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 billion 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 (continued on p. 6)

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 agencies. 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," according to the report (continued on p. 2)

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Spring 1991
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 at the state level.

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

(continued from p. 1)

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 in 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

(continued on p. 4)
Members of the Madison Group

Western Region
- California Public Policy Foundation
  Sherman Oaks, CA
- Capital 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
  Bozeman, MT
- Center for Market Alternatives
  Caldwell, ID
- Barry Goldwater Institute for Public Policy Research
  Phoenix, AZ
- Independence Institute
  Golden, CO
- Mountain State Legal Foundation
  Denver, CO

Cooperating organizations:
- Advocates for Self-Government
  Fresno, CA
- Consumer Alert
  Medford, CA
- Independent Institute
  Oakland, CA

Midwest Region
- American Federation of Small Business
  Chicago, IL
- The Heartland Institute
  Chicago, IL
- Midwest Legal Foundation
  Chicago, IL
- Midwest 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
- 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
- Texan 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
  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 Carolina Policy Institute
  Knoxville, TN
- Southwest Policy Institute
  Edmond, OK

Nearest Region
- Atlantic Legal Foundation
  New York, NY
- Commonwealth Foundation for Public Policy Alternatives
  Harrisburg, PA
- Ethan 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
  New York City
- Yankee Institute
  New Haven, CT
- 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 antimass
★ Conservative legal foundations
Note: "Cooperating organizations" are not shown on map

Sources: ALEC, Heartland Institute

Responsive Philanthropy 3

Spring 1991
Madison Group
(continued from p. 2)

many corporate boardrooms. Loyalty to
the free market and aversion to govern-
ment manipulation are benchmarks of
this movement. Chrysler-type bailouts
would not happen under their leadership,
not would taxpayer subsidies to farmers.

"These think tank, conservative,
supply-side hot dogs have been arguing
for deregulation and unleashing capital-
ism in the private sector — without con-
sidering that the consequences are con-
centrated wealth and speculation," com-
plained 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 prima-
arily 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 "co-
operating 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 recrea-
tion. In 1988, for example, PERC
received a $50,000 grant from the Olin
Foundation for a conference for congres-
sional staff. That same year, Bradley
Foundation gave $42,400 for PERC's
National Journalists Conference on Eco-
nomics and Protection of the Environ-
ment.

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 elite-conservative universe. William
F. Buckley and Barry Goldwater, for ex-
ample, were solicited by the Washington
Institute to receive its Columbia Award,
given each year "to the individual who
best exemplifies the principles of indi-
vidual 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 Finis, 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 Foun-
dations 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 ten-
dency 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 our-
selves 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 Wiederman, 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 their 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 Corporation.

"That's where the action is," says Cantor. 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 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 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..." (continued on p. 9)
The 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 laboratorying 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? ■
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 children 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 looking for taxes.

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.

(continued on p. 11)
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.

Run by Pennsylvania Institute on Public Policy

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 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 Dion, program officer at public policy activities for AT&T Found-
dation, 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 Kessel, senior program officer for the Public Welfare Foundation, also questions the role of think tanks.

"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. 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.
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 Citizens Action Resource Center of Hartford and the Commonwealth Health 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 policy-makers will be involved in developing the policy initiatives.
The project will also try to move the progressive community from a defensive 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 Struggle 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 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.

"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 Monterey, 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."

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 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 influence.
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.

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.

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 Bass, a
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 Washington."

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 state-wide 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 "union shop" and expanding benefits to include family leave, insurance coverage for mental illness and two-month notification of plant and other business closings.

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

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 "prety decent." Unlike Heritage Foundation, which Davenport says sends an article or opinion piece literally every 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, Commonwealth Foundation Board of Directors

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Robert Woodson
President, National Center for Neighborhood Enterprise

Pennsylvania

Ph.D.

McKenna Foundation
Indepedence (continued from p. 13)


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 businesssman, 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.

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 Komnejatol, 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 real-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 gave grants for completion of the 21st Century book.

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Partial Listing of Independence Institute Donors, 1985-1990

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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 “entrepreneurism,” and seeking private sector alternatives to welfare. Advising the network are

(for continued on p. 16)
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 on rapid transit but not 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."


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 discord 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 deregula-

"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

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

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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 Lief, 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 acknowledgement 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 subsidies 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 Federation of 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-protégé 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."
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)

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)

The Seattle Foundation and the Disadvantaged:
Limited Vision — Inadequate Response

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.

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 Scout Paper. Exxon, Texaco (continued on p. 12)