state. An economy based on liberty creates opportunity and prosperity for all. To this end, we will work to:

- ★ *Maximize growth and employment in the Texas economy as the best and only lasting antidote to poverty: eliminate the margins tax, end corporate subsidies, and reduce excessive government regulation.*

- ★ *Increase freedom to work:* reduce union interference in employment; target specific occupational licenses for elimination; reduce local government economic regulation; expand telemedicine; and reduce restrictions on medical scope of practice.
- ★ *Establish universal school choice in Texas:* adopt tuition education grants, education savings accounts, or other choice alternatives at the state and local levels.
- ★ *Increase education efficiency by designing a new public school finance system:* make the system less complex, less costly, and more transparent.
- ★ *Improve the effectiveness of higher education through reduced costs and increased accountability:* eliminate formula funding restrictions for students enrolled in affordable baccalaureate programs; reform the tuition revenue bond authorization process; and increase transparency in student fees.



Taxpayers v. Big Spenders

The Foundation has a long track record of success in shaping fiscally responsible budget policy in the Lone Star State. In 2011, the work of our scholars and our friends in the liberty movement led to the adoption of the first biennial budget since the 1940s that was, in terms of all funds, smaller than its biennial predecessor. In 2015, Texas taxpayers and their leaders scored another landmark victory when,

with the help of the Foundation and our allies, they secured a Texas state budget that increased by no more than our Conservative Texas Budget Coalition's recommended ceiling of population growth plus inflation, and simultaneously secured a historic \$3.8 billion tax cut package. But there is much to be done in the coming years, including:

- ★ *Adopt a conservative Texas budget:* ensure that growth of the 2018-19 state budget stays within population growth plus inflation.
- ★ *Slow spending growth:* adopt a statutory tax and expenditure limitation that would restrict the increase in state spending to the rate of population growth plus inflation.
- ★ *Reduce taxes while reforming the appropriations process:* adopt the Sales Tax Reduction Fund to cut waste from the budget while providing tax relief and make the budget more transparent with a program-based appropriations bill.
- ★ *Adopt omnibus water reform:* change existing laws to ensure private water rights and the development of a competitive water market.
- ★ *Reform local and state pensions:* remove state control of local retirement systems and shift toward a defined-contribution system.
- ★ *Reduce the tax burden on Texas property owners:* further reduce property taxes; require elections to approve a tax rate that increases property tax revenue by more than 4 percent or population growth plus inflation annually (whichever is less); require ballot box transparency for bond elections; and stop the proliferation of local taxing districts.

Liberty v. State and Local Control

Texans have an independent spirit — they are entrepreneurs, doers, dreamers, and makers. They are steeped in a justifiable pride in what is their own: *come and take it!* Threats to this liberty and impediments to private property, to corporate freedom, and to individual rights abound on every side. From federal government overregulation to local government

overreach, here is how we will defend Texans' true liberties, using the rule of law to enforce the limited government that is so key to continued prosperity:

- ★ *Protect property owners from state and local governments:* reduce regulatory takings by local governments, and require fair compensation for property taken by eminent domain.
- ★ *Reform civil asset forfeiture:* change Texas laws allowing civil confiscation of property by mandating reporting requirements, making the government pay legal fees when it loses a forfeiture case in court, and increasing the burden of proof on the state.
- ★ *Stop the overcriminalization of economic activity:* eliminate non-penal code criminal penalties.
- ★ *End involuntary annexation:* require voter approval before cities can annex new areas.

Texas v. the Feds

As the Texas Public Policy Foundation flourishes and gains in influence and importance, we are increasingly committed to raising our voice on national issues — because Texas needs to be heard. In a Washington that has forgotten the rights and disregarded the voice of the governed, preferring to rule by fiat and decree, Texas stands as the last strong outpost of the Founding Fathers' dream. The Foundation has the platform to restore America to the practical ideals of its own Constitution and values, and so federal action is very much a part of the *Liberty Action Agenda*. We will work to:

- ★ *Return constitutional sovereignty to the states:* use an Article V convention and interstate compacts to restore the federal system of checks and balances, including in areas such as energy production and use, the environment, and health care.
- ★ *Control the use and impact of federal funds in Texas:* require all political subdivisions of the State of Texas to disclose all federal funds received and require the Legislative Budget Board to document all sources of federal funds prior to session.

- ★ *Return control of health care to the states and individuals:* Adopt Medicaid block grant legislation and stop the expansion of Medicaid and ObamaCare in Texas.
- ★ *Keep energy affordable:* eliminate the EPA's Clean Power Plan and other regulations that drive up the cost of energy.

THE FOUNDATION AS A NATIONAL LEADER

The Foundation does not focus on ideas for their own sake. Instead, we aggressively seek to develop concepts that will translate into real policy change. Our objective is to change the world, and we understand that Texas — as the counterpoint to Washington, D.C. — is the point of decision. Whether we advance the promise of American liberty, both here and in the other 49 states, or succumb to the temptations of big government and big spending as exemplified by Washington, D.C., will determine the future of our nation.



This signifies two very important things: First, in fighting for Texas, we are fighting for America. Second, the work of the Foundation inevitably must encompass state action that is nationally relevant.

The affairs of the Lone Star State are nothing less than the potential shaping of the American future.

When we look at the initiatives that the Foundation has created, promulgated, and sustained through the course of its work with the Texas Legislature, we see a record of impressive action that redounds far beyond the borders of the Lone Star State.

- ★ **Our Right on Crime project.** What began as a criminal justice reform effort in 2010 has grown into a national movement for conservative criminal justice reform that focuses on fiscal responsibility and victim restitution that operates nationally, having enacted reforms in more than 30 states and at the federal level.
- ★ **Our Center for Tenth Amendment Action.** Founded by a Houston appellate attorney by the name of Ted Cruz, this project affects action and policy creativity across the country — most notably but not only in the promulgation of interstate compacts as a Constitutional mechanism for circumventing the entrenched interests of Washington, D.C.
- ★ **Our Fueling Freedom Project.** Founded in 2015, this effort is focused on the overturning of the EPA's so-called "Clean Power Plan," which will have the effect, if left unchallenged, of impoverishing the lives of millions of Americans who will be afflicted by higher energy prices, energy scarcity, and lost jobs.
- ★ **Our resistance to ObamaCare.** We stood against government-run health care, both in the promulgation of the interstate health care compact, and in the successful submission of an amicus brief to the United States Supreme Court in the 2012 ObamaCare case. The latter led directly to the understanding that the federal government could not compel the states to expand a failed Medicaid program under ObamaCare's auspices. This single victory, though hardly the full victory that advocates of liberty desire, nevertheless has proven a key stumbling block against the full implementation of the so-called Affordable Care Act, and it would not have happened except for a state think tank that stepped up to the plate when it mattered the most.

- ★ **Our defense of liberty in court.** In response to the degradation of liberty perpetrated through our nation's court system, in 2015 the Foundation launched the Center for the American Future, a litigation effort to aggressively push back against federal overreach in court. The Center has added a new, powerful tool to the Foundation's arsenal. As just one example of the Center's power, we are standing against the Bureau of Land Management's attempt to take 90,000 acres of private land along the Red River. Our lawsuit defends families who have owned this land for generations against the government's erroneous claim.

HOW THE FOUNDATION MAKES IT HAPPEN

The Foundation's task is to *educate* as we craft policy that facilitates fulfilling the dreams and dignity of the most humble Texans among us — for these are the men and women who are the most important within our communities. We advance our ideas through the full gamut of communication channels and strategies, beginning with our nationally cited, academic research, and including high-profile events, policymaker briefings, state and national legislative testimony, candidate and legislative staff trainings, emotive and informational video production, online and social media communications, and much, much more.

In all we do, we seek to be *rapid*, and we seek to set the agenda. The Foundation is not a reactive organization: we are proactive. In setting the agenda — and this document you hold in your hands is part of that effort for 2016 and 2017 — we seek to establish a foundation of decision making that is on our terms, making a positive case for human freedom and limited government. This is tremendously important in policymaking, because policy is merely an endpoint of an ongoing public narrative and conversation.

An illustration of our prominence in the public square can be found in our media statistics. Just a half decade ago, the Foundation's media footprint was that of a modest statewide policy organization that occasionally appeared in capital press. Five years later, the Foundation is a truly national entity. During 2015, TPPF enjoyed a record-setting year with over 7,000 media

appearances in aggregate over the course of the year. We reached an aggregate audience of over 1.2 billion and published more than 500 original op-eds, or nearly two opinion pieces original to our scholars published every business day somewhere in America.

This is not the media footprint of an average state-policy organization. This is the media footprint of a major force in policymaking at the national level. We have even achieved recognition at the international level with coverage in outlets ranging from the *New York Times* to the BBC to *Le Monde*.

Of course, we do not seek fame except inasmuch as it assists in the promulgation of liberty's cause. This is a metric for understanding our relevance and our influence in the wider world. Simply put, the Texas Public Policy Foundation gets big media because the Texas Public Policy Foundation does work that *matters*.

We have a record of over a quarter-century behind us of changing Texas for the better, and the effect is not in the papers we issue, nor in the media that we get, nor in the research that we do. It is in the lives and livelihoods of the Texans and Americans that we defend and improve.

The ultimate metric of our success is not any particular policy, nor any particular budget, nor even the well-being of the Foundation itself. It is in the hopes and dreams of ordinary Texans who look to the future and see nothing but unbounded opportunity, limited only by their own potential and ambition. A future of liberty and hope flourishes under the Lone Star — and that is the testament to our work.

CONCLUSION

This agenda for liberty over the next two years is expansive and ambitious, and it will require several things to get it done. First, of course, we will need an



intelligent allocation of assets and the best research that our scholars can produce. Fortunately, the Texas Public Policy Foundation has a long history of careful stewardship of resources, and we are privileged to boast some of the finest policy minds in America working in our Centers to advance freedom's cause.

This effort will also require a well-resourced media effort. Media, as we have said, is not an end for its own sake, but it is necessary to affect the public conversation that is upstream from culture, and that in turn informs and precedes policy action.

We will form coalitions with our allies on various matters, wherever they may be, to combine forces and to multiply our effectiveness in the cause of advancing liberty both in Texas and the nation.

Finally, the Texas Public Policy Foundation will always act with an eye toward moral truth. We are bounded by principle, and we are informed by history and heritage, and so we never forget that ultimately we seek to shape a future of opportunity for those who may lack the voice or the capacity to do so for themselves.

Texas is where a life of dignity and prosperity is still available to the average American. It is where dreams can take root and become reality. It is the privilege of this Foundation to defend these dreams. And we are proud, and very willing, to be judged by the dreams we defend through the *Liberty Action Agenda*. ★



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