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# Veritas

A PUBLICATION OF THE TEXAS PUBLIC POLICY FOUNDATION

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TEXAS PUBLIC POLICY  
FOUNDATION

# Veritas

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# Veritas

*Veritas* is a publication of the Texas Public Policy Foundation, a 501(c)(3) nonprofit, nonpartisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach. Our goal is to lead the nation in public policy issues by using Texas as a model for reform.

# EXECUTIVE DIRECTOR'S MESSAGE

WHILE THE YEAR IS STILL YOUNG, my first message to you contains so much encouraging news.

By now you may know that Brooke Rollins, TPPF President and CEO for the last 15 years, has taken a leave of absence—and for good reason. In February, Brooke was named Assistant to the President, and will report directly to President Trump on key policy initiatives that will influence the direction of our nation.

Why is this unique opportunity happening? Beyond Brooke's talent, the reason is because of the work by our gifted TPPF team—who, each day, are thrilled to labor on your behalf. Our success has caught the eye of those in Washington trying to “drain the swamp,” as well as save our nation's freedom, prosperity, and security.

And that is also a way of saying that the reason is you. Your visionary support for TPPF is why this policy powerhouse is transforming the lives of Texans, and why it is now helping steer America back to freedom. Please take a moment to read Brooke's “Farewell for Now” message in this issue of *Veritas*. During her absence, Brooke will stay in touch as closely as the law and ethics guidelines allow. Until her work at the White House is complete, I will stand humbly at the helm to guide our work—and I will remain very thankful for your partnership in all we do.

In fact, we have been working hard to prepare for next year's Texas legislative session and, simultaneously, to step forward on the key issues that constitute the Texas Model.

From February 7-9, our 16th annual Policy Orientation welcomed 700 legislators, staff members, and donors to the launch of our 2019 legislative agenda. This was my second such gathering, and it was filled with even greater enthusiasm about our cause than last year. You can watch the presentations through our website at <https://www.texaspolicy.com/po2018videos/>

In this issue of *Veritas*, you also can read about some of the vital topics discussed at Policy Orientation. One of these is our **Texas Prosperity Promise**, a campaign to enlist 100,000 Texans to support our key issues for next year's 86th Legislature. **I urge you to join this campaign!**

Another exciting announcement at Policy Orientation was that Lieutenant Colonel Allen West (US Army Re-

tired) is joining the Foundation as director of our new Booker T. Washington Initiative. You can read here about this American hero and the project he will lead to alleviate poverty and encourage prosperity for all Americans.



Policy Orientation also brought the introduction of J.B. Horton, our new Chief Development Officer. His arrival is most welcomed and much-needed, coinciding with Brooke's temporary absence. Please read more about this talented young man in this issue of *Veritas*.

Another topic in this publication was suggested by our own millennials: the issue of “free college.” As young people who have worked very hard to achieve their place here at TPPF, they are as bewildered as their parents and grandparents over the belief, held by so many of their peers today, that college should be “free” for all. In this *Veritas*, you will find a well-framed argument against this idea.

No doubt the coming months will bring new challenges as your TPPF team prepares for the resistance that will confront us in the 2019 legislative session and in Washington, D.C. But we do so happily and confident of success because we know that Brooke will be helping to lead the way at the White House, and that you are by our side here in Texas. Now more than ever, victory on so many of our agenda items is within reach.

There's an old mid-century aphorism—often mis-attributed to Winston Churchill—which suggests that “The Americans will always do the right thing, once they have exhausted all the other alternatives.” I believe that we are seeing a Washington that is tired of bad alternatives. And, in order to do the right thing for freedom, and the right thing for the American people, they are now looking to Texas—where we've been doing it right all along.

Yours for Freedom,

A handwritten signature in black ink that reads “Kevin Roberts”. The signature is written in a cursive, slightly slanted style.

Kevin D. Roberts, Ph.D.

Executive Director



**W**hen I walked in the door for the first time as the president of the Texas Public Policy Foundation on January 1st, 2003, our institution looked very different. We were a small organization in a small office in a small corner of San Antonio, and that was about where everyone expected us to stay.

Just look at us now:

- Nearly 100 people;
- A six-story headquarters building just one block from the Capitol;
- Offices in Austin, Fort Worth, and Washington, D.C.—and staff in six other states; and
- One of the most effective public policy organizations in America.

And most important: a track record of changing lives and changing policy that resonates far beyond our Lone Star State.

This reality is because of YOU and your vision. You made a choice to invest in the mission of this Foundation—whether it was two decades ago or just last week—and together with thousands of patriots have brought us to this bright new day.

Looking back at all that we have achieved, it is with a mix of sorrow and excitement that I am taking a leave of absence from the Texas Public Policy Foundation—although not a permanent one—to begin work in the White House as Assistant to the President.

It is a tremendously exciting opportunity to take everything we have built, done, and meant at our Foundation, and translate it to the national level. In a very real sense, Texas has the opportunity in 2018 to repay America for its help in 1836—by re-introducing to the nation the liberty and prosperity that they gave us as our inheritance.

The things we can do to advance liberty, to preserve freedom, to secure prosperity—and yes, to defend Texas—are best done, now, from the White House. Given the mission I've assumed for the past 15 years, which is the same mission you've supported, the prospect of work at the White House for the President of the United States reveals itself as not only an opportunity, but also an obligation.

“ We have an obligation, in short, to take the lessons of Texas, and the states, to Washington, D.C. That obligation isn't for ourselves. It is for each other. It is for our neighbors who don't have the policy voice that we do. ”

We have an obligation to provide real opportunity for every American willing to work hard.

We have an obligation to create jobs that foster economic growth and stable homes.

We have an obligation to improve education, for all ages.

We have an obligation to unleash prosperity and innovation.

We have an obligation to restore the freedoms that are the right of every citizen.

We have an obligation to restore the American Dream.

We have an obligation, in short, to take the lessons of Texas, and the states, to Washington, D.C. That obligation isn't for ourselves. It is for each other. It is for our neighbors who don't have the policy voice that we do. It is for the single working mother, like my own, who pours all her hopes and hard work into one small business. It is for the child in one of our inner cities who this very evening looks up at a starry sky and dreams big American dreams.

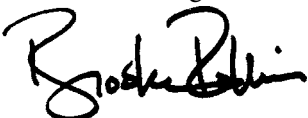
We owe them the chance to make those dreams real.

And because *we* have an obligation—I have an obligation. I am leaving Texas and going to Washington, D.C. Sam Houston did it too, when he served as a United States Senator from Texas and, while I am no Sam Houston, I don't mind taking that as an example for myself. I do so for one task: to make America great again. I get to do it because we already made Texas great again.

And we got to do that for Texas—because of you. I haven't forgotten it. I won't. TPPF's mission, for which I have so much passion, is best pursued—for now—at 1600 Pennsylvania Avenue.

When it is time for me to return—to Texas, and to our Foundation—it will be with a light heart, and the knowledge that we will have done all we could do. Washington, D.C., is a difficult passage, and it will be a challenge to walk its paths.

What a blessing to have the Lone Star to light the way.



Brooke Rollins

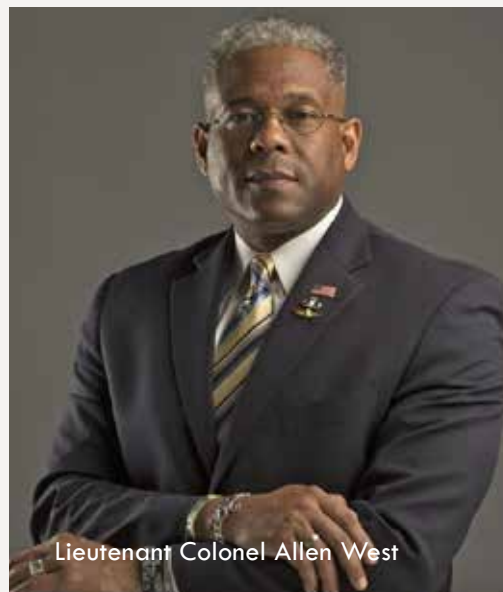
# Welcome!

## LIEUTENANT COLONEL ALLEN WEST

Every year, TPPF Policy Orientation and Visionaries Meeting can be counted on to bring stimulating debate, breaking news, and important announcements. This year's three-day event was no exception as TPPF President and CEO Brooke Rollins welcomed Lieutenant Colonel Allen West (US Army, Retired), Director of the foundation's new Booker T. Washington Initiative.

As a member of our growing team of happy policy warriors, Lt. Col. West will represent TPPF and help advance time-tested prosperity-producing, liberty-oriented policy solutions to poverty as we work to change the debate from one of government intervention to freedom to succeed. West's own life illustrates these solutions, among them, faith, family, self-discipline, and hard work.

West is the third of four generations of military servicemen in his family. His 22 year career in the United States Army included several combat deployments and honors including a Bronze Star, three Meritorious Service Medals, three Army Commendation Medals, one with Valor device, and a Valorous Unit Award. In 1993 he was named the U.S. Army Instructor of the Year.



Lieutenant Colonel Allen West



TPPF's Brooke Rollins welcomes Lieutenant Colonel Allen West to the TPPF family as Director of the new Booker T. Washington Initiative at the 2018 Policy Orientation and Visionaries Meeting in Austin, TX.

After retiring from the Army, West and his family moved to Florida where he won election to Florida's 22nd congressional district in 2010, serving one term. Subsequently, West served as Executive Director of the National Center for Policy Analysis in Dallas.

He is a Fox News Contributor, Senior Fellow at the Media Research Center, contributing columnist for Townhall.com, and author of *Guardian of the Republic: An American Ronin's Journey to Family, Faith and Freedom*.

West holds a Bachelor's degree from the University of Tennessee, as well as two Masters Degrees, one from Kansas State University and another from the U.S. Army Command and General Staff Officers College. He is married to Dr. Angela Graham-West, a financial adviser, and they have two daughters, Aubrey and Austen. ★

# BOOKER T. WASHINGTON

## Initiative

In recent years many people have become convinced that “privilege” explains why some people have an easier time pursuing, achieving, and succeeding in life, while others seem to be held down by a great weight. Their solution asserts that if only government would provide more help to people at the bottom of the economic ladder, they, too, could succeed. But the alternative recognizes that government, policy, and regulation are the weight holding people back from their pursuit of the American dream.

The Foundation is committed to finding real solutions for modern poverty, rather than blaming those who have exercised initiative and worked hard for success. This spring, TPPF is launching the Booker T. Washington Initiative (BTWI), a nationwide project that will use cutting-edge data analysis and targeted outreach to change the debate on poverty, well-being, and opportunity from Texas to D.C. and beyond. In the spirit of its namesake, one of America’s great activists for education, entrepreneurship, and self-reliance, this project will first uncover what really causes prosperity and its opposite: poverty. Joining the TPPF team and serving as spokesman for this new initiative will be Lieutenant Colonel Allen West. A former congressman from Florida and outspoken advocate of liberty, West exemplifies the ideals of this national project.

Although the *Welfare Reform Act* of 1996 was initially successful in reducing government dependency, much of this reform has eroded over 20 years. For too long, federal and state policy solutions to American poverty have revolved around using government coercion to “fix” poverty. At best, this manipulative approach produces the appearance of a better outcome without addressing the root causes. At worst, it represses human freedom and suppresses economic endeavor. But what can help? In past years, TPPF scholars have revealed that only one solution can reliably improve an individual’s economic situation: employment, provided by private sector job creation.

The inspiration for this initiative, Booker T. Washington, observed the trouble with overreliance upon government in his memoir, *Up from Slavery*:

“Among a large class, there seemed to be a dependence upon the government for every conceivable thing. The members of this class had little ambition to create a position for themselves, but wanted the federal officials to create one for them. How many times I wished then and have often wished since, that by some power of magic, I might remove the great bulk of these people into the country districts and plant them upon the soil ... a start that at first may be slow and toilsome, but one that nevertheless is real.”

**What Americans struggling at the bottom rungs of our economy need is not a safety net below them, but a removal of the net of dependencies and bad policies hanging over them that makes it so hard to climb up.**

What Americans struggling at the bottom rungs of our economy need is not a safety net below them, but a removal of the net of dependencies and bad policies hanging over them that makes it so hard to climb up.

Through the Booker T. Washington Initiative, TPPF will articulate a Texas approach to the entire fabric of human prosperity in the 21st century, with the goal of inspiring a new wave of major state and national welfare reforms that seek to reduce barriers to success and open new paths to prosperity. ★

# CORRECT POVERTY MEASURES WILL LEAD TO WORKABLE POLICY SOLUTIONS

by The Honorable Chuck DeVore

**F**or more than 50 years, the federal government has measured poverty with a very flawed yardstick. As a result, much of what we think we know about poverty is wrong, which leads to ill-informed policymaking.

In the mid-1950s, a Department of Agriculture study examined what low-income Americans spent on food and other necessities and determined that an income below three times the cost of a subsistence diet was the threshold for poverty. A few years later, as President Johnson declared the “War on Poverty,” this study was incorporated into official government policy, resulting in the determination of government benefits for millions of people.

More than a half-century later, some large structural problems are showing regarding how the government measures and addresses poverty.

First, the cost of food relative to other goods and services has dropped due to improved efficiencies in agriculture, transportation, and international trade as well as rising incomes. Thus, tripling the cost of a subsistence diet yields a different result today than it did in 1955.

Second, the cost of living varies widely from state to state and from urban to rural areas. For example, the average apartment rented for \$873 in Lubbock in December 2017. In San Francisco, the average apartment rented for \$3,624. The Official Poverty Measure takes no account of this fact. None. As a result, the federal government’s poverty gauge overstates real poverty in Texas and other low-cost states while massively understating real poverty in California, New York, and other high-cost states.

Third, government poverty programs are wracked with fraud and reporting error. When I was researching *Re-examining Poverty Rates—A First Step in Reforming Anti-Poverty Programs*, published in August 2017, a New York-based academic called me regarding the reliability of government poverty data. He pointed out that the U.S. Census Bureau undercounted the number of people getting federal food assistance (what used to be known as Food Stamps and is now called SNAP for the Supplemental Nutrition Assistance Program) by half in New York. He explained that the state of New York reported total food assistance rolls as being twice as large as the Census figures. The reason for the discrepancy was simple. Food assistance is funded by the federal government while the states only pay for a share of administrative costs, therefore, state bureaucrats have an incentive to maximize program participation. Meanwhile, the Census Bureau simply asks a sample of people how much income they had and whether they had any government assistance from the year before. Many people who receive assistance, whether legal or not, don’t admit to receiving that assistance to government survey takers.

The first two of three shortfalls detailed above have long been known to policymakers. But, since the poverty threshold is hardwired into a tremendous amount of government assistance, changing it would mean millions of winners and losers and billions of dollars of federal aid shifting out of some states and into others. Nevertheless, in the early 1990s Congress directed the Census Bureau to initiate an effort to design a new poverty measure. More than 20 years later, Census researchers unveiled the Supplemental Poverty Measure.

The Supplemental Poverty Measure accounts for several factors that the Official Poverty Measure doesn’t.



## SUPPLEMENTAL POVERTY MEASURE, 2014-2015

STATE	TOTAL POPULATION	WHITE, NON-HISPANIC	BLACK, NON-HISPANIC	HISPANIC, MEXICAN NAT'L. ORIGIN
TEXAS	14.7%	9.5%	19.7%	19.5%
U.S. AVERAGE	14.8%	10.4%	23.0%	23.8%
CALIFORNIA	20.4%	13.3%	24.9%	28.7%

Most importantly, it considers the regional cost of housing differences, though the formula it uses understates those differences. It also accounts for the value of non-cash government assistance, such as SNAP benefits and federal housing vouchers. Lastly, it considers out-of-pocket expenses, such as medical care and work-related transportation and childcare.

While the Supplemental Poverty Measure is still subject to reporting error just as with the Official Poverty Measure, it paints a far different picture of poverty in America. The national 3-year average official poverty estimate from 2014 to 2016 was 13.7 percent while the supplemental measure was 14.7 percent.

The states with the highest official poverty levels were Mississippi (20.8%) and Louisiana (20.6%). But, once these states' lower cost of living is considered, along with a fuller range of government benefits and expenses, their supplemental poverty rates drop to 16.9 percent for Mississippi and 18.4 percent for Louisiana.

On the other end, California and Florida have the highest supplemental poverty rates. California's official poverty rate is 14.5 percent. But once California's high housing costs are taken into account, the supplemental poverty rate hits a nation-leading 20.4 percent. Florida likewise jumps from an official rate of 15.2 percent to a supplemental rate of 18.8 percent, for much the same reason as California: high housing costs.

Texas' official three-year poverty rate was 14.9 percent, above the 13.7 percent national average and above California's 14.5 percent official rate. But Texas' supplemental rate was 14.7 percent, equal to the national average.



**Chuck DeVore** is the Vice President of National Initiatives at the Texas Public Policy Foundation. Prior to the Foundation, Chuck represented almost 500,000 people in the California State Assembly in coastal Orange County. He was the Vice Chairman of the Assembly Committee on Revenue and Taxation and also served on the Budget Committee. He worked as an executive in the aerospace industry for 13 years. From 1986 to 1988, Chuck served as a Reagan White House appointee in the Pentagon where he worked with Congress to advance the President's foreign and military policy. He also served in the Army National Guard and is a lieutenant colonel in the U.S. Army (retired) Reserve.

Astonishingly, California's supplemental poverty rate from 2014 to 2016 was 39 percent higher than in Texas.

California's liberal partisans chaff at this data. With their beautiful Pacific coastline, mild climate, Silicon Valley and Hollywood, as well as their high, progressive income tax rates and generous social safety net, how can they have the nation's highest poverty rates?

The story becomes even more interesting when comparing the two most populous states' demographics. Both states are minority-majority states, with 38.9 percent of Californians reported as Hispanic vs. 39.1 percent in Texas; 37.7 percent of Californians are white, non-Hispanic, 42.6 percent in Texas; 6.5 percent of Californians are black, 12.6 percent in Texas; and some 14.8 percent of Californians are Asian compared to 4.8 percent in Texas.

A state's demographics, along with its cost of living, has large statistical effects on its poverty rates. Comparing the three large ethnic groups side by side in the two big states shows remarkable differences—differences likely due to Texas' higher job participation rates, higher high school graduation rates, and higher intact family rates. Note how in the three sub-groups, Texas enjoys below average poverty rates while California suffers above average poverty rates.

At the Texas Public Policy Foundation, we believe that this is evidence of the Texas model in action, a model of governance that features low taxes, light and predictable regulations, and a decent lawsuit climate that, taken together, promote the American Dream of opportunity and self-reliance. ★



# TEXAS PROSPERITY PROMISE

by Kevin Roberts

In my former life as an educator, I taught my students that preparation and commitment are the necessary ingredients of success. Whether it's a term paper or an exam or a speech, every challenge must be approached with proper preparation and a commitment to follow through.

And that's precisely why the Texas Public Policy Foundation has launched the *Texas Prosperity Promise*, a new campaign to support key reforms that will promote and sustain the prosperity, liberty, and human flourishing of all Texans.

As we look ahead to the 86th Texas Legislature, slated to be gavelled into session in January 2019, we are seeking to unite grassroots activists, policy leaders, and state and local officials in the common cause of liberty. We're asking them to sign, along with us, a pledge to demand government policies that foster high-quality education, fair taxation, responsible spending, accountability, and self-governance.

**On education**, TPPF is calling for three important reforms. First, Texas must replace its complex, convoluted school finance system with a student-centered finance system that is focused on funding one thing—the delivery of a quality education to Texas public school students. The Texas Constitution requires this.

“A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of free public schools,” the Texas Constitution reads.

In 2016, the Texas Supreme Court ruled that the state's public schools are constitutional—but just barely.

“Our Byzantine school funding ‘system’ is undeniably imperfect, with immense room for improvement,” wrote Justice Don Willett. “Byzantine” is right. What we need is a more transparent, child-centered finance system.

**On property taxes**, we are calling for an end to most property taxes, and replacing them with a broad-based, expanded sales tax.

Too many Texans know that the American dream of homeownership is undermined by high property taxes. Even those who own their homes outright can lose them, if they fall behind on taxes they have no control over. Business owners, too, face tax bills that have risen far faster than inflation.

Most property taxes can and should be replaced by consumption (sales) taxes. And certainly, Texas voters think so. They showed that in their response to Proposition 1 on the March 2016 Republican primary election ballot, which read: “Texas should replace the property tax system with an alternative other than an income tax and require voter approval to increase the overall tax burden.”

That measure passed better than two-to-one, with 69.5 percent in favor.

**On spending**, we are calling on state and local officials to operate within their means and limit the growth of government by adopting responsible, conservative budgets. We define a conservative budget as one that limits spending increases to less than population growth plus inflation, which will sustain the economic prosperity in Texas that is tied to our state's fiscal discipline.

**On accountability**, TPPF's *Texas Prosperity Promise* recognizes that only transparent, accountable govern-



ment truly serves the will of the people. So we have focused on two specific reforms that will go a long way toward ensuring accountability.

First, we must end taxpayer-funded lobbying. The city of Austin, for example, voted to spend nearly \$1 million in public funds on lobbyists in 2016—mostly to fight reforms that Texans widely support, such as tax and spending reform and ending forced annexation.

Second, we must end automatic contributions to unions by public employees. They are free to join unions and pay dues, but the state of Texas shouldn't be the unions' collections arm.

And finally, **on self-governance**, TPPF recognizes the need for improved civics education for Texas students. Unless civics education is restored, we will lose the capacity for self-government, on which life, liberty, and the pursuit of happiness depend. We are calling for all

universities to require the study of the Declaration of Independence, the Constitution, the Federalist Papers, and other materials crucial to the founding of our nation and its continuing role as a beacon of freedom to the world.

This issue is important to me, both as an educator and a parent.

At TPPF, we know that principles translate into policy. Common-sense and conservative principles underpin each of these policy recommendations.

And we know that preparation and commitment translate into success. Who can sign the *Texas Prosperity Promise*? You can.

If you have not already signed the *Texas Prosperity Promise*, go to <https://www.texaspolicy.com/about/prosperitypromise>.



# The Texas Prosperity Promise

## Securing the Texas Future for the Next Generation

*Texas has long been the beacon of liberty, prosperity, and innovation for America—and for the world. To ensure the flourishing of Texans during the next quarter-century, we must work now for bold policy reforms that embody the Texas ideal.*

### On Taxes

A broad-based efficient tax system promotes economic prosperity, job growth, and fiscal discipline. Reforms that lower taxes and empower individual responsibility can improve the lives of all Texans. To ensure greater prosperity, I promise to support:

**Eliminating Onerous Property Taxes:** Ensure that Texans can own their own home rather than pay rent to the state forever by eliminating burdensome property taxes—and then offsetting them with state revenue.

### On Education

A good education is the lifeblood of the American Dream. For too long in Texas, perpetuating “the system” has been a higher priority than what’s best for our children. Texas parents and students deserve the freedom to make their own choices about how to get the best education possible. To ensure greater prosperity and the flourishing that comes from an excellent education, I promise to support:

**School Finance Reform and Educational Opportunity:** Set education free in Texas with three major reforms: (1) replace the state’s complex school finance

continued >>



scheme with a more transparent, child-centered system; (2) expand education choice in Texas, empowering parents—not a bureaucracy—to determine the best opportunities for their children; and (3) eliminate burdensome mandates that prohibit school leaders and teachers from innovating, thereby hampering student success.

## On Spending

Government should spend taxpayer money wisely, operate within its means, and foster prosperity by limiting spending growth. Responsible budgeting will make Texas stronger for generations to come by enhancing liberty and making our government more fiscally solvent. To ensure greater prosperity, I promise to support:

**Adopting a Conservative Texas Budget for State and Local Governments:** Both the Texas Legislature and local governments should enact a Conservative Texas Budget that limits spending increases to less than population growth plus inflation, which will sustain the economic prosperity in Texas that is tied to our state’s fiscal discipline.

## On Accountability

Limited and accountable government is a key component to ensuring individual prosperity. Texans flourish when elected representatives work for the people’s interest and respect the rule of law. To ensure greater prosperity and increased transparency in government, I promise to support:

**Ending Tax-Funded Lobbying and Government Collection of Union Dues:** Ensure that taxpayers do not fund special interests in Austin by ending government funding of lobbyists—and the equally troublesome practice of government collecting union dues for public employees.

## On Self-Governance

If we fail to restore civics education within society we shall lose the capacity for self-government on which life, liberty, and the pursuit of happiness ultimately depend. Protecting these critical principles requires an understanding of the history and the documents that provide the justification for our very existence as an independent nation. All universities should require of all their students to study the principled foundations of American democracy, beginning with the Founding documents—the Declaration of Independence, the U.S. Constitution, and *The Federalist*—as well as the other sources that both informed the Founding and reacted to it. To ensure our capacity for self-government, I promise to support:

**Prioritizing American History and Civics Education for All Texans:** The Texas Legislature should restore the true intent of existing law that requires, in universities and K-12 schools, the teaching of American history and government, not the weak substitute courses that have become commonplace; the Legislature should also focus on strengthening civics education in every Texas secondary school. Similarly, the State Board of Education and university regents should reform our history and civics curriculum to ensure students learn basic American history, government, economics, and Western civilization.

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To achieve prosperity for all Texans, I promise to demand that government policies foster high-quality education, fair taxation, responsible spending, self-governance, and accountability. ★



**Kevin Roberts, Ph.D.**, is Executive Director of the Foundation. With 20 years of experience as a teacher, professor, headmaster, and college president, Dr. Roberts has been involved in a number of education reform initiatives around the country. Roberts received his B.A. from the University of Louisiana at Lafayette and his M.A. from Virginia Tech University. After earning his Ph.D. in American history from The University of Texas, Roberts served as a history professor in New Mexico before starting his own K-12 school, John Paul the Great Academy, in his hometown of Lafayette, Louisiana. Most recently, Roberts served as president of Wyoming Catholic College. Both schools led by Roberts have earned regular recognition for being among the top Catholic schools in the nation.

# WELCOME, J.B. HORTON

This year's annual Policy Orientation and Visionaries Meeting also served as the first opportunity to introduce our new Chief Development Officer, J.B. Horton, to the TPPF family.

A Fort Worth resident and Senior Major Gifts Officer on the Heritage Foundation fundraising team for the last nine years, Horton brings tremendous experience to his new position. Most recently he served as Senior Counselor and The John Von Kannon Fellow in Philanthropy at Heritage.

A Pampa, Texas native, Horton received his B.B.A in International Business from West Texas A&M University and, like many young people, left to see the world and build his portfolio of experience. That journey included several months in Veracruz, Mexico studying Spanish, and then living in Washington D.C. on and off for eight years where he served in various leadership roles. These experiences included work on the Bush-Cheney Presidential Campaign, the transition team to The White House, U.S. Small Business Administration, U.S. State Department, and as White House Liaison to the General Services Administration. In 2014, Horton took a year away from Washington, earning a Rotary Ambassadorial Scholarship, to study an MBA at Leeds University in Leeds, England. While in school he worked as an Economic and Development Services Project Consultant for a regional governmental organization.

After returning to the states in early 2006, Horton took a vacation with his family—a cruise to Central America with a stop on Roatan Island off the coast of Honduras. It was there that Horton first met Lindsay, who was on the same cruise with her family. Horton admits to some mini-stalking as their families kept running into one another. He and Lindsay were married in October 2008.

At the conclusion of the Bush Administration, Horton left the GSA and returned abroad with Lindsay to Khorog, Tajikistan on a church-related mission project as a Humanitarian Project Consultant for a non-government organization. He and Lindsay helped to write a sustainability plan and launched a solar-powered pumping system on the border of Tajikistan and northern Afghanistan.



J.B. Horton and his wife, Lindsay, celebrate the Fourth of July with their two young children, Audrey (2½ years old) and Ben (10 months).

When that brief assignment ended, J.B. and Lindsay took advantage of their once-in-a-lifetime youthful opportunity to spend the next six months traveling the world. Upon returning to the Lone Star State, the Hortons chose Fort Worth as home.

It was TPPF President Brooke Rollins, also a Fort Worth resident, who convinced J.B. to join the Foundation in the new position of Chief Development Officer. “I met the Hortons shortly after they moved to Fort Worth, and it wasn't long before I realized what an asset J.B. would be to our TPPF Development team. I know you will find him as bright, accomplished, humble, and inspiring as I do.”

“Over time,” J.B. observed, “I realized that the best solutions to many of our nation's problems were coming from the states, especially from Texas. So, recently when Brooke asked me for about the umpteenth time to join her team, it just made sense. I look forward to working with every single member of the patriotic TPPF family of donors, friends, and staff.”

J.B. and Lindsay, who holds a B.A. in Communications from Baylor University and a Master's Degree in Counseling from Southwestern Baptist Seminary, have two young children. Lindsay spends her limited spare time serving in the Christ Chapel “Women of the Word” ministry. ★



# IS FREE COLLEGE REALLY A GOOD IDEA?

by Trevor McGuire

**EVERYBODY AGREES:** Something needs to be done about the cost of college tuition.

Since 1978, the price of college tuition and fees has increased by 1,335 percent—that’s almost twice the rate of growth of medical costs and more than four times the rate of inflation. Total student loan debt stands at \$1.48 trillion—that’s \$620 billion more than total credit card debt. In the span of a little more than a generation, college education has transformed from something students could pay for by working during their summer break to one of the most expensive purchases an American will make in their lifetime, leading many into debt that will take over a decade to pay off.

Millennials, the first generation to suffer the full, financially paralyzing effects of tuition hyperinflation, understandably care deeply about this issue. And, among millennials, one solution carries more weight than any other: Make college free.

It’s a popular position; polling shows that 62 percent of millennials “strongly support” free college for all. Popularity aside, it’s a terrible idea.

## Free College Isn’t Free

First, Congress can’t just “make college free.” Sure, a program can be created where students don’t have to pay, but this doesn’t make the costs of running a college go away. Professors, administrators, and other staff still have to be paid, not to mention utility bills, maintenance costs, and funding for a hundred different student grounds.

“Free college” means government picking up the tab. And when government picks up the tab for a new program, at least one of three things must happen: higher

taxes, cuts to existing programs, or both. Which means students supporting free college either want (1) taxpayers of today (former students) and tomorrow (today’s students) to pay for it (public funds are already a larger source of revenue than tuition at most universities!), or (2) the beneficiaries of public programs to have their benefits cut. In the long run, free college would amount to something like a game of credit card roulette: Everyone gets an education, but students will still end up paying for it—either as future taxpayers, or as future beneficiaries of government services.

## Free College Isn’t Free for College Students

As any college student or parent of a college student knows, tuition, fees, books, and supplies are far from the only costs of higher education. Residential students living away from home have to pay for room, board, and the cost of living. And make no mistake, free college will inevitably lead to a much higher cost of living in college towns.

Take Scotland, for example. In 2007, Scotland introduced significant changes to its higher education funding system that replaced an existing system of need-based tuition and cost-of-living grants with universal free college for all. Seven years later, a study conducted by researchers at the University of Edinburgh reached a terrible, seemingly impossible conclusion: The new program had made college much less expensive . . . but only for students from high-income families. Students from middle- and lower-income families were actually paying more than they had when college wasn’t “free.”

How did this happen, you ask? The cost of living went up dramatically in college towns. See, the existing system of student aid already gave significant support to

the neediest students, while still asking most students to pay something, and some students—the wealthy ones—had to pay their own way. By making college free for all students, the less-needy students suddenly had a lot more money to spend around town, driving up the prices of housing, food, and entertainment. Scotland's low-income students, meanwhile, now take out even more in student loans than ever before, just to pay for the increased cost of living caused by free college.

## Free College Means Fewer Low-Income Students in College

This brings us to confront a question that supporters of free college never get asked: Why free college for all?

It's a legitimate question. The majority of the explosion in student loan debt, tuition prices, and government spending on education has been driven by the increasingly easy availability of loans to middle-income families and administrative growth at universities; support for genuinely poor students and the services that support them is miniscule in comparison.

Just like existing higher education spending in the country, free college would not be for the benefit of low-income students. Besides the increase in cost of living, we know from countless examples in Europe and the United States during the recession that when college enrollment is incentivized (as happens during an economic downturn), access for low-income students always goes down. Upper- and middle-class students, whether driven back to school by a bad job market or drawn in by the allure of free entertainment, invariably drive out low-income students, who tend to have lower test scores, less extracurricular and internship experience, and are far more likely to be the first in their family to attend college. Support equality? Then you should oppose free college for all with a vengeance.

## How Do We Fix Higher Education?

Someone who supports free college sees a problem, and free college may be the only idea this person has heard

of for fixing it. But when it comes to how to actually reduce tuition, the free college crowd has it backwards.

In exactly the same way that free college drove up the cost of living in Scottish college towns, expansions of federal student aid programs—especially subsidized loans—are driving up the cost of tuition across the country. In fact, federal student aid has been the main driver of college tuition prices in this country over the past four decades, a relationship so well-documented that it even has a name: the Bennett Effect.

Ultimately, colleges and universities won't be able to cut the real cost of college for students without cutting their own budgets. Increases in government spending—whether university funding or student aid—are eventually paid for by students and taxpayers (i.e., former students). Reducing the size and scope of federal student aid won't make these necessary budget cuts happen on their own, but we can be sure that cuts won't come—either to university budgets or university tuition prices—as long as universities can count on federal spending to soften the blow.

What's more, economizing on campus doesn't have to come at the cost of lower quality. The ideas are out there: introducing more evening, Friday, and weekend classes, expanding online education, competency-based education that awards credit for what students learn on the job or in the military, fast-track degree plans, loan counselors, industry partnerships, renovation instead of replacement of old buildings, open-source textbooks—the list goes on. None of these, of course, is a silver bullet, but that's exactly the point. Raising tuition and spending year after year has been easy; reversing the process is going to be hard. But our students deserve the hard choices necessary to truly reduce the sky-high cost of higher education for everyone, not “free” college that does nothing but push the costs of our existing, costly system onto the backs of those who are most in need of relief. ★



**Trevor McGuire** is a policy analyst in the Center for Higher Education and the Center for Tenth Amendment Action at the Texas Public Policy Foundation. His research spans the subjects of college affordability, administrative transparency, the future of higher education, and bureaucratic overreach. He holds a B.A. in Politics from Princeton University, in the field of Political Theory. His senior thesis, *Public Sector Privilege*, critiques the theory behind the state's claim to act in the name of its citizens.

# TPPF DONOR PROFILE JOE & ANN KERCHEVILLE

The middle child of a single mom, Joe Kercheville credits his mother's early influence with instilling in him a strong work ethic. He ascribes that same work ethic to Ann, his beloved wife and business partner of 35 years, and credits her for helping to build their life success.

A fifth generation Texan and graduate of the University of Texas at Austin, Joe went on to receive his MBA from the American Institute for Foreign Trade in Glendale, Arizona. He began his business career in 1967 as a stockbroker with Dittmar & Company. Years later, Joe would join with a friend, mentor, and colleague from his Dittmar years to launch a local investment firm that today bears the Kercheville name.

It was through his investment business in 1981 that Joe met his wife Ann, a Harlingen native, Southern Methodist University graduate, and CPA who was then a financial officer for a New York Stock Exchange-traded company in San Antonio.

Many of Joe's early investment clients were corporate executives based in the San Antonio area. His newest client was Ann, who had been referred by a mutual business colleague and friend, their banker.

Joe recalls how the prescient banker called him one day asking, "Have you met your new client, Ann, yet? I suggest you take her to dinner instead of serving as her investment advisor."

When they met, Ann and Joe were single, and he was the father of two girls from his previous marriage. In the ensuing years after they married, Joe and Ann raised their own two boys to adulthood, and one has followed his dad into the investment business at Kercheville and Company. This past Christmas, the Kercheville home was filled with their children and the joyful noise of their six grandchildren: 5 girls and a boy between 5 and 13 years old.

As avid hunters, Joe and Ann have traveled the world to enjoy their sport. In 1986 they bought Joshua Creek Ranch. Many of the Texans they met abroad admit-

ted to wishing they could enjoy hunting at home in the Lone Star State. It was not until the Kerchevilles experienced driven pheasant shooting in Scotland that they realized the business potential of Joshua Creek.

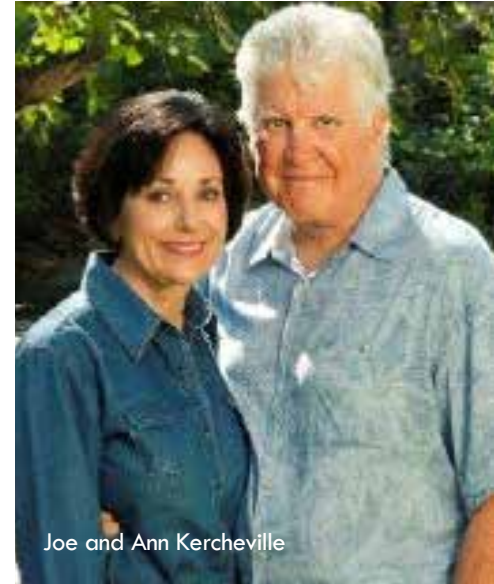
Now its President, Ann runs Joshua Creek Ranch, which opened for guests in 1990 and boasts some of the finest hunt country in America, all managed to produce prime wildlife habitat for quail, pheasant, mallard duck, turkey, and Texas deer.

The Kerchevilles' charitable activities support the shooting sports, especially outdoor opportunities for veterans and disadvantaged children. They also became good friends of TPPF after being introduced by Dr. Jim Leininger shortly after he helped found the organization in 1989.

For many years, the Kerchevilles have been TPPF Visionaries, and the Ann and Joe Kercheville Library was named for their support of the TPPF capital campaign. In 2016 they also joined the Lone Star Legacy Society by including TPPF in their estate plans.

Both Ann and Joe speak emotionally about their modest upbringings and the great nation that afforded them the freedom to work hard and the opportunity to prosper. Joe offers, "We support TPPF because we want this great country to continue offering to everyone the chance for prosperity that we enjoyed."

"Ann and I made the decision that we could have the most impact on the future by leaving a legacy gift to TPPF. We hope others will choose to do the same." ★



Joe and Ann Kercheville



# OTHER WAYS TO GIVE: BECOME A VISIONARY

WHEN YOU GIVE TO THE TEXAS PUBLIC POLICY FOUNDATION at the Visionary Level, you support the simple, powerful policy actions that serve to secure the future of our nation's first principles. The generosity of our Visionary Level donors made possible a number of achievements in 2017:

- A second consecutive Conservative Texas Budget.
- Annexation reform that requires voter approval of annexation in all counties with a population of 500,000 or more, effectively eliminating cities' ability to overburden localities without their voting consent for 63% of Texas' population.
- A victory for private property rights and state sovereignty when—in response to a lawsuit filed by TPPF's litigation center—the Bureau of Land Management settled its unconstitutional and arbitrary seizure of 90,000 acres of private property along the Red River.

Visionary Level donors contribute \$2,500 or more annually, and receive a variety of benefits:

- *Veritas* policy journal;
- Biweekly Texas Public Policy News electronic newsletter;
- Invitations to private gatherings with scholars and policymakers;
- Quarterly President's Letter, an insider update on the work of TPPF; and
- Complimentary invitation for two to annual Visionaries Meeting and Policy Orientation, and more!

Your annual commitment may be fulfilled through one or more payments by check or credit card. Contact Trisha Dunbar, Director of Donor Communications, if you have questions or need information at [tdunbar@texaspolicy.com](mailto:tdunbar@texaspolicy.com) or (512) 472-2700.



## Happenings & UPDATES

### Now You Can Listen to TPPF Anytime!

With the introduction earlier this month of *The Foundation*, you can listen on demand to some of the most important conversations held here at TPPF and connect directly with people passionate about public policy and the cause of liberty.

Hosted by Dr. Kevin Roberts, TPPF's Executive Director, *The Foundation* Podcasts last for about an hour each and provide you an opportunity to explore significant policy issues in depth. "There is a unique energy that comes from discussions, and we invite listeners to experience it. Not everyone can make it to Austin for an event or join us for a conversation, but through the podcast they can engage in the conversation in a time and place that is convenient for them," observed Roberts.

As part of the podcast launch, three preview episodes are available now:

## THE FOUNDATION PODCAST

- **EPISODE 1:** Dr. Roberts interviews Dr. Ashley Brenner about her book, *Pluralism and American Public Education: No One Way to School*.
- **EPISODE 2:** Former Congressman and now President of the Heartland Institute Tim Huelskamp joined TPPF's "Draining the Swamp Summit."
- **EPISODE 3:** Dr. Roberts sits down with TPPF experts Rob Henneke and Drew White, who focus on reducing federal regulations and giving more authority to the states.

You can find the latest episode of *The Foundation* Podcast at [www.texaspolicy.com/podcast](http://www.texaspolicy.com/podcast). It is also available on iTunes, Google Play, Pocket Casts, and Stitcher. ★

# 16th Annual POLICY ORIENTATION & VISIONARIES MEETING 2018

**N**OW IN ITS 16TH YEAR, the Texas Public Policy Foundation's Visionaries Meeting and Policy Orientation has gained a reputation as the most concentrated, visible, and energetic presentation of policy ideas and solutions not just for the Lone Star State, but for our nation as a whole. This year's convocation was no different. Held in Austin from February 7-9, the event brought together nearly 700 legislators, legislative staff, and TPPF donors for conversation with leading policymakers and thinkers on critical issues relating to regulatory overreach, education freedom and school finance reform, criminal justice reform, budget and taxation, higher education and free speech, energy and environment, child welfare reform, and health care reform.

Sixteen years ago, a small think tank set out to host a different kind of event: one that would gather the brightest minds and the most incisive thinkers, from all parts of the policy and political spectrum, and offer them a unique forum to debate, discuss, and work together for the future of our Lone Star State. Since then, the Texas Public Policy Foundation's Policy Orientation has become one of the nation's top policy conferences.

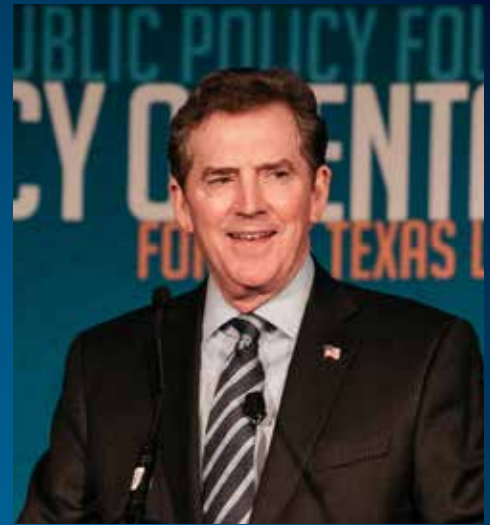
As 2017 brought long-sought achievements in Texas on annexation reform, criminal justice reform, child welfare reform, private property rights, and environmental regulatory overreach, 2018 has brought a time of great optimism on the national level with lower taxes, fewer regulations, and a new focus on liberty, opportunity, and prosperity.

If those sound like TPPF priorities, there's a reason for that. For a long time, those of us who live under the Lone Star have been accustomed to enjoying comparative prosperity, and we could only wish that the rest of the nation shared our blessings of liberty. Now that moment has arrived, and the Texas Model—which was always just the steadfast American Dream—is bringing its benefits from sea to shining sea. The beauty of this is not in the tale of the economic numbers, but in the individual lives made better.

This was the real significance of Visionaries Meeting and Policy Orientation 2017: It was an agenda-setting exercise for individual liberty that will bear much fruit in the months to come. Our keynote addresses alone illustrate this.

- In welcoming remarks Stephen Moore, Heritage Foundation senior fellow in economics and now-CNN Senior Economic Analyst, offered behind-the-scenes details about the regulatory and market-oriented economic policy progress of the White House.
- Lieutenant Governor Dan Patrick eloquently described how a liberty and free market-loving Texas continues to define conservatism and make the Texas Model a model for America.
- Texas Attorney General Ken Paxton and Texas General Land Office Commissioner George P. Bush spoke about their work to protect Texas sovereignty and private property rights against federal government overreach.
- Lieutenant Colonel Allen West (US Army, Retired), in his new capacity as Director for the TPPF Booker T. Washington Initiative, forcefully concluded Policy Orientation by summarizing the importance of the conservative ideas of faith, family, and freedom.

Packed in between these keynote addresses were panels and conversations on just about every policy topic imaginable. The panelists, participants, and our donors made this a worthwhile endeavor building to the 2019 Texas Legislative Session. This is the point of Policy Orientation: conversation, learning, expansion of information, exchange of views, and agenda setting. ★



TOP: Director of TPPF Center for Families and Children Brandon Logan (far left) leads a panel discussion, “Looking Back: Are Foster Children Better Off?” | Former U.S. Senator Jim DeMint speaks passionately about why the states must lead the nation, why Texas must lead the states, and why TPPF must lead Texas.

MIDDLE: Armstrong Center for Energy and Environment Director Kathleen Hartnett White converses with TPPF Board Chair Wendy Gramm. | Hundreds of attendees enjoyed keynote lunch gatherings on all three days.

BOTTOM: Former U.S. Congressman Kent Hance and Former U.S. Senator Phil Gramm shared their experiences of shaping the Reagan Administration’s agenda to save America from the destructive economic policies of the 1970s, ideas that are shaping Texas and America today under the current administration. | SSGT Luke Murphy, USA (Ret.) and LTC Allen West, USA (Ret.) spoke at the Wednesday, February 7, Visionaries dinner at Trinity Hall in Austin.



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# POLICY ORIENTATION & 2019 VISIONARIES MEETING\*

**January 9-11, 2019**

**Hilton Austin Hotel**

The Texas Public Policy Foundation's Policy Orientation is one of the nation's top policy conferences, selling out each year while bringing together lawmakers, policy experts, and engaged citizens from across the political spectrum to discuss critical issues facing not just Texas, but the nation as well.

\*Our Visionaries Meeting offers special programming for Visionary-level donors. For information on sponsorship opportunities or Visionaries membership, contact Annie Casteel at (512) 615-7982 or [acasteel@texaspolicy.com](mailto:acasteel@texaspolicy.com).