Target San Diego

The Right Wing Assault on Urban Democracy and Smart Government

Lee Cokorinos
Target San Diego

The Right Wing Assault on
Urban Democracy
and
Smart Government

A Report for the Center on Policy Initiatives

Lee Cokorinos
November 2005
# Table of Contents

Acknowledgments ....................................................... ii
Foreword ............................................................... iii
Executive Summary ..................................................... v
Introduction: The National Significance of the Battle for San Diego ......................... 1

## 1. The National Context: Key Organizations

Leading the Right’s Assault on the States and Cities .............................................. 5

A. The American Legislative Exchange Council ................................................. 7
B. The State Policy Network ............................................................................. 13
C. The Claremont Institute for the Study of Statesmanship and Political Philosophy ................................................................. 17
D. The Pacific Research Institute ...................................................................... 21
E. Americans for Tax Reform and the Project for California’s Future .................. 25
F. The Reason Foundation .............................................................................. 33

## 2. The Performance Institute and the Assault on San Diego ....................... 39

## 3. The Battle for America’s Cities: A National Engagement .................... 49

Endnotes ........................................................................... 57
Acknowledgments

This report was made possible through the generous support of the New World Foundation. Special thanks go to Colin Greer and Ann Bastian of New World for their leadership in fostering the movement for progressive renewal.

Thanks also to Donald Cohen of the Center on Policy Initiatives for contributing keen insights and the benefit of his ground level experience at engaging the right at every step of the research and writing, to Murtaza Baxamusa of CPI for sharing his expertise, and to veteran political researcher Jerry Sloan for his valuable advice. Jerry’s decades of research on the California and the national right have educated a generation of activists.

About the Author

Lee Cokorinos has been conducting political research for three decades. He is executive director of the Capacity Development Group, a consulting partnership committed to advancing progressive change by assisting nonprofit groups and nongovernmental organizations with strategic planning and organizational development. A specialist in political mapping, Cokorinos writes a column, “Notes on the Right,” for the e-Newsletter of the Equal Justice Society, a national progressive legal organization in San Francisco. He was research director at the Institute for Democracy Studies (IDS) in New York, and designed and directed IDS’ groundbreaking strategic research program on the development of the right wing infrastructure in law, reproductive rights and religion. Cokorinos also edited and contributed to the IDS investigative newsletter, IDS Insights, and is the author or co-author of IDS reports on the antifeminist movement, Federalist Society, Priests for Life, Promise Keepers, and the National Right to Life Committee. He is author of the landmark study of right wing organizations that have waged a legal and political campaign against affirmative action and other social justice initiatives, The Assault on Diversity: An Organized Challenge to Racial and Gender Justice (Rowman & Littlefield, 2003).

About the Center on Policy Initiatives

The Center on Policy Initiatives, based in San Diego, was established in 1997 to build a progressive movement for social and economic justice through research, policy development, public education and effective advocacy.

CPI is a regional multi-issue think tank and policy action center that promotes effective and accountable government, shared prosperity economic development strategies and labor market policies and structures that create economic security for workers, families and communities. CPI is a founding member of the Partnership for Working Families, a national network of progressive metropolitan think tanks and policy-action centers.

Copies of this report can be ordered from:
Center on Policy Initiatives
3727 Camino del Rio South, Suite 100, San Diego, CA 92108
Telephone: 619-584-5744
Fax: 619-584-5748
www.onlinecpi.org

©2005 Center on Policy Initiatives
Foreword

Eight years ago we created CPI out of a frustration that progressives had no coherent voice to counter conservatives who had controlled San Diego media and politics for decades. At every turn, their small government, low-tax, unfettered free market agenda (“business-friendly climate” in local terminology) dominated local government, policy debates and media opinion. We didn’t have an adequate set of capacities and institutions to promote progressive responses — and a progressive vision — to break this ideological “lock box.”

Since that time, driven by a reinvigorated labor movement and new progressive capacities, San Diego has seen the development of a more effective local progressive infrastructure with all cylinders firing — research, policy, organizing, new coalitions, electoral capacity and aggressive communications. Consequently, the city once known as the heart of the John Birch Society’s political base has step by step become more “blue” in today’s political typology — electing new progressive leaders, passing affordable housing and living wage laws and creating new institutions that have considerable influence and presence.

That’s the good news. But, watching San Diego turn towards “blue” like most of urban America, local and national right wing party strategists and think tanks launched an aggressive response. They were committed to keeping San Diego a “red city.”

With stunning speed and impressive coordination, local, state and national party structures and think tanks invested heavily and quickly were able to dominate local media and policy debates.

We learned quickly that to be successful in this new local political environment we needed to be nimble, respond at every turn and find ways to get back on the offense. And we once again confirmed our belief that competing with the right in the battle of ideas, message, policy and governance requires local capacity to engage in metropolitan regions.

It’s clear that the right wing assault on America is moving to the cities. The right can be stopped with ideas, strategy and organization. But this challenge will require new levels of clarity, capacity, sophistication and coordination among regional, statewide and national institutions — including an array of think tanks, regional policy/action centers, and well organized base level labor, faith-based and community constituencies.

Target San Diego was published to offer a preview of what the right hopes is their next period of expansion into America’s major metropolitan areas. We prepared this report to begin a discussion about this emerging political dynamic in cities across America and so that, ultimately, we can be better prepared with strategic capacity to fight for our vision and agenda. Lee Cokorinos has translated his experience and insight on how the right, brick by brick, built their national movement into the metro setting. He paints a useful and detailed picture of the structures, leading figures and day-to-day functioning of the right wing infrastructure. I know this report will be a valuable resource for progressives committed to building a movement for justice.

Donald Cohen
President, Center on Policy Initiatives
Executive Summary

Target San Diego analyzes efforts by the conservative movement to drive its infrastructure down into America’s major metropolitan areas through a case study of a key battleground city. Having created an extensive, well-funded network of integrated media capacities, think tanks, funding networks and political operations over the past three decades, the right is now seeking to break the hold of mainstream and progressive governing coalitions in traditionally “blue” northern urban areas; and to contest the rise of a new wave of progressive organizing of America’s fast growing metropolitan areas in the south and west.

The purpose of this strategic initiative is to split the electoral and demographic base of mainstream-progressive coalitions and nip in the bud efforts to reinvigorate progressive politics in the metro areas and beyond. This would enable the right to implement its agenda of radically cutting back government revenue and services, permanently weakening organized labor, resisting community empowerment and responsible development initiatives, and feeding conservative domestic policy ideas and strategies into the national debate about the future of America’s metropolitan regions.

To accomplish this strategic goal, the right is using its extensive network of national and state level think tanks and policy organizations as a springboard for generating ideas, campaigns and leaders in the battle for political control of the metro areas. New think tanks, such as the Performance Institute in San Diego, are being set up to pursue these objectives, and existing policy and action organizations such as the Manhattan Institute and the Reason Foundation are being radically scaled up and diversified. Significant resources are being poured into these efforts by the major funding organizations of the right, such as the Koch, Bradley, Scaife and Hume foundations.

The report contains sections covering the national, state and metro levels. Among the key findings are:

- National level organizations such as the Americans for Tax Reform, FreedomWorks and the American Legislative Exchange Council are deepening their ties with state legislators and policy organizations; while the State Policy Network strengthens existing state think tanks by developing their organizational structures, development operations and grassroots mobilization efforts.

- State level organizations such as the Project for California’s Future, Pacific Research Institute, Claremont Institute and Reason Foundation are linking the national conservative infrastructure with the right’s urban think tanks, corporate interests and party political structures.

- By developing a substantial independent media and research capacity, urban think tanks such as the Performance Institute in San Diego have developed an ability to drive policy debates, shape political campaigns and influence government decision making.

After presenting the case for the seriousness of the right’s challenge, Target San Diego recommends a concerted national effort by progressives to mount an adequate and strategically appropriate response including:

- Making long term investments to create and scale up the progressive metropolitan infrastructure of multi-issue think tanks and policy action centers capable of developing ideas, rapid media responsiveness, training new leadership, as well as the ability to flexibly
respond to short term opportunities and challenges. This regional capacity is a vital piece of any successful national progressive infrastructure and is needed to:

- Develop timely, high quality, accessible and media-usable research geared to a wide range of issues in specific metropolitan areas.
- Produce innovative governing ideas and issue support for labor and community-based organizations and political leaders.
- Develop a thorough and ongoing understanding of the conservative infrastructure and its current activities in each of their metro areas.

- Breaking down single issue “stovepiping” by developing greater idea alignment around fundamental visions of the role of government and progressive economic strategies while motivating message coherence through real-time, permanent networking and building capacity to operate at the nexus of policy and political strategy.

- Building capacity for a radically scaled up campaign to promote sustainable and politically potent forms of civic engagement rooted in diverse constituencies.
“Stealth was a big factor in San Diego’s success. It’s like guerrilla warfare. If you reveal your location all it does is allow your opponent to improve his artillery bearings.”

— Ralph Reed

Over the past three decades the conservative movement has grown into a powerful national political force. With major backing from corporate America and a handful of ideologically-driven private foundations, it has taken over the Republican Party and pushed moderates to the margin, funded hundreds of think tanks and advocacy groups, and developed a keen sense of strategic coordination and long-term thinking among its activists and movement builders.

The right has also cultivated an intellectual support base in the universities and linked these academics with its think tanks, built sophisticated lobbying, policy analysis and communications structures and worked tirelessly to build up a radical grassroots infrastructure. Now dominating the executive and legislative branches of the Federal government and poised to capture the judiciary, its leaders are determined to establish permanent dominance over American politics and society. Conservatism is undergoing a transition from being an oppositional movement to a power structure with a governing philosophy.

There is, however, much more to the story of the right’s success than its ability to create an extensive infrastructure of Washington-based think tanks and communications operations. Its leaders have also invested heavily over the years in building up a similar powerful network of media outlets, think tanks, funding networks and political operations at the state and local level which are driving the national radical right agenda down into America’s metropolitan areas.

Major political engagements are now underway across the country as movements for social and economic justice resist the right’s well-funded efforts to turn back the clock on how America’s cities are governed, and on whose behalf they are governed. Relying on its newfound budgetary, regulatory and bureaucratic power in Washington, the organized right is seeking to cut back or eliminate municipal programs and services, deepen economic polarization, weaken labor unions, slash the tax revenue needed to support essential social services, cut off public access to the courts, do away with vital environmental regulations, decrease the size of government, defund or privatize pension systems and healthcare, and resist community empowerment efforts.

At the same time, a new wave of progressive activism is emerging that is challenging the right’s bleak Social Darwinist agenda and advancing a creative vision of its own. Rooted in the changing demographics and regional economies of the metropolitan areas, new coalitions of unions, multi-issue community-based organizations and progressive faith-based groups are working on a wide range of fronts, promoting accountable development, living wage policies, affordable housing, fair labor laws and innovative governing visions. They are reaching out to the working poor, organized
labor and business leaders who support what author Peter Drier calls a “more enlightened view of business’s responsibility to the broader community,” and suburban moderates interested in avoiding destructive economic competition with the inner cities that are part of the same regional economy. These “New Cities” initiatives are expanding the horizons of progressive politics at the very time that the right is in its most ascendant position in generations, while at the same time the progressive movement is in the process of renewing itself.7

The right wing is keenly aware of the grave strategic threat to its national dominance posed by the phoenix-like resurgence of a metropolitan progressivism with an expanding demographic base and organized infrastructure. In a new book Steven Malanga, a senior fellow at the Manhattan Institute, argues that if the radical right wants to preserve its gains and entrench its power over the long term it must now strike hard at the social and economic base of the resurgent progressive movement in the cities, and turn its political guns against “coalitions of public employee unions, workers at government-funded social service organizations, and recipients of government benefits have seized control of the politics of the big cities that make up the heart of Blue America.”8

This burgeoning struggle between state and locally-based right wing think tanks and political structures on the one hand, and community-based organizational infrastructures on the other, will have a major impact on the wider national battle over whether we will live in a society committed to attacking economic injustice at its roots, or in an “ownership society” defined by a right wing hostile to taxes, unions, necessary regulations, cities and the poor.

San Diego is a key battleground city in this national effort by the right. After a decade of dedicated organizing and alliance-building, a pro-labor and pro-environment city council was elected in this traditionally conservative city, undercutting national conservative efforts to recapture politically important California. The right, alert to the stakes in San Diego, has invested considerable organizational and financial resources trying to defeat this model community-labor-environmental alliance.

The San Diego right has waged a series of intense ideological and political campaigns to undercut the role of the city council in favor of a “strong mayor” form of government, developed anti-union messaging in the local media and raised the profile of San Diego as a problem city in the national media. Its leaders are also developing and driving anti-government policy initiatives and research through local and national think tanks, attacking the retirement security system with the active support of organizations such as Grover Norquist’s Americans for Tax Reform, and have undertaken a major effort to train and develop new activists.

The relationships, organizational connections, individual histories, party ties, funding linkages and policy networks that underlie this combined assault on the gains of social justice movements in San Diego and elsewhere are often not well understood by activists who are on the front lines or the people whose lives are most directly affected. Likewise, although a great deal of attention has been paid recently to the enormous success of the right’s national structures, there is insufficient appreciation among progressives of the extent to which the radical right depends on a strong social base in local communities around the country (often organized by the religious right*), and of the degree to which local organizations and leaders are linked to the national leadership.
To address this need for a deeper understanding of the environment within which progressive social movements now operate, this report provides some background information on the key organizations, leaders, strategies and activities of the right wing effort to derail progressive change in San Diego. Hopefully Target San Diego will also serve as a catalyst for similar studies in other cities where critical engagements with the right are being fought, and help raise public awareness of what lies behind the right’s agenda for the cities.

The Right Wing and the Cities

Controlling the future of America’s cities has always been a major political goal of the radical right. The epic battles of the 1960’s over civil rights, taxation and fiscal policy, school desegregation, and community control of education and urban development left a permanent mark on the conservative movement. These issues largely defined early neoconservatism’s domestic program (giving us the term “benign neglect”) and led the most prominent traditional conservative on the national scene after Barry Goldwater’s defeat in the 1964 presidential election, William F. Buckley, Jr., to run for mayor of New York in 1965. They also became the centerpiece of Ronald Reagan’s successful 1966 campaign to become governor of California.10

In the 1970s, when the right was launching the national think tanks and advocacy groups that have transformed the political and media landscape,11 its leaders were also creating organizations to do the same at the state and local level. 1973 was a notable year in the history of the conservative movement not only for the formation of its premier DC think tank, the Heritage Foundation, but because the same people who put Heritage together (Joseph Coors, Richard Mellon Scaife and Paul Weyrich) also established the American Legislative Exchange Council (ALEC) to drive model legislation and policies down into the states and cities. It was also the year when for the first time in history a California governor, Ronald Reagan, attempted to bypass the state legislature by taking a budgetary dispute to voters in a referendum, much as Gov. Arnold Schwarzenegger attempted to do recently at the behest of a far more organized California right wing.

Taxation and fiscal policy have been particularly potent wedge issues in the conservative strategy to divide cities and suburbs from one another. The watershed 1978 California campaign for Proposition 13 led by Howard Jarvis (which slashed property taxes by more than two-thirds and hindered the state from raising adequate revenue to fund necessary services) had the effect of accelerating the suburban “Reagan democrat” phenomenon and helped propel Ronald Reagan into the White House two years later. It also provided a basis for common action between traditional conservatives and right wing anti-government libertarians. The national conservative movement it spawned, which joined forces with the religious right being organized at the same time by Weyrich’s colleagues Richard Viguerie and Jerry Falwell, became an early training ground for the current leadership of the right wing, including Grover Norquist of Americans for Tax Reform (see below).12
From modest origins in the 1970s in a small number of fringe think tanks backed by corporate and extreme right funders,\textsuperscript{13} such as ALEC (formed in 1973), the Cato Institute (formed in 1977), the Manhattan Institute and the Reason Foundation (both established in 1978), this movement to reverse decades of progressive reform at the state and local level has developed into a dense complex of think tanks, foundations, media capacities, consultant and lobbyist networks, legal organizations and integrated political operations. Following is an outline of some of the more important organizations and relationships that are playing a role in the battle for San Diego and other cities.
1. The National Context: Key Organizations Leading the Right’s Assault on the States and Cities

At the national level, the effort to drive the assault on progressive government down into America’s states and cities has been led by think tanks such as the Heritage Foundation and American Enterprise Institute that have been funded by major foundations of the right, such as the Bradley, Scaife, Olin and Smith Richardson foundations. According to Mediatransparency.org, Heritage and AEI received nearly $100 million in funding from right wing foundations from 1985 to 2003. But no organizations have played a more pivotal role in the decades-long ideological effort to stigmatize the role of government in solving social and economic problems than the foundations controlled by David and Charles Koch, the brothers who control Koch Industries, the largest privately owned energy company in the U.S.

Through the Charles G. Koch Foundation, David H. Koch Foundation and Claude R. Lambe Foundation, dubbed the “Kochtopus”14 by libertarians because of its financial influence over their movement, the Kochs have provided critical seed money and major support (by one estimate the Koch foundations provided $100 million in total funding between 1986-2003)15 to such right wing organizations as the Cato Institute, Citizens for a Sound Economy (FreedomWorks), the American Legislative Exchange Council, Hudson Institute and Competitive Enterprise Institute. In California they have been major supporters of the Reason Foundation (on whose board of directors David Koch serves; see below) and Pacific Research Institute, which have played significant roles in the effort to downsize and privatize municipal government.16 (See chart).

<table>
<thead>
<tr>
<th>American Council for Capital Formation</th>
<th>American Legislative Exchange Council</th>
<th>Americans for Tax Reform Foundation</th>
<th>Cato Institute</th>
<th>Citizens for a Sound Economy Foundation</th>
<th>Competitive Enterprise Institute</th>
<th>Employment Policy Foundation</th>
<th>Federalist Society</th>
<th>George Mason University Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Mason University Foundation</td>
<td>Heartland Institute</td>
<td>Heritage Foundation</td>
<td>Hudson Institute</td>
<td>Independence Institute</td>
<td>Institute for Justice</td>
<td>Institute for Research on the Economics of Taxation</td>
<td>Libertarian Review Foundation</td>
<td>Mackinac Center for Public Policy</td>
</tr>
<tr>
<td>Manhattan Institute for Policy Research</td>
<td>National Center for Policy Analysis</td>
<td>National Tax Limitation Foundation</td>
<td>National Taxpayers Union Foundation</td>
<td>Pacific Research Institute for Public Policy</td>
<td>Pioneer Institute for Public Policy Research</td>
<td>Reason Foundation</td>
<td>State Policy Network</td>
<td>Tax Foundation</td>
</tr>
</tbody>
</table>

Data Source: Mediatransparency.org
The Koch family foundations have provided major support to the Institute for Justice, whose longtime director of litigation, Clint Bolick, is one of the chief architects of the right wing’s efforts to curtail the regulatory powers of cities and municipalities across the country. Bolick, a veteran of efforts to eliminate affirmative action in higher education and contracting,\(^{17}\) is the author of a benchmark 1997 study advocating deregulation in San Diego—*Brightening The Beacon: Removing Barriers to Entrepreneurship in San Diego*.\(^{18}\)

Bolick and his colleagues at the Institute for Justice authored a major series of reports in the mid-1990s that gave new impetus to the drive for municipal deregulation, including studies on Baltimore, Boston, Charlotte, Detroit, New York, and San Antonio.\(^{19}\) These studies set the stage for a decade-long wave of strategic litigation against the regulatory power of local government, culminating in the U.S. Supreme Court’s landmark *Kelo v. New London* eminent domain decision in 2005, in which the Institute for Justice was lead counsel.\(^{20}\)
A. The American Legislative Exchange Council

Headquartered in Washington, DC, the American Legislative Exchange Council (ALEC) was established as an independent organization in 1973 by Paul Weyrich of the Free Congress Foundation from an ad hoc network of state legislators brought together by the American Conservative Union to oppose the abolition of the Electoral College. Kathleen Teague, who served on the board of directors of Weyrich’s Free Congress Foundation, led ALEC through most of the early years of the Reagan administration, when its politics were so far to the right it irritated some members of the administration.

Over the next three decades ALEC has grown into the single most important national organization linking conservative state legislators with major corporations and trade associations. It also serves as a pipeline for ideas and proposals that directly impact how urban policy is framed across a wide range of issues from pension reform to living wage laws. ALEC’s annual summer conferences draw thousands of state legislators, lobbyists and corporate executives together for focused discussion on how to advance a right wing agenda for states and cities.

ALEC has been described as “nothing less than a tax-exempt façade for the country’s largest corporations and kindred entities. Companies such as Enron, Amoco, Chevron, Shell, Texaco, Coors Brewing, Koch Industries, Nationwide Insurance, Pfizer, National Energy Group, Philip Morris, and R. J. Reynolds pay for essentially all of ALEC’s expenses.” Although ALEC has received some funding from conservative foundations over the years (MediaTransparency.org reports it received over $3 million in grants from 1985-2003), the lion’s share of its support has come from membership fees paid by corporate and trade association figures, in what critics call a “pay to play” system for influencing state legislation.

ALEC is run by a six member national board of directors comprised of state legislators, which works with a Private Enterprise Board made up of corporate and industry association figures from the Pharmaceutical Research and Manufacturers of America (PhRMA), the American Bail Coalition, Altria, BellSouth, Koch Industries, Coors Brewing Company and Verizon Communications, Inc. Its executive director is Duane Parde, who reportedly was able to pull ALEC out of a deep financial hole after taking over the organization in the mid-1990s with the assistance of Koch Industries and E&M charities.

With a 2003 budget of $5.6 million, ALEC lists a staff of 34 on its website. It claims to represent 2,400 state legislators, or 30% of all state legislators in the U.S. It is structured around nine Task Forces, generally dominated by corporate leaders who can afford to pay fees ranging from $5,000 to $50,000 a year. Each task force is co-chaired by a state legislator, a “Private Sector Chair” and an ALEC staff member (see chart).
ALEC’s nine task forces produce right wing model legislation on a wide range of issues facing states legislatures, including such measures as a “State and Local Government Labor Productivity Data Collection” draft bill. ALEC’s Tax and Fiscal Policy Task force, for instance, has model legislation on some 44 issues.30 (See chart).
Privatizing public services by turning them over to profit-making private businesses has been a key concern of ALEC. In a joint report with the Manhattan Institute, ALEC identified the following “privatization opportunities”: golf courses, turnpikes, water systems, airports, hospitals, ports, gas and electric utilities, liquor store operations, wastewater treatment plants, waste-to-energy plants, dormitory food services, tax liens, loan portfolios, stadiums, public housing, hotels, surplus lands and buildings (“governments at all levels in the United States own property worth at least $4.5 trillion altogether”).

Also, as pension issues have come to the forefront in state legislatures across the country (and in cities such as San Diego), ALEC’s Commerce, Insurance and Economic Development Task Force has stepped in to produce downloadable materials for legislators including talking points, publications, and model legislation for establishing defined-contribution plans. This complements the policy advocacy work of other right wing think tanks, which regularly produce op-eds and research on pension issues in states and municipalities, including San Diego.

ALEC, which held its August 1995 and July 2000 national conferences in San Diego, maintains close ties with California state legislators who play an important role in setting tax and fiscal policy for California’s cities, in particular Ray Haynes and Dennis Hollingsworth.

California State Assembly member Raymond N. Haynes (western Riverside and northern San Diego counties) was national chair of ALEC in 2000 and served on its board of directors. He is a

---

**ALEC Tax and Fiscal Policy Task Force: Current Model Legislation**

- 21st Century Commercial Nexus Act
- Balanced Budget Amendment
- Budget Reserve Account Act
- Building Life Extension for State Buildings Act
- Business Activities Tax Simplification Act
- Capital Gains Tax Elimination Act
- State Commission on Economy & Productivity Act
- Congressional Delegate Mandate Constitution Act
- Consumer Price Index
- Efficiency in Government Act
- E-Commerce & New Economy Data Collection Act
- Federal Grant Review Act
- Federal Taxpayers Bill of Rights
- Fiscal Note Act
- Flat Tax Option Act
- Independent Revenue Forecasting Act
- Internet Taxation
- Interstate Compact Sunshine Act
- Item-Reduction Veto Constitutional Amendment
- Legislative Budget Audit Commission Act
- Personal and Business Flat Tax Act
- Public Document Cost Disclosure Act
- Limited Constitutional Convention on Unfunded Mandates
- Federal Flat Tax
- Tax Credit on Charitable Donations
- U.S. Constitutional Amendment on Judicial Taxation
- Resolution on State and Local Business Activity Taxes
- Opposing the United Nations Drive for Global Taxes
- Repeal the Federal Unified Gift and Estate Tax
- Congress to Aid State Tax Reform
- Congress to Reject the Streamlined Sales Tax Project
- Sales and Use Tax Collection Protection Act
- Sound Federal Fiscal Policy
- State/Local Government Labor Productivity Data Collection
- State Internet Tax Freedom Act
- State Payment for State Mandates Act
- Super-Majority Act
- Tax and Expenditure Limitation Act
- Tax Indexing Act
- Taxpayer Protection Act
- Taxpayer Right to Appeal Act
- Truth in Forecasting Act
- Truth in Spending Act
- Use Tax Elimination Act

---

**As pension issues have come to the forefront in state legislatures across the country (and in cities such as San Diego), ALEC’s Commerce, Insurance and Economic Development Task Force has stepped in to produce downloadable materials for legislators including talking points, publications, and model legislation for establishing defined contribution plans.**
former treasurer of Citizens for Property Rights and chair of the Chicago-based Heartland Institute’s board of legislative advisors. He was named as one of three California “heroes of the taxpayers” by right wing kingpin Grover Norquist (the others were Ron Nehring, vice chair of the California Republican Party and chair of the San Diego County Republican Party; and George Passatino of the Reason Foundation; on both see below).

Haynes played a critical early role together with former San Diego County State Assemblyman Howard Kaloogian (a former state chair of ALEC) in getting the campaign to recall Gov. Gray Davis off the ground. Kaloogian, who received a rare endorsement for his U.S. senate race from James Dobson, head of Focus on the Family, now heads the right wing organization Move America Forward (MAF). Sal Russo, who co-directed the Recall Gray Davis committee, serves as chief strategist at MAF. Lewis K. Uhler, founder and President of the National Tax Limitation Committee in Roseville, California, is a member of Kaloogian’s advisory board and co-chairs the Washington, DC-based “Tax Cut Working Group” with James L. Martin of the 60 Plus Association (a right wing anti-AARP organization committed to social security privatization, which ALEC endorsed in 1997) and Daniel J. Mitchell, the Heritage foundation’s chief expert on tax policy and the economy. Mitchell is a former director of tax and budget policy for the corporate-backed Citizens for a Sound Economy (now FreedomWorks).

Haynes has also done legal work for the Western Center for Law and Religious Freedom (since renamed Public Justice Advocates), which was funded by San Diego native Howard Ahmanson Jr., who along with his wife Roberta is a major financial supporter of the religious right in California and nationally, and a key backer of Haynes. Howard Ahmanson is on the board of directors of the Claremont Institute, which operates the Golden State Center for Public Policy Studies in Sacramento. Haynes was propelled to prominence in the California Assembly in the wake of a determined effort by the Ahmansons and other conservative business leaders to capture the California state assembly in 1994. In 1996 he introduced a bill to ban recognition not only of same-sex marriages, but of common law unions as well.

Dennis Hollingsworth, also listed as a key California contact by Norquist, is State Senator for the 36th District of California, which includes portions of San Diego and Riverside Counties, and is the California State Public Sector Chairman of the American Legislative Exchange Council. Hollingsworth was also the founding leader of the California Senate Taxpayer Protection Caucus, an initiative of Grover Norquist’s Americans for Tax Reform. In announcing the creation of the caucus Norquist declared that “Senator Hollingsworth has shown bold leadership in fighting against tax hikes in California, and taxpayers all across the state owe him a great debt of gratitude.” In 1997 Hollingsworth, while legislative director of the Riverside County Farm Bureau, joined with Duane Parde of ALEC, Grover Norquist of Americans for Tax Reform, Lew Uhler of the National Tax Limitation Committee and Steven Hayward, the senior fellow for environmental studies at the Koch-funded Pacific Research Institute, in calling for a sweeping cutback of the Federal government’s role in environmental regulation, and the “devolution of responsibility” for environmental regulation to the states.

Hollingsworth also serves as president of the Proposition 22 Legal Defense Fund (opposing same sex marriage), and has joined Haynes, Gail Knight (the widow of the late Sen. Pete Knight, author
of Prop 22), the Alliance Defense Fund and California Family Research Council to support the passage of a California constitutional amendment restricting marriage to a union between a man and a woman. Civil rights groups warned that the proposed amendment would endanger all rights and protections for domestic partners and other non-married California families.
B. The State Policy Network

“At a Heritage trustees’ meeting in the mid-1980s, Robert Kriebel declared, ‘The evil empire can be dissolved — I’m going to go out and help do it.’ Roe responded, “You capture the Soviet Union — I’m going to capture the states.”

— Lee Edwards, Heritage Foundation

While the American Legislative Exchange Council focuses on coordinating the right’s state legislative agenda by networking politicians and corporate interests, the State Policy Network (SPN) was created to support the growth, organizational capacity and policy sophistication of state-based conservative think tanks. Conservative leaders understood by the mid-1980s that to effectively move their agenda through the states and cities they would need a policy and advocacy apparatus to reinforce the efforts of national umbrella groups such as the Heritage Foundation and American Enterprise Institute and complement the legislative drafting and networking activities of ALEC.

Particularly after devolution of Federal functions to the states became a cornerstone of conservative strategy in the 1990s, this meant strengthening existing state think tanks by developing their organizational structures, development operations and grassroots mobilization efforts. It has also meant creating new think tanks where none previously existed, particularly in the “blue states.” The number of right wing state-based multi-issue think tanks networked and served by the State Policy Network has increased dramatically over the past decade and a half, growing from 12 in 1989 to 49 groups today.

Now based in Richmond, California, SPN grew out of an informal network of state think tanks called the Madison Group that was organized in 1986 and then taken under the wing of the Chicago-based Heartland Institute, one of the largest groups in the network. It was formally established as an independent organization in 1992 under the leadership of its longtime board chair, the late Thomas Roe. Roe was the head of the Roe Foundation of Greenville, South Carolina and a key funder of the growth of the right’s national think tank infrastructure.

With durable support from the Roe Foundation, SPN has grown into a formidable apparatus. The Roe Foundation’s four person board of directors includes Edwin Feulner, president of the Heritage Foundation, Byron Lamm, a former SPN president and current board member, and Carl O. Helstrom of the JM foundation, also an SPN board member. (See chart).

SPN conducts an annual market survey of its members to determine their needs and gears its workshops to the results. The workshops include peer mentoring of presidents, boards and staffs, leadership training sessions and intensive networking opportunities to create and deepen relationships between think tank personnel. In response to a member survey SPN has also launched, in conjunction with the anti-labor Evergreen Freedom Foundation of Olympia, Washington a weekly update called the State Fiscal Policy Exchange covering tax and budget issues in the states. One recent issue contained as the lead item an announcement by Grover Norquist’s American for Tax Reform of the 2005 “Cost of Government Day” to coincide with ATR’s launch of
the 13th edition of its annual report on the cost of government. Another contained extensive coverage of the Reason Foundation’s policy reports on “competitive sourcing” and privatization.

SPN also publishes Social Security Choice Exchange a “weekly update and exchange of Social Security reform trends, breakthroughs and pitfalls in the states.” It contains up to the minute talking points, calendars of events, reports and “policy communications material” developed by national right wing umbrella organizations such as Americans for Tax Reform, the Heritage Foundation and FreedomWorks; and op-eds, video commercials and issue-specific blogs produced by state think tanks. Its 2005 national conference included a state-based fiscal policy forum (co-sponsored with Americans for Tax Reform), concurrent sessions on fundraising, marketing, and leadership development training (co-sponsored by the Charles G. Koch Foundation), K-12 education reform (co-sponsored by the Milton and Rose Friedman Foundation), and the “Fifth Annual State Health Care Policy Reform Summit” on “the Medicaid crisis.”

From its headquarters outside Oakland, SPN maintains close ties to other California right wing think tanks. (See chart).

SPN’s California member think tanks — the Claremont Institute’s Golden State Center and the Pacific Research Institute — produce a steady stream of research and policy materials on the changing urban-suburban landscape of California.
State Policy Network and California Think Tanks

State Policy Network
Richmond (Oakland)

Claremont Institute
Golden State Center for Public Policy Studies
Sacramento

Pacific Research Institute for Public Policy
San Francisco

Center for the Study of Popular Culture
Los Angeles

Claremont Institute
Claremont

Pacific Legal Foundation
Sacramento

Reason Foundation
Los Angeles

Other California Groups SPN Works With

American Civil Rights Institute
Sacramento

California Taxpayers Association
Sacramento

Capitol Resource Institute
Sacramento

Hoover Institution
Stanford

Independent Institute
Oakland

National Tax Limitation Committee
Roseville (near Sacramento)

Source: SPN Website
C. The Claremont Institute for the Study of Statesmanship and Political Philosophy

“What is the strategy for dramatically shrinking the federal government? Tax cuts are essential. But playing off one part of the welfare state against another is going to have to be a part of that strategy.”

— Ken Masugi, Claremont Center

Claremont, which was established in 1979, has received major financial backing from the Bradley, Scaife, W.H. Brady and Hume foundations, houses both the Roe Foundation-supported Golden State Center in Sacramento and the Center for Local Government in Claremont. Michael Warder, a former vice president for development of Claremont, was the Heritage Foundation’s director of administration. In 2003 Claremont’s president, Brian T. Kennedy, presented its Statesmanship Award to right wing talk radio’s Rush Limbaugh.

The Center for Local Government, directed by Ken Masugi, has placed itself at the center of the national debate over the future relationship between cities and suburbs. This debate has highlighted tactical differences between religious right activists like Howard Ahmanson, Jr., a Claremont board member, and free market radical libertarians (such as Clint Bolick of the Institute for Justice) over the best strategies for breaking the power of mainstream liberal and progressive political blocs in the cities. As noted above, this has been a central concern of the national right wing, with which the Claremont Institute has deep ties through Larry P. Arnn, its current vice chairman and former president (1985-2000).

The institute’s political approach reflects the views of Claremont Distinguished Fellow Harry V. Jaffa, a student of the late neoconservative intellectual icon Leo Strauss, who has had a profound influence on the right’s ideological development in the U.S. Adopting a communitarian position that is consistent with the “subsidiarity” ideology of the religious right, Claremont has set itself against both those on the left who would argue for the greater consolidation of suburbs and cities into common metropolitan governance structures; and those on the libertarian right who use free market-based arguments to secure voter approval for suburban secession and middle class flight from the cities. Instead it has mixed a democratic rhetoric of local control with an authoritarian, theocratic twist.

Ahmanson, the millionaire president of Fieldstead & Co. and veteran funder of religious right causes and California political candidates, is senior counselor of the Center for Local Government. According to the Los Angeles Times, he contributed over $700,000 to build the Claremont Institute up in the 1990s. His wife, Roberta Green Ahmanson, is on Claremont’s advisory board. Howard Ahmanson co-founded the California Independent business PAC and the Sacramento-based Capitol Resource Institute along with former California State Senator Robert Hurtt. The Capitol
Resource Institute, which works with the State Policy Network, proudly states that it “serves as the eyes and ears of [James Dobson’s] Focus on the Family in California.”

According to researcher Frederick Clarkson, the “San Diego surprise” of November 1990 (in which a stealth campaign by the Christian Right led first to the takeover of the San Diego county GOP then the election of 60 of their 90 candidates to local schools boards and other offices) “in many respects had its origins with Howard Ahmanson and his colleagues. (...) In 1988, Ahmanson and company set out to recruit ‘like minded’ candidates for local offices and state offices in what has become a surge towards control of the California legislature.”

County level government is a key target in Ahmanson’s strategy.

Pointing to the vote to prohibit the secession of the San Fernando Valley and Hollywood from Los Angeles in 2002, Claremont fellow Brian Janiskee instead urges conservatives to base their case for suburban secession to voters on the cultural appeal of small communities. The ultimate objective is that the political obstacle to right wing power presented by the cities be removed or neutralized by fragmenting them. We should “break up Los Angeles, Houston, and Phoenix,” Howard Ahmanson writes, “it would be better for everyone. But give more authority, and a bigger role, to Los Angeles, Harris and Maricopa Counties.” For Janiskee, the suburbs have a quasi-mystical status: “the seemingly quiet and bland order of the California suburb is, in effect, a metaphysical affirmation of the revolutionary core of the American regime.”

Claremont is active on many hot-button issues in California politics, such as immigration. Victor Davis Hanson, the author of *Mexifornia,* which along with Samuel F. Huntington’s *Who Are We?* has become the bible of the anti-immigration movement, is Claremont’s Fellow in California Studies. Resonating with a longstanding tradition of American nativism warning of the racial and cultural perils posed by immigrants, in *Mexifornia* Davis Hanson argues that the U.S. is being economically and politically overwhelmed by illegal immigration from Mexico.

The book created a minor sensation in right wing circles when it was released in 2003, with front page coverage in *National Review* and glowing reviews in the right wing movement press, such as Hudson Institute’s *American Outlook* magazine. Hanson, an ardent proponent of the war in Iraq (the *New York Times* calls Vice President Cheney “a Hanson devotee” along with his former chief of staff, Scooter Libby), has published nearly 150 columns in *National Review* over the past three years. Hanson also reached a mass audience through an appearance on C-SPAN’s “Booknotes” program. The Manhattan Institute’s *City Journal* editor, Myron Magnet, praised Hanson for showing that “their failure to learn English, to get their children educated, to assimilate, to become — and to feel themselves — American citizens are the fruits of the multiculti, separatist, welfarist claptrap the race industry showers upon them.”

In one review of *Mexifornia* on Townhall.com, a Heritage Foundation spin-off website widely read on the right, Emily Cochran praised Davis Hanson for taking on the “historic revisionism and cultural relativism” that vilifies and ignores “America’s most inspiring figures” such as Confederate general Robert E. Lee. Davis Hanson’s Claremont colleague Ken Masugi praises him as a “real American” who shows how “ambitious Mexicans have brought about a crisis in which neither immigrant nor native-born show interest in thinking and acting like Americans.” The buzz has made it through to web logs across the country, including in San Diego.
Claremont’s Golden State Center in Sacramento is headed by Eloise Anderson, a prominent African American voice in the right wing media and think tank campaign for welfare reform and “welfare-to-work” initiatives. A former member of Newt Gingrich’s welfare task force, Anderson was director of social services under Gov. Tommy Thompson of Wisconsin88 and was appointed in 1992 by Governor Pete Wilson to overhaul California’s welfare system. After serving as a co-chair of George W. Bush’s 2000 and 2004 California campaigns, Anderson is considered a rising star in California politics, and has been mentioned as a candidate for high office in the Bush administration.89

David Horowitz, head of the Scaife-funded Center for the Study of Popular Culture (an associate member of the State Policy Network), launched a 1998 campaign to draft Anderson to run for the U.S. Senate. “Think of how powerful Eloise Anderson’s voice would be on the social-policy issues that are the key to conservatives winning the confidence of minorities and poor people in California,” Horowitz wrote.90 Anderson recently served on Gov. Arnold Schwarzenegger’s transition team along with Annelise Anderson of the Hoover Institution, Jessie Knight of the San Diego Chamber of Commerce, Jon Coupal of the Howard Jarvis Taxpayers Association, former governor Pete Wilson (now a senior research fellow at the Hoover Institution) and Sally Pipes, president of the Pacific Research Institute.91

Claremont has also been an active opponent of labor. According to the National Education Association, Claremont funded ads to promote Proposition 226, the 1998 initiative which was designed to de-fund union political activity, and received $137,000 from the late John Walton, heir to the Wal-Mart fortune, to support the campaign for its passage.92 It has strong ties with State Senator Tom McClintock, a former director of the Claremont Institute who ran for governor in the 2003 recall campaign and is a candidate for Lieutenant Governor in 2006.

McClintock, a hard-line opponent of abortion rights, is a key figure in California far right politics and a favorite of their Monrovia-based umbrella group, the California Republican Assembly (of which Karen England of the Capitol Resource Institute is Senate District 1 director).93 An ardent proponent of downsizing government, McClintock blames California’s economic woes on labor, pointing to the political power that unions have gained by their successful drive to organize public employees. He has also charged that labor is an impediment to the kind of competitive outsourcing he would like to bring to government goods and services, a key objective of the right wing Performance Institute in San Diego (see below).94 According to author Mike Davis, “McClintock’s formidable wonkishness during the recall debates was the fruit of his Reason Foundation tutorials.”95

From 1992-94 McClintock was director of the Center for the California Taxpayer, a project of Lew Uhler’s National Tax Limitation Foundation (see above), and went on to become director of economic regulatory affairs for Claremont Institute’s Golden State Center, which he left when he returned to the California Assembly in 1996.96 In 2005, Uhler revived the labor defunding effort he waged in the Prop 226 campaign. Proposition 75 was led by Californians for Paycheck Protection, which Uhler formed with Jon Coupal and businessmen Frank Baxter (a former finance chair for William Simon Jr.’s unsuccessful campaign for governor and former director of the Securities Industries Association, the National Association of Securities Dealers and Pacific Research
Institute). It went down to defeat after an intensive campaign by a cross section of unions and progressive groups against a string of propositions moved by Gov. Schwarzenegger in November, 2005.

McClintock’s longtime political aide and former campaign manager, John Stoos (now a political consultant in Sacramento), is an avowed Christian Reconstructionist, a radical Calvinist current of the far right that takes many of its ideas (including the stoning of disobedient children) from the late Rousas John Rushdoony. “First and foremost, Christians are the only people who can restore the proper Biblical understanding of government to our modern system,” according to Stoos. Stoos frequently writes articles for the Christian Reconstructionist Chalcedon Report, the journal of the Chalcedon Foundation, which is now run by Rushdoony’s son Mark. The Chalcedon website has carried fundraising appeals from the Escondido-based U.S. Justice Foundation, whose executive director, Gary G. Kreep, was described as having provided “absolutely essential” support to the success of the Mt. Soledad Cross case in San Diego.
D. The Pacific Research Institute

“The relative success of some of the reform mayors of both parties, wholly unforeseeable as recently as a decade ago, gives us reason to think that much more progress is possible. These signs suggest that the time has come for conservatives to turn their attention to the cities.”

— Steven Hayward, Pacific Research Institute

Whereas the Claremont Institute takes a more ideological and philosophical approach to the issue of local government, the Pacific Research Institute (PRI) is attempting to position itself as the key right wing policy think tank in California, though it has some stiff competition from the Reason Foundation (see below). Formed in 1979, PRI is one of a number of policy institutes created by Sir Antony Fisher, founder of the influential London-based Institute for Economic Affairs. Others formed with Fisher’s assistance include the Manhattan Institute in New York and the Fraser Institute in Canada. PRI’s president, Sally Pipes, worked at Fraser before moving to PRI. Its current vice president for public policy, Lisa MacLellan, is the former manager of IEA’s environment unit.

IEA, which was long associated with 1974 Nobel laureate and libertarian icon Friedrich Hayek, provided policy backup for Margaret Thatcher’s government in Britain. Thatcher was the keynote speaker at PRI’s 20th Anniversary banquet in 1999, which was co-chaired by William “Jerry” Hume, head of the anti-labor San Francisco-based company Basic American Foods and a major funder of some of California’s most divisive ballot initiatives. Fisher, who died in 1988, was a critically important historical figure in the development of the anti-government think tank infrastructure of the right, as was Hume’s late mother Jaqueline from her perch at the Hume Foundation. Fisher teamed up with San Francisco businessman James D. North (a retired General Foods executive) to found PRI.

Fisher also established the Virginia-based Atlas Economic Research Foundation in 1981, which has spawned and supported an international network of right wing libertarian think tanks for two decades, and now lists in its directory more than 530 organizations worldwide. Atlas has seeded, conducted staff and management training for and funded dozens of national, state and local think tanks that now are important components of the right’s policy infrastructure and media machine in the U.S., including Pacific Research Institute and other member organizations of the State Policy Network. Atlas partners with SPN for the “common goal of identifying, cultivating and mobilizing think tank leaders.” It has pumped over $20 million into building up state and local think tanks over the past two decades.

Based in San Francisco, Pacific Research has received major financial support over the past two decades from the Sarah Scaife, David H. Koch, William E. Simon, Bradley and Walton foundations,
among others. In 1986 William “Chip” Mellor took over as president of PRI and established the Center for Applied Jurisprudence, which became a model for aggressive right wing strategic litigation against affirmative action and consumer protection laws. The model was so successful he left in 1991 to create the Institute for Justice with Clint Bolick (with seed money from the David Koch Foundation). Mellor was succeeded by Sally Pipes, a Canadian persuaded to take the reins of PRI by 1976 Nobel laureate Milton Friedman, the dean of the right wing Chicago School of economics, and his wife Rose. Pipes, who received the 2004 Thomas A. Roe Award at the annual meeting of the State Policy Network, carried on Mellor’s assault on diversity policies with a vengeance, spending much of her time in late 1996, when Proposition 209 was on the ballot, campaigning against affirmative action.

With a 2003 budget of $4,144,000, PRI has wide ranging policy programs in business and economics, the environment, education, health care and technology. It publishes an extensive list of books, annual reports on the environment and privatization in the states, newsletters (including *Capital Ideas* with weekly commentary from its Sacramento office) and issue-specific websites (e.g., a new “Center for Medicines in the Public Interest” website); organizes conferences with policy advocates, academics and politicians, and produces dozens of op-eds and think pieces for the national and California press. It also issues a quarterly “California Golden Fleece Award” attacking policies or laws it opposes, including living wage laws (and think tanks that support them, such as the Institute for Labor and Employment), California’s Public Employees Retirement System (CalPERS), paid family leave and changes in overtime rules. PRI’s top three agenda items for reforming California government are civil litigation, tax and spending limits and no new taxes.

In July 2001, two months after Enron disclosed that it was owed $570 million by the bankrupt California Pacific Gas & Electric Co., PRI senior fellow in economics Benjamin Zycher delivered a talk on the California electricity market at the Western Economics International Association conference titled “In Defense of Price Gouging and Profiteering.”

The activities logs posted at the PRI website show a typical week in the busy schedule of PRI staff might find them attending meetings with Bush administration officials on economic policy in Washington; networking on strategy with other think tank activists; meeting with corporate officials to discuss communications strategy; conducting public policy briefings or meeting with politicians in Sacramento; or working the media on key issues such as pension policy in California. (See chart).

The Pacific Research Institute’s approach to urban policy was summed up by PRI’s senior fellow in environmental studies Steven Hayward’s comment that “a major reason cities were ruined was the hubristic belief that planning could remake the urban order.” Hayward, a former director of Claremont’s Golden State Center (1987-91) and former Bradley Fellow at the Heritage Foundation, is a member of the board of research advisors of the Reason Foundation. He has called the landmark Kerner Commission report on the social causes of urban disorder in the 1960’s “a liberal-guilt mood piece” and instead ascribed the disorders to the “riot ideology” of African Americans.
Hayward has also dismissed national concern about suburban sprawl, complaining that “when all the fancy rhetoric is stripped away, what we really want when we demand that regulation be imposed to control growth is for someone else to be prohibited from building his McMansion.”

As in the case of the Claremont Institute, PRI embraces the idea — developed in its most sophisticated form by the right wing Law and Economics Movement and “public choice” theorists — that the market efficiency of political units such as states and local governments depends on the degree of regulation they impose on private business and capital returns. According to this view, a key political objective for the right wing is to compel states and localities to compete with one another in a frenzy of deregulation and privatization that will supposedly attract investment and (in the Claremont version) create cultural characteristics that will attract new residents (i.e., to the suburbs). Taken to its extreme, this would involve a race to the bottom where perfect efficiency equals no regulation, and the perfect state is a minimal government that simply secures the sanctity of contracts and provides for the common defense.

In order to help turn this libertarian utopia into an operational policy program, PRI has published *U.S. Economic Freedom Index: 2004 Report* (in conjunction with *Forbes*) with state-by-state
“indicator variables” on fiscal practices, regulatory systems, judicial indicators, size of government, and levels of welfare spending. It purports to rank all 50 states on a competitive scale. “Kansas,” it reports “has assumed the lofty spot as the nation’s most economically free state...Rhode Island, Connecticut, California, and New York bring up the rear.”\textsuperscript{117} The thrust of PRI’s message is that “states with more economic freedom have higher personal income growth rates, higher domestic population in-migration rates, and are more likely to be a ‘Red State.’”\textsuperscript{118}

PRI senior fellow in California studies Lance Izumi conducted a series of meetings in May 2005 on the index with Bush administration officials and leaders of the key right wing national organizations working on state and local issues, such as ALEC and Grover Norquist’s American for Tax Reform.\textsuperscript{119} Norquist’s Americans for Tax Reform was a critical stop for PRI because of its central role not only in coordinating the right wing infrastructure of think tanks and bridging them to the White House, but also because of its deep ties to California, which Norquist sees as a priority national political target. San Diego Republican party chair Ron Nehring, head of the recently formed Project for California’s Future, is an important piece on Norquist’s chessboard.
E. Americans for Tax Reform and the Project for California’s Future

As noted above, taxation and fiscal policy have served as potent wedge issues in the conservative strategy to divide cities and suburbs from one another. The successful 1978 California campaign for Proposition 13, led by Howard Jarvis, was a critical turning point in the right’s strategic goal of luring suburban and white working class voters in the north and west to vote Republican, cementing a trend that began with Goldwater and Nixon’s racially-based “Southern Strategy” and carried through the Western “sagebrush rebellion” of the 1970s against Federal land and resource policies.

The logic of using tax and spending issues to lure suburban voters continues to govern the political strategy of the right, and is given cohesion by an intergenerational history of personal and political relationships. One of the national organizations that promoted Jarvis’ agenda as a national model was the National Taxpayers Union, where in 1978 a 22-year-old Grover Norquist, fresh out of Harvard, worked tirelessly to entrench it in the U.S. Constitution. Over the next three decades Norquist, who left NTU and formed Americans for Tax Reform (ATR) in 1985, became a leading national anti-tax campaigner and one of the top power brokers of the right wing think tank infrastructure. Norquist has developed a litmus test for state and national politicians on taxes, requiring them to sign a “no tax” pledge in writing and publicizing the names of those who do and don’t sign, and loudly denouncing those who in his view go back on their pledges.

After laboring in relative obscurity on tax issues for a decade and a half, (during which he regularly took time out in the 1980s to support the South African-backed UNITA rebels in Angola and the Nicaraguan contras), Norquist has become something of a media celebrity. He is now seen as the enfant terrible of the right, regularly producing bombastic and over-the-top quotes for an eager media. Probably the most widely circulated Norquistism is “my goal is to cut government in half in twenty-five years to get it down to the size where we can drown it in the bathtub.”

Despite the juvenile affect, however, Norquist has proven himself a talented builder of coalitions, and has been particularly successful in bringing together corporate lobbyists and think tank ideologues. “What he’s managed to do is to chain the ideological conservatives together with the business guys, who have money, and to put that money to work in the service of the conservative movement,” Roger Hickey of Campaign for America’s Future told The Nation. “And he picks big issues.”

Although he spouts the rhetoric of anti-tax activism and government-bashing with abandon, Norquist and his movement colleagues are above all following a political strategy: to achieve permanent dominance for the right wing by destroying, neutering and de-funding the main pillars of progressive politics in the 20th century American society — the labor movement, mainline religious
denominations, civil rights, feminist, consumer and corporations regulation movements, and the infrastructure they have created over the past 80 years. They have yet to meet an adequate response on this strategic level (see below).

A knack for bringing together money and ideology is not just a trait of Norquist, but is common to many of the other veteran “baby boom rightists” that Norquist has worked closely with for a generation, such as Ralph Reed, Morton Blackwell and Jack Abramoff. Reed, who went on to a highly successful stint as executive director of Pat Robertson’s Christian Coalition (the 1990 San Diego stealth campaign was one of the biggest feathers in his cap), ran the Bush-Cheney ’04 campaign in the southeastern states and is now running for lieutenant governor of Georgia. Blackwell (who trained the teenage Karl Rove as a field organizer) heads up the Leadership Institute, a cadre school of the far right that has trained 40,000 young activists on everything from campaign leadership to candidate development since 1979.

Abramoff, who went on to become one of Washington’s top lobbyists, is currently at the center of one of the biggest scandals ever to hit the right wing movement. Allegations that he and a lobbying partner, Michael Scanlon, used tax exempt organizations to bilk Indian tribes for millions of lobbying dollars for casino gambling have been making headlines for the past year. Reports have surfaced both in the media and through a Senate committee investigation led by Sen. John McCain that the lobbying proceeds were used to fund Abramoff’s right wing activities, to channel money to Reed’s and Norquist’s organizations, and to grease the skids for what Washington Post columnist Ruth Marcus called Abramoff’s “one-stop-shopping political operation for congressional conservatives in general and House Majority Leader Tom DeLay in particular.” Norquist and DeLay have worked closely for a decade on the so-called “K Street Project,” an initiative run out of ATR designed to pressure lobbying firms to purge Democrats and hire conservative Republican lobbyists. Scanlon is a former DeLay aide.

Reed and Norquist have vehemently denied any wrongdoing, but the case has highlighted the degree to which the lines are blurring between the foundation-backed world of right wing think tanks and K Street, the multi-million dollar world of Washington lobbying, corporate influence and political consultants. Norquist serves on the board of directors of the National Rifle Association, which according to the Center for Public Integrity spent $11 million on lobbying between 1998 and 2004.

Norquist has gained national media attention for his role in hosting weekly Wednesday meetings at ATR, where key leaders of the right wing think tank establishment, congressional staff aides, and administration officials (sometimes including Rove) gather to share agenda planning and coordinate their activities (this is the meeting at which Pacific Research Institute plugged its Economic Freedom Index). But he also oversees an extensive program for building up a dense complex of state-level networks for carrying through the same policies that the Wednesday meetings address at the Federal level. The approach is the same as it is in Washington: “We are trying to change the tones in the state capitals—and turn them toward bitter nastiness and partisanship,” Norquist says. “Bipartisanship is another name for date rape.”
Norquist always refers to the right wing infrastructure as “the center-right coalition,” and he has begun to bring together the same kind of real-time coordinating structures in all fifty states that his Wednesday meetings aim for in Washington. Americans for Tax Reform has prepared a list of these contacts in each of the 50 states that is posted on its website and was also published in a recent issue of *SPN News*, the bulletin of the State Policy Network (which Norquist suggests people contact “for information on free-market groups in the states”). It lists the state leaders of the “center-right coalition” and the times for their coalition meetings, which take place monthly in the states rather than every week as they do in DC. It is an interesting road map of how the right wing think tank infrastructure is developing in the states.

In California, there are three monthly meetings led by Ronald Nehring in San Diego (who is identified on Norquist’s website as “Senior Consultant, Americans for Tax Reform-California”), Sen. Ray Haynes in Sacramento, and George Passatino of the Reason Foundation (see below) in Los Angeles. (See chart).

Nehring, who influential *San Diego Union-Tribune* political columnist Carl Luna has called “a central political king maker in pushing [conservative businessman] Steve Francis to run for mayor” in 2005, is a former director of national campaigns for ATR and has been a key Norquist connection for driving his policies down into San Diego and California for years. In 1999, for instance, he organized a San Diego forum sponsored by ATR, the Pacific Research Institute and Citizens for a Sound Economy on electronic commerce. Nehring’s ideas on communications strategy (“your primary mission is not to educate, but to persuade”) have been published in the Heritage Foundation’s *The Insider*, an extensive monthly bulletin of current and future movement activities that is widely read in the right wing think tank world.
Nehring, who is currently a registered congressional lobbyist for ATR, is fervently anti-labor. Last year he led an ALEC task force that developed model legislation “designed to address the financial accountability of labor unions, including the rights of workers and the fiduciary duties of union officers” at its November “States and Nation Policy Summit.” Also giving a talk at the task force meeting was Peter Ferrara, the policy Godfather of social security privatization and author of the *ATR Policy Brief* “Pension Liberation in California” backing Howard Kaloogian’s efforts to privatize the state pension system.

Nehring regularly contributes issue-length pieces to *Labor Watch*, the anti-union quarterly of the Capital Research Center, a Scaife and Bradley funded opposition research think tank in Washington, DC. One took aim at the McCain-Feingold campaign finance reform act for not being tough enough on unions; another offers a blueprint for state-level action to turn up the heat on labor by bringing intensive government scrutiny to bear on union finances; yet another offers a “Paycheck Protection Update” by Nehring. As McCain-Feingold made its way successfully through congress, Nehring co-authored another *ATR Policy Brief* criticizing Shays-Meehan (the House version of the proposal) for containing a labor union exemption. He has also written an issue of the Capital Research Center’s *Organization Trends* (which targets liberal and progressive issue advocacy organizations) attacking the National Association of Attorneys General, citing research from the American Tort Association and the Hudson Institute criticizing the tobacco litigation of State AGs.

Nehring also heads up ATR’s Alliance for Worker Freedom, “a special project of Americans for Tax Reform” formed in 2005, which recently launched *Labor Reform News*, edited by Nehring. *Labor Reform News* is an email bulletin containing up to the minute news of anti-labor campaigns and events, such as “Paycheck Protection Talking Points” for the recently concluded battle over California’s Proposition 75 (see above). Other news items include gloating over labor’s difficulties (especially divisions in the AFL-CIO), plugging the right wing Pacific Justice Institute’s efforts to carve out a religious objection to paying union dues that are used for political purposes, praising the Bush administration’s intensified scrutiny of union finances, and raising questions about the legality of AFL-CIO warnings against corporate lobbying behavior promoting social security privatization.

Nehring was campaign director for the unsuccessful Prop 226, which Norquist spent $441,000 supporting. Financial backing for 226 also poured in from other supporters of the California right wing infrastructure, such as Roberta Green Ahmanson, Frank Baxter (see above), and Indiana insurance magnate J. Patrick Rooney (a supporter of ALEC and other national right wing initiatives who claims to have single-handedly saved the 226 effort from going off the rails). Also kicking in to the Prop 226 effort was Hardage Suite Hotels and Woodfin Suite Hotels, which are owned by San Diego property developer and major political contributor Sam Hardage, a former chair of the San Diego County Republican Party and 2004 Bush Pioneer (i.e., he raised more than $100,000). Hardage is also on the board of directors of Adam Smith of California, a right wing political club in San Diego, along with Gail Heriot, a law professor at the University of San Diego and longtime opponent of affirmative action, and Mike Fredenburg, a member of the San Diego Life Resource Network, an anti-abortion group. Woodfin Suite Hotels is listed as a sponsor of Life Resource Network on its website along with *Good News, etc.*, San Diego’s evangelical newspaper. Hardage and San Diego businessman Douglas Manchester (who also backed Steve Francis in his unsuccessful run for mayor in 2005) provided critical financial support for the
campaign against a March 2004 ballot proposition (which Nehring also opposed) that would have raised San Diego’s hotel guest tax rates to bring them more into line with rates in other California cities.¹⁴⁵

Ron Nehring has served as director of government affairs for Hardage’s Woodfin Suite Hotels. He once appeared on behalf of Woodfin Suite as a judge in a “Privatization Competition” run by the Pacific Research Institute.¹⁴⁶ Nehring has conducted training workshops with Morton Blackwell’s Leadership Institute at the Woodfin Suite for his Project for California’s Future (PCF), which Sam Hardage co-founded in 2001. The addresses, suite numbers and fax numbers listed on the websites for the Project for California’s Future and the corporate offices of the Woodfin Suite Hotels are the same.¹⁴⁷

The Project for California’s Future was described by the Heritage Foundation as “a multi-year, multi-million dollar project to identify, recruit and train candidates, staff, volunteers and activists,” in California and “represents a first-ever program to rebuild the conservative bench from the water board level on up.” The Project for California’s Future started off, according to Heritage, “by hiring three full time field representatives to comb the countryside in search of conservatives who, with training, can assume private and public positions of leadership.” “We’re looking for winners, not just bodies,” Hardage told *Heritage Insider*.¹⁴⁸

To get the best results, Nehring and Hardage teamed up with the Pacific Research Institute to work on policy issues, Wirthlin Worldwide to provide advanced training in message development and delivery, and Morton Blackwell’s Leadership Institute to do grassroots training. Blackwell runs the most extensive political leadership training organization on the right. Formed in 1979, the Virginia-based Leadership Institute had $9 million in revenue in 2004 and a staff of 57.¹⁴⁹ It trains right wing students and activists from across the country (and internationally)¹⁵⁰ in such things as how to conduct voter mail campaigns, advanced television techniques, grassroots activism skills, how to develop candidates (teaching career preparation and idea-building techniques), writing skills for legislative aides, internet activism, youth leadership practices and much more.¹⁵¹ According to right wing media guru Richard Viguerie, the Heritage Foundation and American Legislative Exchange Council have used Blackwell’s “Effective Television Techniques” workshops for training.¹⁵² LI also runs an in-house employment placement service, and has a popular “Wednesday Wake-Up Club” that brings in senior leaders of the right wing to address Leadership Institute trainees and others working with its Campus Leadership Program and Center on Print and Broadcast Media (CPBM).

CPBM operates out of the Sacher Multimedia Center, named for Orange county developer and veteran right wing activist Fred Sacher, who is on the board of directors of the Leadership Institute. Sacher, who once donated $400,000 to the Nicaraguan contras and received a thank you note from Oliver North,¹⁵³ has provided major funding for Creative Response Concepts. CRC is the public relations operation that undergirded Newt Gingrich’s campaign for the Contract for America in the mid-1990s,¹⁵⁴ did PR work for Swift Boat Veterans for Truth during the 2004 presidential campaign, and more recently has teamed up with the right wing Federalist Society and Judicial Confirmation Network to lead the PR blitz for the Bush administration’s efforts to pack the judiciary with extreme right wing judges. According to the *Sacramento Bee*, last year Sacher helped finance a
Howard Jarvis Taxpayers Association-backed committee, “NO New Taxes,” that opposed a 2004 ballot initiative that would have taxed those earning more than $1 million per year to pay for mental health services.\(^{155}\)

The Project for California’s Future closely resembles Blackwell’s Leadership Institute, if on a smaller scale. PCF’s board of advisors has included Blackwell, Tom Fuentes of the Claremont Institute, Grover Norquist and Kerri Houston of American Conservative Union (see above) among others. It also has a “board of scholars” including John Berthoud of the National Taxpayers Union, Robert P. Hunter of the Mackinac Center for Public Policy (one of the largest state think tanks in the State Policy Network), and Michael Warder (see above).\(^{156}\)

PCF promises “world class campaign and communications training for California conservatives,” and runs campaign management, campaign communications, and grassroots campaign schools and recently added a campaign finance school.\(^{157}\) The sample agendas of the seminars run in the different schools are summarized on PCF’s website, and cover the full range of subjects on how to run and manage a political campaign.

The Campaign Management School, in which Blackwell’s Leadership Institute plays a partnering role, runs nine hour seminars on networking and leadership skills for candidates, their staffs and activists covering ten areas: \(^{158}\)

| The Real Nature of Politics & Elections | Introduction to Targeted Voter Contact |
| Developing Strategy | Voter Contact: Mail and Telephone |
| Strategic Research | Voter Contact: In Person |
| Campaign Structure, Staff and Volunteers | Building Coalitions |
| Identifying and Targeting Voters | Get-Out-The-Vote |

Wirthlin Worldwide, which is part of Harris Interactive, plays a partnering role in the Campaign Communications School. The school focuses on what it calls a “values-based framework” in its training rather than on the opinions and attitudes looked at by conventional campaign PR “spin doctors,” and runs six hour seminars addressing five themes: \(^{159}\)

| The Imperatives of Leadership | Building Communications |
| Values-Based Framework | Communications Strategy |
| Diagnosing Communications | |

PCF’s new Campaign Finance School offers one-day seminars on compliance with campaign finance laws and techniques for fundraising, covering: \(^{160}\)

| Developing a Budget and Finance Plan | Personal Solicitation Fundraising |
| Campaign Finance Fundamentals | Direct Mail Fundraising |
| Contribution and Spending Limits | Fundraising Events |
| Campaign Reporting: Federal, State and Local | |

\(^{155}\) Howard Jarvis Taxpayers Association-backed committee, “NO New Taxes,” that opposed a 2004 ballot initiative that would have taxed those earning more than $1 million per year to pay for mental health services.

\(^{156}\) The Project for California’s Future closely resembles Blackwell’s Leadership Institute, if on a smaller scale. PCF’s board of advisors has included Blackwell, Tom Fuentes of the Claremont Institute, Grover Norquist and Kerri Houston of American Conservative Union (see above) among others. It also has a “board of scholars” including John Berthoud of the National Taxpayers Union, Robert P. Hunter of the Mackinac Center for Public Policy (one of the largest state think tanks in the State Policy Network), and Michael Warder (see above).

\(^{157}\) PCF promises “world class campaign and communications training for California conservatives,” and runs campaign management, campaign communications, and grassroots campaign schools and recently added a campaign finance school. The sample agendas of the seminars run in the different schools are summarized on PCF’s website, and cover the full range of subjects on how to run and manage a political campaign.

\(^{158}\) The Campaign Management School, in which Blackwell’s Leadership Institute plays a partnering role, runs nine hour seminars on networking and leadership skills for candidates, their staffs and activists covering ten areas.

\(^{159}\) Wirthlin Worldwide, which is part of Harris Interactive, plays a partnering role in the Campaign Communications School. The school focuses on what it calls a “values-based framework” in its training rather than on the opinions and attitudes looked at by conventional campaign PR “spin doctors,” and runs six hour seminars addressing five themes.

\(^{160}\) PCF’s new Campaign Finance School offers one-day seminars on compliance with campaign finance laws and techniques for fundraising, covering.
The Grassroots Campaign School combines elements of the management and finance schools into an intensive two-day program, with a low $99 tuition fee subsidized by PCF. The Real Nature of Politics & Elections
Strategic Research
Developing Strategy
Developing a Campaign Theme and Messages
Voter Identification and Targeting
Building Coalitions
Campaign Structure, Staff
Recruiting and Managing Volunteers
Developing a Budget and Finance Plan
Voter Contact: Mail
Voter Contact: Telephone
Voter Contact: In Person
Voter Turnout Programs
Identify, Contact, Turnout
Personal Solicitation Fundraising
Fundraising Events
Direct Mail Fundraising
Public Relations, Earned Media

Ron Nehring, who is 35 years old, is clearly an up-and-coming star in the right wing political firmament in California and beyond. On July 12, Governor Arnold Schwarzenegger appointed him to the State Board of Forestry and Fire Protection, a post which requires Senate confirmation. The appointment was enthusiastically greeted by Amy Ridenour of the National Center for Public Policy Research (NCPPR) in Washington, DC, who leapt in to defend Nehring from concerns raised by environmental groups. Ridenour’s organization has been caught up in the lobbying ethics controversy involving Jack Abramoff, who resigned from the board of directors of NCPPR in October 2004, and Tom DeLay (see above). The Washington Post has reported that NCPPR funded most of a trip that Tom DeLay, his wife, and two aides took to Great Britain with money sent to NCPPR by an Indian tribe and gambling services company on Abramoff’s suggestion.

Nehring once served as director of development and public affairs for Ridenour’s Scaife and Bradley funded NCPPR, and worked for its Project 21, an initiative to find right-wing African American voices to criticize the leadership of civil rights organizations. According to Ridenour, Nehring was “the guy who put the African-American leadership group Project 21 on the map.”

The Real Nature of Politics & Elections
Strategic Research
Developing Strategy
Developing a Campaign Theme and Messages
Voter Identification and Targeting
Building Coalitions
Campaign Structure, Staff
Recruiting and Managing Volunteers
Developing a Budget and Finance Plan
Voter Contact: Mail
Voter Contact: Telephone
Voter Contact: In Person
Voter Turnout Programs
Identify, Contact, Turnout
Personal Solicitation Fundraising
Fundraising Events
Direct Mail Fundraising
Public Relations, Earned Media

Ron Nehring, who is 35 years old, is clearly an up-and-coming star in the right wing political firmament in California and beyond. On July 12, Governor Arnold Schwarzenegger appointed him to the State Board of Forestry and Fire Protection, a post which requires Senate confirmation. The appointment was enthusiastically greeted by Amy Ridenour of the National Center for Public Policy Research (NCPPR) in Washington, DC, who leapt in to defend Nehring from concerns raised by environmental groups. Ridenour’s organization has been caught up in the lobbying ethics controversy involving Jack Abramoff, who resigned from the board of directors of NCPPR in October 2004, and Tom DeLay (see above). The Washington Post has reported that NCPPR funded most of a trip that Tom DeLay, his wife, and two aides took to Great Britain with money sent to NCPPR by an Indian tribe and gambling services company on Abramoff’s suggestion.

Nehring once served as director of development and public affairs for Ridenour’s Scaife and Bradley funded NCPPR, and worked for its Project 21, an initiative to find right-wing African American voices to criticize the leadership of civil rights organizations. According to Ridenour, Nehring was “the guy who put the African-American leadership group Project 21 on the map.”
F. The Reason Foundation

The third of California’s three “Center-Right Coalition” monthly meetings on Norquist’s directory is headed by George Passatino, who is Senior Fellow in Government Reform of the Reason Foundation in Los Angeles. Along with Reason Foundation vice president Adrian Moore, Passatino heads up the California Performance Review Resource Center. Passatino was named by Governor Arnold Schwarzenegger to head up the California Performance Review to set out his government reform and privatization agenda.

The Reason Foundation focuses intensely on producing nut-and-bolts strategies and “how to” guides for downsizing state and local government in California. It traces its origins to the libertarian student movement of the 1960s, and in particular to the launching of Reason magazine as a student publication at Boston University in 1968. In 1978 the Reason Foundation was formed by Robert Poole (who is on the board of directors of the State Policy Network), Manuel Klausner and Tibor Machan to support the publication of the magazine and add to it a think tank capacity, the Reason Public Policy Institute (RPPI). Reason magazine and the Reason Public Policy Institute (RPPI) are the major undertakings of the foundation.

Reason magazine, with a small staff of 13, has grown beyond the wildest dreams of its founders into a slick monthly with a circulation of around 60,000, and is now found in upscale niches such as airport terminals across the country as a free giveaway along with other long established magazines such as The Economist. Although it is indistinguishable from the conservative think tanks such as Claremont and Pacific Research Institute on matters such as the “new urbanism,” which it vigorously opposes (using San Diego as an example), Reason magazine appeals to a younger and more movement-oriented libertarian audience than the rather stodgy Cato publications. Reason was redesigned several years ago with the assistance of Wired magazine founder Louis Rossetto, and Grover Norquist is an avid reader: “I read The Nation to find out what the hard left is thinking; when they’re depressed, I’m encouraged (and vice-versa). Then I read The American Prospect to find out what the dangerous left is thinking. The American Enterprise magazine tells me what serious conservatives are working on. Then I look at Reason magazine to find out what will be on the political agenda four elections from now.”

“I read The Nation to find out what the hard left is thinking; when they’re depressed, I’m encouraged (and vice-versa).
Then I read The American Prospect to find out what the dangerous left is thinking. The American Enterprise magazine tells me what serious conservatives are working on. Then I look at Reason magazine to find out what will be on the political agenda four elections from now.”
- Grover Norquist

As in the case of the Cato Institute, Pacific Research Institute and Citizens for a Sounds Economy/FreedomWorks, Koch money, especially from the David H. Koch Foundation, was essential to the early and continuing success of the Reason Foundation. David H. Koch serves on its board of directors, which also includes C. Boyden Gray, former White House counsel to President George H.W. Bush and leader of the Federalist Society (who also co-chairs FreedomWorks, the national pro-privatization organization, with former House Majority leader Dick Armey), David Fleming of Latham and Watkins (seven of whose attorneys made the largest
contribution from a law firm to the San Diego mayoral campaign of right wing businessman Steve Francis); Los Angeles lawyer and Federalist Society leader Manuel Klausner; and William A. Dunn of the Florida-based Dunn Capital management, who chairs the Reason board and also sits on the boards of the anti-environmental Political Economy Research Center and Competitive Enterprise Institute.

Reason’s 40-member business advisory board includes prominent names from the corporate and trade association world, including Frank E. Baxter of Jefferies & Company, a key supporter of the Proposition 75 labor defunding initiative (see above); Roy E. Marden of Philip Morris (who is also a director of the Chicago-based Heartland Institute, one of the largest State Policy Network think tanks); Doug Henderson of the Western States Petroleum Association; Jerry L. Jordan of the Federal Reserve Bank in Cleveland; T.J. Rodgers of the San Jose-based Cypress Semiconductor; David W. Fleming of Latham & Watkins; and Ron Unz of Wall Street Analytics.

The current president of the Reason Foundation is David C. Nott, who succeeded Robert Poole in 2001 after serving as president of two top grant-recipient organizations of the Koch foundations, the Institute for Humane Studies and the Mercatus Center at Virginia’s George Mason University, the headquarters of the right wing “law and economics” movement. According to Mediatransparency.org, the George Mason University Foundation has received over $14 million in support from the Charles G. Koch Charitable Foundation since 1986.

Over the past two decades the Reason Foundation, which now has a budget of $4.3 million and lists a staff of 36 on its website, has grown into a major force on the libertarian right, second only to the Cato Institute (which has a $15 million budget) in terms of budget and program. It has received substantial funding from the Charles G. Koch, Sarah Scaife, Bradley and other right wing foundations, which enables RPPI to support a wide array of programs and research centers. (See chart).

Along with the Pacific Research Institute, RPPI virtually defines the hard right free market position in any policy debate in California where backup research becomes part of the discussion. Reason Public Policy Institute produces a withering stream of op-eds, policy papers, newsletters, e-mail alerts and web-based commentaries that hammer away at the theme that government is hopelessly inefficient and untrustworthy, and that problems have one and only one solution: “embrace market forces.”

Since 1998, RPPI has published Privatization Watch, a monthly newsletter covering everything from charter schools to “The Legality of Xenophobia in Outsourcing.” Recent special issues of the publication have covered dozens of subjects including land use (with an article on “The Backlash Against Smart Growth”), health care, surface transportation, offshore outsourcing, the introduction of Federal private toll roads, prison privatization and water privatization. RPPI’s Annual Privatization Report, now in its 18th year, sets the conservative agenda on government reform in
California and beyond, even reaching into the privatization of outer space. The latest edition, in which Reason Foundation claims to be “the world leader in privatization,” contains a “state privatization update” covering California, Florida, New York, South Carolina and Virginia. In the education section, Philadelphia’s school privatization plan comes in for enthusiastic praise, as does Edison Schools, whose privatization efforts in the city have been widely criticized and which recently pulled out from the Chester Upland school district near Philadelphia after losing $30 million and having little effect on school performance. According to *The Nation*, Edison was ironically saved from bankruptcy by a cash infusion from the Florida public employees’ pension system.

The California section of the 2004 *Privatization Report* focuses on the budget crisis, California Performance Review, state government reorganization, asset sales (which RPPI says should be privatized) and the introduction of competition (a call for outsourcing human resource management). A section calling for a taxpayers bill of rights — a major focus this year of the State Policy Network and ALEC — is titled “A Taxpayer Bill of Rights (TABOR): Challenging the ‘Girly Men’ in Our Legislatures.” RPPI also offers a website, privatization.org, that contains current journal articles and announcements of upcoming conferences of interest — e.g., three July 2005 conferences in Virginia organized by Carl D. DeMaio’s Performance Institute (see below).
The Reason Foundation has raised the political use of the concept of “performance” to a high art. Once a rather dry term used mostly in business and personnel management, RPPI has refashioned it as an ideological weapon in the battle to downsize California government and privatize essential government services. Competitive bidding and contracting-out have attained near-theological status in the Reason worldview. In November 2000 Reason prepared a report, Transitioning to Performance-based Government by Carl DeMaio (then its project director) setting out a program for radical privatization of the Federal government, some of which were adopted by the Bush administration’s President’s Management Agenda in the Summer of 2001.183

Its 2002 Annual Privatization Report contains an extensive action plan — “Performance Management and Federal Redesign” — for privatizing key Federal operations, “including Social Security, Medicare, and federal military housing.”184 The Bush administration produces annual reports on public-private competition across all Federal departments, and “Performance-Based Service Acquisition” is being driven through the Federal bureaucracy.185 After Bush’s victory in the 2004 elections, Norquist predicted that an intensified drive for competitive sourcing to lower costs and weaken unions would be high on the administration’s second term agenda.186 Federal unions have argued that competitive sourcing has been used as a means for the Bush administration to reward its supporters and that cost savings are an illusion.187 Others have charged that contracting reforms, including the elimination of buyers, auditors, and contract managers (230,000 at the Defense Department alone) have gutted the ability of the Federal government to oversee private contracting with the government, leading to waste and abuse.188 “There is a let’s-give-away-the-government-as-fast-as-we-can attitude,” one former defense department official has said.189 The Government Accountability Office has also found no evidence that competitive sourcing generates cost savings.190

Three key positions on the Bush administration’s 2001 transition team were secured by Reason Foundation personnel: Lynn Scarlett, then-president of Reason Foundation and former executive director of RPPI, was appointed to the environmental transition team, as was Mary Gade, a Reason environmental policy fellow; and Robert Poole, the founder of Reason Foundation and its director of transportation studies, who was appointed to the transportation transition team.191

The concept of the performance review, while long a part of organizational culture public and private, is used in RPPI reports and studies as a non-threatening entry point to achieve an ideological purpose — to identify inefficiencies that can only be discovered and solved by the intensive involvement of outside consultants and think tank experts, many of them draw from the ranks of the right wing policy infrastructure. The Reason formula is to introduce wide scale performance reviews throughout the apparatus of government to identify what it considers to be problems, publicize them, follow this up by 10 point or step-by-step policy recommendations, then use that as a cudgel against both politicians and citizens’ groups that may object to the downsizing agendas they conceal.
The Reason Foundation has also entered the field of urban planning, hitherto dominated by mainstream research institutes and academic researchers, with a long series of publications and conferences designed to change the terms of debate. The Smith Richardson Foundation contributed $100,000 to Reason in 1999, the year Carl DeMaio started working at RPPI as an adjunct scholar, for a seminal project on “Revitalizing America’s Cities through Entrepreneurship and Regulatory Reform.” Director of Urban and Land Use Policy Sam Staley commissioned case studies of the “regulatory environment of five cities,” giving Reason a national footprint on urban policy issues through the regular “competitive cities report cards” it produces.

RPPI’s Urban Futures Program (www.urbanfutures.org), built up by Privatization and Government Reform Center director Staley (who also serves as a senior research fellow at the SPN-affiliated Buckeye Institute in Ohio) serves as a research clearinghouse for an immense amount of material on urban planning and smart growth, transportation, housing and “urban issues,” economic development and entrepreneurship, education, local, regional, state governments, and regulation and taxes. It also publishes urban policy research abstracts and downloadable PowerPoint presentations (often by Staley), runs an Eminent Domain Research Center and has a searchable online “State Planning and Growth Management Database” covering research material on all 50 states from other State Policy Network member think tanks, e.g. a 1997 study, “San Diego’s Competitive Transit System”, by the Seattle-based Washington Policy Center.

The Urban Futures Program aims at “networking urban scholars and policy analysts to create a community of market-oriented analysts, a forum for discussing public-policy issues, and access to the best talent and thinking in the field.” Some RPPI policy studies in the program have included:

- Rail Disasters 2005
- Eminent Domain, Private Property, and Redevelopment: An Economic Development Analysis
- Easing California’s Transportation Crisis with Tolls and Public-Private Partnerships
- Do Affordable Housing Mandates Work? Evidence from Los Angeles County and Orange County
- Housing Supply and Affordability: Do Affordable Housing Mandates Work?
- Urban Sprawl and Quality Growth in Ohio
- Line in the Land: Urban-Growth Boundaries, Smart Growth, and Housing Affordability.
- Land Use Reform Through Performance Zoning

Lurking behind these privatization proposals, whether in housing, transportation or land use, is the potential for major contractors and developers to make a killing on major infrastructure projects. Robert Poole has weighed in to propose that San Diego, in spite of its budget crisis, undertake to develop a $10 billion road transportation system, a “seamless network of managed lanes, enabling cars and buses to get from any part of the county to any other, reliably and at high speed,” two-thirds of which, he claims, can be funded by charging tolls on the separate lanes. Poole’s 88-page study on toll roads, which included a section on “best practices from other states,”
also proposed a $3 billion tunnel through the San Gabriel Mountains to connect Palmdale and Pasadena.196 The report was funded by AECOM, a global design and management corporation; Granite Construction, a builder of roads, tunnels, bridges and airports; and Nossaman Guthner Knox Elliott, a lobbying and law firm specializing in land use and infrastructure development litigation with offices in Los Angeles, Irvine and Sacramento.197

The idea of toll roads, pioneered by the Reason Foundation in its libertarian quest to privatize everything, has now made it into Federal policy, tucked away in the recently passed $286 billion Federal highway bill.198 Critics have charged that the device is a transparent profit-making scheme for big contractors and toll companies and has involved the deliberate policy of making free roads less attractive by inserting “noncompete clauses” whereby governments cannot fix free roads unless there is a compelling safety issue, lest they keep motorists away from the coffers. Poole, who developed the scheme (which was endorsed by Bill Simon during his run for governor in 2002), backed off from the idea of non-compete clauses after a wave of bad publicity.199 But the spectacle of pro-competition libertarian ideologues abandoning their principles once corporate money becomes involved speaks for itself.

The Reason Foundation is not just about introducing privatized toll roads, eliminating environmental regulations or privatizing education, however. As noted above, at the urging of the foundation leaders who gave the right wing infrastructure its start, like James Piereson of the now-sunsetting Olin Foundation, conservatism is undergoing a transition from being an oppositional movement to a power structure with a governing philosophy.200 Reason’s approach to this is the concept of “governing by network”— breaking open governing structures and inserting into them a dense complex of political and business relationships built up over the past two decades. It is spelled out most concisely in a book released in November 2004 written by former Indianapolis mayor Stephen Goldsmith and former Reason privatization director William Eggers.201
2. The Performance Institute and the Assault on San Diego

“If we can show reform in San Diego, it becomes a model nationwide.”

— Carl DeMaio

The origins of the conservative “government performance” industry of think tanks, lobbyists and corporations goes back to the passage of a little-known Federal law, the Government Performance and Results Act of 1993 (GPRA), which was pushed by Senate Republicans and signed by President Clinton as part of Vice President Al Gore’s “reinventing government” initiative. After the Republican takeover of the House in 1994, majority leader Dick Armey and speaker Newt Gingrich, backed by the Heritage Foundation and other right wing think tanks, pushed hard for its aggressive implementation as a tool to cut down and privatize Federal agencies.

In 1997, with some of the provisions of the Act mandated to take effect, Armey and the congressional Republican leadership decided to raise the profile of the issue and they turned up the heat, shooting off a letter of complaint to the OMB head Franklin Raines about lax implementation. Armey himself testified before the House Government Reform and Oversight Committee along with Newt Gingrich for its vigorous enforcement.

To reinforce his efforts Armey’s staff liaison to the committee, Virginia Thomas (a former spokesperson and labor counsel for the U.S. Chamber of Commerce and the wife of Supreme Court Justice Clarence Thomas) coordinated a series of supposedly bipartisan congressional workshops on the issue with the Congressional Institute, which had been established a decade earlier with member fees and corporate support to coordinate the House Republican Planning Conferences. The institute was packed with lobbyists and party loyalists, including

- Nicholas Calio of O’Brien Calio (who served until recently as George W. Bush’s chief of congressional liaison before moving on to run Citigroup’s Washington office).
- Kenneth Duberstein, who had been Reagan’s congressional liaison chief.
- Gary Andres of the Dutko Group (President George H.W. Bush’s deputy assistant for legislative affairs), and
- Jan Baran, the Congressional Institute’s attorney (who had been general counsel of the 1988 Bush for President campaign and then served four years as General Counsel of the Republican National Committee; he also represented Gingrich before the House ethics committee during his hearings).

Assisting Virginia Thomas with the workshops was the Congressional Institute’s young 22-year-old director of planning and training, Carl DeMaio, who had met Newt Gingrich as a Georgetown college freshman and soon after began working at the institute. The workshops were denounced...
as a partisan exercise in government-bashing by the Democrats attending, who called the Congressional Institute a “creature of Speaker Newt Gingrich,” and charged that DeMaio had “an aggressive attitude toward the agencies” and had told them that department officials who produce unquantifiable performance reports were engaged in “malicious compliance” with the law. Thomas continued to aggressively push for GPRA implementation after she went on from serving Armey to become the Heritage Foundation’s Senior Fellow in Government Studies (she is now director of executive branch relations).

Fresh from his battles in Washington, DeMaio joined the Reason Foundation in 1999 as a senior fellow in government design, and began a project examining Federal management issues. That year the David H. Koch Charitable Foundation, Sarah Scaife Foundation, Smith Richardson Foundation and Lynde and Harry Bradley Foundation contributed $400,000 to Reason Foundation. DeMaio did not abandon his connections with the Beltway, however. In March 2000, while at the Reason Foundation, he founded the Performance Institute as a “private think tank” (which is not required to say where it gets its funding from or how it spends it), now with offices in San Diego and Virginia, using $5000 in savings and $25,000 from credit cards.

When it came to power the Bush administration took on the task of using GPRA as an aggressive tool for reform, spawning a mini-industry of performance and strategic planning consultants to help implement the agenda. With support from the White House and control of both houses of Congress, the strategy developed throughout the 1990s by government contractors, their allies in the Congressional Republican leadership and the right wing lobbyist and think tank world was now politically viable. The prospect of moving major funding from the budget lines of government agencies into the balance sheets of corporate contractors, which had been somewhat frustrated during the Clinton years, was moving toward implementation.

DeMaio’s research at RPPI led to the publication of the 2000 Transition Plan presented to the new Bush administration (see above). DeMaio also claims to have worked on the policy teams covering budget issues during Bush’s campaign. He produced another report in January 2001 based on a conference on the Environmental Protection Agency calling for “performance-based environmentalism.” The participant list was heavy with industry representatives and right wing think tank figures, including Ed Joseph of DeMaio’s Environmental Performance Institute.

From 2001-2003, DeMaio pumped out a steady stream of articles on the themes of “performance” and privatization, producing articles and reports with titles such as “Pioneering Performance,” “Competitive Sourcing” and “Competitive Sourcing: The Wait is Over, The Time is Now.” In the summer of 2002, declaring “the federal competitive sourcing process is broken,” DeMaio’s Performance Institute and the Reason Public Policy Institute issued a joint 40 page report with 37 recommendations for overhauling federal competitive sourcing guidelines.

Where possible, though, he praised the new administration’s approach, singling out Bush’s OMB head, Mitch Daniels, for special flattery. RPPI’s website brags that DeMaio “spoke to an overflowing crowd at the White House Conference Complex courtesy of the OMB,” where he worked through a PowerPoint presentation on how to implement competitive sourcing. At another presentation to the Department of Health and Human Service, one of DeMaio’s PowerPoint slides read in bold letters “Know that this Administration is DEAD SERIOUS about Outsourcing and Performance-based Contracting.”
DeMaio is a loyal player. In April 2004 he pressed hard for the confirmation of the Bush administration’s nominee for director of the Office of Federal Procurement Policy (OFPP) at the Office of Management and Budget, David Safavian, to oversee the implementation of the recently passed Services Acquisition Reform Act (SARA), which mandated sweeping changes in procurement policy. Safavian’s nomination was held up for several months by Sen. Robert Byrd (D-WV) over concerns including how he would handle the administration’s competitive sourcing agenda, though he was finally confirmed unanimously in December. Safavian, whom DeMaio called “an ideal candidate to lead the OFPP” was well connected, having formed a lobbying company, Janus-Merritt Strategies, with Grover Norquist. While serving as GSA chief of staff in 2002 Safavian, a former lobbyist for Jack Abramoff’s Preston Gates lobbying team, accompanied Abramoff (then working at Greenberg Traurig as one of that lobbying firm’s top rainmakers), House Administration Committee Chairman Robert W. Ney (R-Ohio), and lobbyist and former Christian Coalition executive director Ralph Reed on the trip to St. Andrews, Scotland, that has been at the center of the Congressional investigation of Abramoff’s activities (see above). On September 19, 2005 Safavian was arrested by the FBI on charges of obstructing a Federal inquiry into Abramoff’s activities and lying to investigators about his relationship with him.

In February 2005 DeMaio was appointed by the OMB to the 14-member Service Acquisition Reform Panel (SARP), a federal advisory commission tasked with producing recommendations on acquisition and contracting policy throughout the government. At the first meeting, chaired by Safavian, Bethany A. Noble, a former principal at the Merritt Group lobbying firm with Norquist and Safavian, and now head of the federal procurement practice at Greenberg Traurig, was sworn in as an uncompensated consultant to provide “administrative support” to the panel. At the second meeting of the panel, according to the minutes, “panel member Mr. Carl DeMaio talked about striking a balance between addressing ethics and oversight and the potential for going overboard with internal controls, and in doing so, not making the Government a smart shopper anymore.” According to the minutes of the May 17 meeting, DeMaio asked a presenter “if, with the clamor in the newspaper regarding ethical issues, there is a risk of over reacting.”

Clearly DeMaio’s years of DC activism and his continuing help in the Bush campaign and transition haven’t hurt. Within two years of its formation in 2000, the Performance Institute was put on a special schedule of vendors that compete for Federal contracts against one another rather than on the open market. DeMaio’s company hit pay dirt in 2002, landing a $2.5 million contract with the General Services Administration for management, organizational and business improvement service. It has since grown into an $8.5 million company with 35 employees in Arlington and 15 in San Diego. From $30,000 to $8.5 million in five years. Chris DeMaio, Carl’s brother, has served as the chief operating officer of PI and the American Strategic Management Institute (ASMI), a PI spin-off of which Carl is president and CEO. ASMI’s registering agent is prominent Republican lawyer Antonio Monroig Malatrasi, a former assistant secretary of the Department of Housing and Urban Development under Reagan, former chair of the Republican National Hispanic Assembly and member of the National Hispanic Lawyers

TARGET SAN DIEGO 41
Association. Monroig, a member of the board of PL, served as a member of the White House Task Force on Puerto Rico from 1980-86, which was headed by current White House Chief of Staff Andrew Card. His son, Felipe Monroig, has served as director of external affairs for the Performance Institute.

The Performance Institute now has a wide range of programs, newsletters tracing the progress of Federal, state and local government privatization and competitive sourcing initiatives in detail, websites, and online reports. (See chart).
The Beltway privatization and downsizing campaign model, combining think tank backup and political networking, was introduced to California in 2003 by the Reason Foundation and then to San Diego by DeMaio in an effort to make that city a prototype for similar drives across the country. The formula was the same: first issuing slick research reports setting out the nature of the problem, followed by well funded communications campaigns to move specific proposals, then involvement in setting policy priorities for the new administration during the transition phase, and finally involvement in the restructuring policies within government agencies themselves.

On April 30, 2003, with the recall campaign against Gov. Gray Davis heating up, DeMaio and a team of six Reason Foundation researchers released a massive 150 page report, *Citizens’ Budget*, with a ten point program urging radical cutbacks in California government, using the budget crisis to lend a note of urgency to the right’s agenda for downsizing government. The tone was vintage DeMaio: “As countless private companies (employee-owned United Airlines even!) are renegotiating with their unions, so should the state open renegotiations during this time. Moreover, in Florida, Gov. Jeb Bush is making 5 percent reductions in state employees each year for four years!”

The document is virulently anti-labor, and hews closely to Grover Norquist’s agenda of de-funding unions as part of the right’s strategy to cement their long-term dominance. In an openly political section titled “Acknowledging the Resistance from Unions” that is worth quoting at some length, DeMaio and his co-authors call on “Sacramento decision makers” to grasp the nettle and break public employee unions:

“Complicating all of these reforms will be the influence of labor unions. Rather than permitting individuals to negotiate freely on their own and to come to a voluntary agreement with the state for their wages, labor unions compel membership and/or the payment of representation fees — even for those that do not wish to be a part of the union — in order to act as the negotiating agent for people wishing to take certain jobs. This violates the rights of those that do not wish to be members of the union to contract for their employment on their own terms.

Unions rationally try to get the highest wages and best benefits for their members. When dealing with the government, however, there is necessarily a political component introduced. Oftentimes, political connections and power bases result in the adoption of unreasonable agreements that provide wages and benefits well in excess of the value of the same labor in the private sector. The use of compulsory dues for political activities that some union members may not agree with is another example of injustice and the corruption of the political sphere with which unions are interlinked.

Just as the government has the right to recognize a union as the agent for some of its employees, however, it should also have the right not to recognize a union if it deems the union’s demands unreasonable or otherwise contrary to the interests of the state. The state should consider moving to a non-union system of labor contracting. Workers’ fundamental rights and adequate working conditions would still be protected by numerous existing laws and they would have the added freedom to work, or not work,
based on employment offers by the state, and to refrain from supporting political causes with which they disagree through the absence of compulsory union dues. The state would benefit by gaining managerial flexibility more on par with the private sector (with which it competes for employees), which would allow it to more easily eliminate inefficiency and to more quickly adjust to financial emergencies.”

The report also targets the public employment retirement system, CalPERS, quoting an Asian Wall Street Journal piece by Mike Nahan complaining that the CalPERS board of directors is composed of elected officials and “has close union links.” When Schwarzenegger was elected in October 2003, he immediately set up an initiative to define policies on government reform, the California Performance Review, which issued its report on August 3, 2004, drawing heavily on the Performance Institute-Reason Foundation’s Citizens Budget.

DeMaio seemed to appear just at the time when conservative fortunes in the city were at low ebb, bringing the right wing think tank model of aggressive, quick response policy research and media action to the rescue of the conservative political machine.

The San Francisco Chronicle harshly criticized Schwarzenegger’s report the day after its release, pointing to a complete lack of transparency in the process (the 275 people drafted by the governor to work on the proposal had to sign confidentiality agreements), to DeMaio’s role and to the fact that “those in charge of the review still refuse to say exactly who in and outside of government actually participated in shaping the monumental report.” For his part DeMaio proclaimed that “the reforms now being recommended for the state government by Governor Schwarzenegger find their roots in the California Citizens’ Budget, which The Performance Institute published last summer.” Two days after Schwarzenegger was elected, DeMaio’s Performance Institute released a ten point white paper on the transition process, recommending a renegotiation of state union contracts and a cutback of state workers’ compensation.

Soon after Schwarzenegger was elected, DeMaio intensified his efforts to turn San Diego’s fiscal and governance crisis — the city has a budget deficit of $25 million and its pension plan a funding shortfall of at least $1.4 billion — into an opportunity to advance the privatization agenda of the San Diego business community.

DeMaio set himself up as a significant and regular presence in local print and electronic media and as a political player with a well-funded 527 committee in the city despite have lived there for a few years (the San Diego office of PI was opened in 2001). Yet he is regarded as something of a mystery man by his critics in the city. “He’s done an excellent job of establishing himself as a player without any real background,” political consultant Tom Shepard told the San Diego Union-Tribune.

As noted above, over the past decade conservative control had been weakened in the city when a reinvigorated labor movement, in alliance with a strong environmental movement, was able to elect a decidedly pro-labor, pro-environment city council. Democrats outnumbered Republicans on the city council for the first time in the city’s history, and were moving forward with several significant progressive initiatives, include a living wage bill. DeMaio seemed to appear just at the time when conservative fortunes in the city were at low ebb, bringing the right wing think tank model of aggressive, quick response policy research and media action to the rescue of the conservative political machine.
Seizing the opportunity of municipal fiscal crises, DeMaio set up the San Diego Citizens’ Budget Project (SDCBP) to coordinate the counteroffensive against progressive policy measures being developed by the labor-environmental alliance that had succeeded in a voting in a majority on the city council.

DeMaio set up the SDCBP together with the San Diego County Taxpayers Association and the San Diego Regional Chamber of Commerce (which had initially been urged to cooperate with him by Mayor Murphy), and produced a relentless stream of proposals for reorganizing city government, including moving oversight of key agencies into the hands of the mayor and away from the City Council; reductions in city employee compensation packages and wholesale privatization of city services.

On May 18, 2004, DeMaio released a set of “options” for radical reorganization and downsizing, including severe cutbacks of branch libraries and staff salaries and introduction of “public-private partnerships” to the public library system; cutbacks in environmental services, including a reduction in overtime and workers compensation rates; the outsourcing of the traffic operations division and reconsideration of salary increases in transportation services; stiffer enforcement of graffiti control; a reduction in salary increases in the police and fire departments; the elimination of the city attorney’s criminal division; and the introduction of across the board competitive outsourcing in the city’s procurement practices.238

Within days of DeMaio’s release of the “options” papers, however, the Taxpayers Association and Chamber of Commerce pulled out of the SDCBP and accused DeMaio of sandbagging them with his proposals by failing to consult with them on his analysis of the city budget and recommendations. Claiming that DeMaio’s results “were more than flawed, they were a disaster,” and contained numerous miscalculations and erroneous assumptions, the leaders of the Taxpayers Association said the options papers “undermined the credibility” of everything DeMaio was trying to do.239

Undeterred, within a month DeMaio released a San Diego Citizens’ Budget Plan containing substantially the same proposals, including the usual major push for competitive sourcing.240 The slick 36-page report was produced with the assistance of 13 researchers, including Geoffrey Segal of the Reason Public Policy Institute, who had worked with DeMaio on the California Citizens’ Budget Project; and Michael P. Davidson, the former executive director of DeMaio’s California Government Accountability Council at the Performance Institute and co-author of Managing the California Transition (see above). An up-and-comer in the right wing GOP party infrastructure, Davidson had worked on the California government reform proposals for Schwarzenegger and Tom McClintock with DeMaio, and was elected chairman of the California College Republicans in 2003 and 2004.241

The San Diego Citizens’ Budget Plan argued, as had the California review, for an assault on labor unions to be at the heart of the reform effort. Included among the proposals was a revision of the city charter to overhaul civil service rules to make it easier for the city manager to fire municipal workers; the elimination of “outrageous” payments such as uniform allowances for police officers and overtime pay for firefighters to attend court appearances and training sessions; diverting half of agreed-upon salary increases into the pension fund; unpaid leave and across the board staff reductions.

Despite the fact that businesses and households in San Diego contribute far less as a proportion of their revenue or income to providing city services than they do in the ten largest cities in California,
DeMaio wrote that the existing services could not be supported by the “more reasonable levels of revenue being supported by [the] more rational economy” in place after the bursting of the dotcom economic bubble.\textsuperscript{242}

The most strident elements of the business community and the local Republican Party (controlled by Nehring, Hardage and other far-right operatives and donors) saw in DeMaio an opportunity to strike back at progressive gains on the political front, raising significant funding for his 527 committee in the major showdown in the race for mayor, which pitted progressive Democrat Donna Frye in a three way race with Dick Murphy and County Supervisor Ron Roberts in the highly contested November 2004 elections;

In the run-up to the November 2004 election, DeMaio set up a political committee, San Diego Citizens for Accountable Government, and raised $150,000 to campaign on citywide issues (including his own contribution of $100,000), which was nearly equal to all of the independent campaign expenditures in the previous election.\textsuperscript{243} The only other contributors were hotel owner Douglas Manchester (see above) and right wing radio station owner John Lynch. DeMaio used the funding in part to produce radio ads and flyers widely seen as supporting Roberts, who had tacked away from previously moderate positions during the campaign and recast himself as a pro-privatization and anti-labor candidate opposing both Frye and Murphy.\textsuperscript{244}

The city’s ethics commission, apparently prompted by the flyers paid for by DeMaio and Manchester, issued a Fact Sheet warning that issue-specific scorecards of different candidates might be subject to the city’s $250 per donor limit. DeMaio’s San Francisco-based lawyer, Jim Sutton, who was called the “dark prince of campaign finance” by the \textit{San Francisco Bay Guardian}, complained that the commission was “chilling free speech.”\textsuperscript{245}

Despite being outspent, the progressive alliance was able to put up an effective campaign backing San Diego City Councilwoman Donna Frye’s candidacy, drawing on the city’s shifting demographics (the San Diego area’s Latino population increased 47% between 1990 and 2000) and running an aggressive labor and environmental mobilization campaign. Running as a write-in candidate, Frye outpolled incumbent Dick Murphy, but 5,551 voters did not darken a bubble next to Frye’s name on the ballot and the courts declared Murphy the winner by a 2,108 margin.

In the past year San Diego politics has been thrown into turmoil. An aggressive federal prosecutor had launched a criminal bribery case against two of the young progressive City Council members, Ralph Inzunza and Michael Zucchet, who were ultimately convicted. A third progressive city councilman, Charles L. Lewis III, under strain from an indictment, died at the age of 37 in August 2004. The progressive city council majority won through hard and effective grassroots organizing was eliminated.

In addition, San Diego’s credit rating was suspended by Wall Street in September 2004 pending the production of transparent and open adequate audits of the pension system, which Frye has strongly backed. The city has been the subject of withering criticism, even ridicule, in the national press. It was called “Enron by the Sea” by \textit{The New York Times}, and \textit{Time} magazine pronounced Mayor Dick Murphy among the three worst mayors in the United States.\textsuperscript{246} He resigned a week later. Felony charges loomed against pension board members, and bankruptcy was being openly discussed and ultimately became a campaign issue in the 2005 July interim and November general elections for Mayor.
Immediately following Murphy’s resignation, DeMaio weighed in to set the terms of the debate, arguing that the city’s financial problems should be dealt with by massive cutbacks and an assault on the municipal unions, rather than the more balanced approach favored by San Diego’s progressive alliance involving some budget and benefits cutbacks, tighter fiscal planning and management and increased revenue streams. A week after the resignation, the Performance Institute released a “Financial Recovery Plan” proposing that the massive pension debt be repaid in five years without tax and fee increases by targeting “out-of-control labor costs,” through passage of a municipal ordinance establishing a cap on labor costs, health insurance cutbacks, and other measures. The usual PowerPoint presentation accompanying DeMaio’s initiative also proposed the appointment of a “financial recovery team.” The following week, the Performance Institute launched a campaign against a labor agreement concluded after tough and difficult bargaining in the midst of the crisis, demanding that the negotiations be reopened.

In July 2005, DeMaio briefly toyed with the idea of campaigning for the Mayor’s seat in a crowded field of 11 candidates, including Frye, former police chief Jerry Sanders (who positioned himself as the moderate) and Steve Francis, who became the consensus candidate of the hard right. DeMaio, Sam Hardage (see above), Manchester and San Diego developer Macey “Corky” McMillin backed Francis, the millionaire head of AMN Healthcare, who ended up spending $2 million (mostly his own money) in one of the most expensive campaigns in San Diego history. AMN Healthcare, with revenues of $156 million, is the largest provider of traveling nurses in the U.S. It was built up by Francis, a former Nevada state legislator who relocated to San Diego in 1987.

The San Diego race was critically important for the future of California, and thus national, politics and Francis had the backing of the top Republican political operatives in California, including George Gorton (a political adviser to Pete Wilson and to Arnold Schwarzenegger during the recall race) political consultant Joe Shumate, Republican media specialist Don Sipple (whose clients have included Wilson, both president Bushes and Schwarzenegger) and San Diego fundraiser Karolyn Dorsee.

Another candidate was libertarian activist Richard Rider, who had previously run for county treasurer without success but was a highly visible presence in the many TV and radio debates that led up to the election. Rider, the chair of San Diego Tax Fighters, is affiliated with the San Diego Libertarian Party and Howard Jarvis Taxpayers Association.

In the July 26th special election, Donna Frye and Jerry Sanders were the top two vote-getters, eliminating the remaining candidates to campaign in the run-off election for Mayor scheduled in November. DeMaio, having backed Steve Francis instead of Jerry Sanders in the primary temporarily fell out of favor with the moderate Republicans. Since Sanders beat Frye in the November run-off elections, however, DeMaio has resurfaced. Sanders is said to be preparing a package of Norquist-type ballot measures for the 2006 ballot that seem to have DeMaio’s fingerprints all over them.

In the wake of the national financial downturn after 2000, San Diego has become an important test case of how the budgetary shortfalls and fiscal problems deepening across the country will be addressed and how the burdens will be shared. The issue is not whether the problems will be addressed, but how. As we have seen, the right has developed the institutional infrastructure and is ready to engage to promote its core anti-government agenda in this coming wave of municipal conflict.
3. The Battle for America’s Cities: A National Engagement

As the right wing increasingly moves in to try and capture America’s major metropolitan areas with a range of coordinating structures, leadership training programs and ideologically-driven legislative proposals backed by well-financed local think tanks, progressives need to mount an adequate and strategically appropriate response. The battle for political control in San Diego is an important engagement in the wider conflict between starkly different visions of metropolitan governance in one of the America’s crucial “purple” (not overwhelmingly Democrat or Republican) political constituencies. It is also a testing ground for the right in their efforts to weaken Democratic political control of urban centers to effectuate their envisioned permanent political control of national and state governments.

Greater metro areas that have played a swing role in national elections (e.g., Albuquerque, Atlanta, Denver, and Miami) have a profile similar to Greater San Diego, with its rapidly growing economy and population and heterogeneous voting demographics. If, as the late veteran House Speaker “Tip” O’Neill said, “all politics is local,” then these types of permanent engagements between the right wing and progressive urban-based policy/action groups, organized labor, and political movements rooted in working communities are where the rubber will meet the road in coming decades.

But local activists cannot do it alone. On one side of the battle for San Diego stands a matrix of national, state and local party structures, business interests and think tanks that seek to turn cities into low-tax, low service free-fire zones for unaccountable developers and real estate interests. On the other stands a beleaguered and largely self-reliant progressive coalition that combines a commitment to adequate public services, fiscal responsibility, fair labor standards, and secure negotiated benefits for taxpayers, workers and low income communities from responsible development projects.

Opportunities for Progressive/Moderate Alliances in the Post-Katrina World

This long-term confrontation is winnable.

Amidst the sharp-edged political confrontation between the hard right and progressives, there are opportunities for alliances between these constituencies on the one hand, and, on the other, moderates who do not wish to see the infrastructure of their city run down or allow divisive rifts in its social structure to become entrenched and antagonistic.

Cracks in the right wing story line about what’s at stake in the cities and states are already appearing elsewhere in the country. In Arizona, moderate Republicans and business interests joined with Democratic Governor Janet Napolitano in 2003 and 2004 to pass targeted spending increases; in Washington State, Democrats pulled together enough suburban and business support to pass a major transportation package funded by new taxes; and in Colorado Republican governor Bill Owens and major business groups joined together with Democrats to adjust the state’s Taxpayers Bill of Rights (TABOR) to prevent damaging cuts to higher education, healthcare and road construction.253
Clearly perceiving the threat to its snowballing national campaign to force politicians to sign no-tax and cutbacks pledges, the right wing infrastructure has launched a furious political counter-attack. The battle in Colorado over TABOR, a sacred cow of Grover Norquist’s ATR and Dick Armey’s FreedomWorks, was intense. Norquist excommunicated Owens from the right wing over the issue and Armey made regular visits to the state to fight the TABOR adjustment.

They failed in part because, as in San Diego, the right ran into a real-time, determined counter effort by a broad coalition of some of the progressive movement’s few locally-based multi-issue think tanks and organized labor. The coalition included the Front Range Economic Strategy Center, Colorado Fiscal Policy Institute, Bell Policy Center and unions organized by the Denver Area Labor Federation and the Colorado AFL-CIO. These think tanks and labor structures have developed solid ties to working communities both in Denver and throughout Colorado and supported these networks with a comprehensive, no punches pulled policy critique of TABOR’s effects not only on the economy but also on democracy and citizen participation in the state.  

Similar battles, often in the form of ballot initiatives spurred on by the right, are shaping up across the country in 2006, including in California. “The conditions are set for years of trench warfare between hard-line Republicans and fiscal moderates” over spending and revenue issues, the Washington-DC based political newspaper Roll Call recently reported.

The Right’s 30 Year Head Start

Even as such engagements spread across the country, however, the prospects for a progressive-moderate vs. hard right realignment are uncertain. As we have seen, the strategic lineup of organizational infrastructures, both in terms of money and organizational cohesion, is lopsidedly tilted in the right’s favor. Compared to the strategically integrated resources and networks at the nexus of politics and policy that the right can draw upon, such as ALEC, the Atlas Economic Research Foundation, Heritage Foundation and State Policy Network, progressives as yet have very little, though there are encouraging signs that this is beginning to turn around. As Rick Cohen of the National Committee for Responsive Philanthropy has said, “there is nothing on the liberal and left side that remotely approaches some of the conservative think tanks and the conservative policy centers, which is why you see this new effort on the part of the left to create these institutions.”

Although Grover Norquist and his movement allies talk the rhetoric of anti-tax activism and government downsizing, they are, above all, aiming to achieve permanent dominance for the right wing in the 21st Century. Norquist has written extensively of the need to weaken the core pillars of the democratic base — in his words: labor unions, “big city political machines” dominated by municipal unions, and “taxpayer-funded lobbies” (social service agencies, Legal Aid Societies, etc.). He also talks about the essential political task of privatizing Social Security and replacing defined-benefit pension funds with defined contribution funds to create a larger investor class that will more likely align with the Republican Party.

Therefore, the critical question that presents itself is how an emerging “center left coalition” can transform itself where possible, and build new capacity where necessary, to make up for the three decade lead that the right wing has in infrastructure development and strategic sophistication. This success of the right is based on a number of critical factors, including:

- A developed multi-level, multi-capacity infrastructure with a clear and aligned small government, unfettered (i.e., unregulated and union-free) free market agenda.
A developed and focused political strategy that guides their choice of issues and which metropolitan areas and states are most opportune to focus on at any given time.

The right’s long experience at putting together integrated and effective organizations at all levels (parties, communications, think tanks, lobbying and mass membership structures such as the National Rifle Association).

An extraordinary alignment of purpose within this infrastructure on the importance of shaping and directing dominant popular beliefs and taking over government institutions. This, and a regularized system for coordination and mutual support, enables independent action, local initiative and tactical flexibility at each level of engagement without receiving instructions from ‘on-high.’

The strategic focus and the willingness of the right’s major funders to make long term investments in organizational capacity, which supports this local initiative and flexibility;

A commitment to nurturing the vital relationships that are the bone, muscle and nerves of a governing movement: trusted and battle tested organic ties among powerful constituents with access to significant financial resources, intellectual capital, linking organizations that have a real base, and the grassroots structures that make this possible.

For the right, metropolitan-level engagement does not grow out of a warm fuzzy commitment to civil society. Rather civil society is seen as the growth medium for political power in which whoever out-organizes whom wins. Civil society is seen in oppositional terms, not as a field for the exploration of potential common ground, and never as something whose cultivation will spontaneously yield political results by itself. Its leaders, at all levels, think in terms of developing infrastructure to take out mainstream and progressive institutions (recall Norquist’s desire to introduce “bitter nastiness and partisanship” into state and local politics), i.e. as a war of maneuver, not an extended fifty year war of position during which renewed civic bonds spontaneously regenerate democratic politics.

The right has developed increasingly sophisticated base-connecting structures that are hard-wired into its national political superstructure of think tanks and party organizations. During election cycles these structures feed into the extensive volunteer efforts that the right uses to run campaigns and get out the vote. In this sense the right sees civic engagement as related to and supportive of, but fundamentally different from, voter engagement, which is sometimes how moderate and progressive activists tend to think of it. After the elections, as we have seen in the case of San Diego’s Performance Institute, the right wing has developed think tank capacities to support their elected officials with research-backed policy ideas for governing, and a wider network for these politicians to connect with one another on a state and national scale.

The right today is focusing significant research, media, policy and advocacy resources, including by the Performance Institute in San Diego, on state and local campaigns to erode public sector pensions and on “paycheck protection” initiatives that weaken public sector unions’ ability to provide retirement security and engage politically. These efforts are guided by both a belief in free-market ideology and a political strategy that will re-organize power dynamics to remove political obstacles to implementing their agenda.
Developing an adequate response to the conservative movement’s thirty year head start at putting together and developing an infrastructure to marginalize or eliminate progressive and liberal institutions is a tall order. Recently, however, particularly after the November 2004 elections, there have been some encouraging signs that progressives are beginning to understand what they’re up against. New proposals have emerged, some bearing a remarkable resemblance to repackaged business as usual, some containing genuinely new and promising ideas and solutions.

The debate and discussion has focused on a few key points of analysis of what the right is, how it has succeeded, and what “we” need to do to reverse the right wing’s policy successes in recent years. Some have pointed to the gaping difference in resources. Others have pointed to the atrophying of the existing progressive base as a result of its having been starved of resources for a generation. Yet others have suggested that a correct framing of the issues, or greater message discipline, or better uses of the internet, or a return to economic populism, or less “stove-piping” of existing single-issue organizations are the keys to the kingdom. It’s tempting to say that the “center left coalition” (remember Grover Norquist’s “center right coalition”) needs to do all of the above, but that just begs the question of what specific habits and practices need to be changed and what priorities need to be set.

Some consistent themes have emerged describing some of the key obstacles to success to the progressive movement.

- A tendency for moderates and progressives to focus on election cycles rather than ongoing base-building and the long-term development of an infrastructure at the metropolitan and regional level capable of competing for power.
- The progressive landscape tends to be dominated by single issue groups that are “stove-piped” into their particular funding streams, network histories, issues and campaigns.
- The tendency of moderate and progressive funders to focus exclusively on single-issue advocacy and service delivery rather than critically targeted policy research backed up by well-resourced and politically mobilized community-based structures.
- The lack of an aligned clarity of purpose, agenda and political strategy by broad center-left constituencies, single issue groups, research and policy centers and advocacy groups at the national, state and metropolitan levels on fundamental questions about the role of government, and an economic strategy in the context of global capitalism.

The good news is that a thorough inventory of resources and institutions at the national, state and metropolitan level could, in fact, show the beginning of an infrastructure poised to take on the right.

But there is an acute shortage of multi-issue progressive organizations rooted in metropolitan regions that combine careful policy research and focused opposition to the right’s agenda in the states and major cities. Any successful process of building a movement base throughout a major metropolitan area on a range of issues, and connecting the relevant communities and leadership networks with one another, involves major resources, years of sustained and determined effort and recognition of the national importance of organizing at this level. It also involves an enthusiasm for
crossing demographic borders, which the religious right, which is not afraid of bringing inner city supporters together with suburban megachurch congregations (as anyone who’s been to a Promise Keepers rally will know), is doing on a daily basis.

The task of establishing a scaled-up progressive infrastructure in a number of cities and sustaining real time connections among its elements, and between them and state and national structures, is even more challenging.

In “purple” cities such as San Diego, progressives face an entrenched, wealthy and determined opposition backed by all of the resources of the right’s think tanks and communications infrastructure. In some of the older “blue” cities of the North and East (such as Newark and Detroit) a power broker model of politics prevails in which declining big city machines drive a top-down process of decision making and policy choices and have become increasingly vulnerable to right wing reform movements. To make headway in both situations, progressive coalitions need to develop strong reform programs of their own rooted in new initiatives to organize and align base level communities around a common program. They will also need substantial national support to effectively engage the right on the turf of metro politics and policy.

Also, while it is increasingly recognized that “stove-piping” (the tendency of organizations not to communicate with one another or develop common strategic goals) is an obstacle to effectively countering the right, so far this has largely been identified as a problem with single issue pressure groups or existing major national organizations headquartered in Washington, DC or New York. This is true enough. But where multi-issue organizations are found in metropolitan areas, they also tend to be fragmented and uncoordinated, and in many cases completely unaware of what local or citywide right wing think tanks are doing. To pick up on the Ralph Reed quote at the beginning of this report, they have no artillery bearings. Discussing the role of think tanks in the New York area, for example, Neil Kleiman, director of the Center for an Urban Future, remarked “there are dozens, hundreds, of liberal organizations and policy groups and institutions in New York that already exist and that already receive funding. ...The issue is that they are just so scattered — a thousand points of light as opposed to one focused beam.” The conservatives “have that focused beam in the Manhattan Institute,” writer Joshua Brustein goes on to report.261

Nevertheless, some priorities appear to be emerging, such as the need for long term investment in developing ideas, media capacities, leadership training, increased worker organizing and civic engagement (here meaning state and local organizing).262 In any discussion of politics and policy in America’s major metropolitan areas, the last of these issues, civic engagement, is clearly of central importance.

But what does it mean and how do we politically operationalize this concept? What does calling for increased civic engagement mean at the political sharp end, when the right itself has begun to use the term civil society, which originated on the left, to describe its extensive base-level organizing, extending from suburban and exurban megachurches to local gun clubs, NRA and Knights of Columbus chapters, local and state level anti-abortion groups, local anti-tax and pro-voucher committees and a dense network of student organizations? In his 1996 book, Active Faith, Ralph Reed uses the term civil society to describe what the right has been doing, in that case directly linking the base-building and political education strategy of the evangelical right to the intermediary role the Christian Coalition played as a force to take over the Republican Party.263
Conclusion: Infrastructure for What, Whom and Where?

When asked about the new efforts on the progressive side to learn from the right’s successes, conservatives, somewhat amused by the trend, have made some interesting observations. James Piereson (see above), one of the less well known key architects of the right wing infrastructure, has commended the “center left” for its flattering efforts at imitation, but remarked that he felt these efforts put the cart before the horse. To him progressives lack strategic direction because they seem to be looking for technical solutions to their political predicament before agreeing on where they want to go and what they believe in. “I think the problem is one of ideas,” Piereson remarked. “What is the end? Where are they going?” Likewise, Lee Edwards (see above), the Heritage Foundation’s historian of the right, has commented that recent efforts at a progressive resurgence are “emphasizing media and financial structuring over philosophy.”

Piereson, of course, understands as well as anyone the importance of the “new” political model of think tanks, seamless media operations, and intermediary and grassroots infrastructures, since he funded much of it from Olin. But he also knows that the conservative renaissance didn’t simply originate in some conscious decision to finance masses of think tanks and media capacities, in a single memo by Lewis Powell, or in the checkbooks of the Kochs or Richard Mellon Scaife, but in a process through which broad philosophical unity between the traditional, religious, corporate and libertarian wings of the movement was forged in open and intense debate. Beyond this, it took the movement building skills not only of the Ralph Reeds and Karl Roves but also thousands of intermediate level and grassroots activists to wrench conservatism out of its salons and corporate conference rooms and make it politically relevant.

While engineering metaphors and the vocabulary that goes with them — “building,” “infrastructure,” “mapping,” “capacity,” “linking,” “bottom up vs. top-down” — can be very helpful, they are very limited tools for understanding why people join, work to build up, and stay committed to social and political movements when the going gets rough. Nor can this be measured solely by dollar totals, media buys, Neilsen and blog ratings, foundation projects, push pins in maps, or a series of wiring diagrams. What role, then, will low income and working class communities — who have the most to lose if the right wins in the major metro areas — play in the new efforts of the progressive movement to match the right in developing ideas, media capacities, leadership training and promoting civic engagement? If these efforts are successful, what will be done with this infrastructure? What will it be for? Will the base show up?

The answer to these questions depends on how the movement rebuilding process is carried out.

The right has begun to realize the importance of metropolitan areas as a key political battleground and has begun to develop regional capacity as part of its overall national infrastructure. But parachuting people in like the 82nd Airborne from Movement Central, as the right wing is doing
with structures like the Campaign for California’s Future and Performance Institute, is certainly not a usable model for civic engagement, and will not work in a climate where people in working communities are wary of being used. Communities under attack can prevail in this next chapter of political conflict with the right, but they themselves need to have the knowledge, research skills, and resources to fight the right locally. They are the ones who are on the ground permanently and have a real stake in the outcome.

Multi-issue policy and advocacy organizations that are locally rooted and connected to significant, diverse and large constituencies can play a key role in making this happen, if they are provided with adequate resources and scaled up, and new ways found to link them with one another on a statewide and national basis and with those elected officials who are mandated by and answerable to these constituencies. But the hour is late.


6For a useful overview of the “New Cities” or “Cities for Progress” movements see the June 20, 2005 issue of The Nation, including Peter Dreier, “Can a City Be Progressive?”, John Nichols, “Urban Archipelago” and “Progressive City Leaders,” and Joel Rogers “Cities: The Vital Core.” Similar efforts are underway at the state level, for example the Progressive Legislative Action Network (at www.progressivestates.org).


9E.g., the Richard and Helen DeVos Foundation, a major funder of religious right causes, has established the DeVos Urban Leadership Initiative to conduct leadership training and networking “to strengthen the scope and effectiveness of urban youth ministry in local communities.” See their website at www.dvuli.org/faq/faq.htm. One of the leaders of its multiyear San Diego initiative, Frank Overton, says “our ultimate goal is to build enough leadership capacity, unity and vision to transform our city.” DeVos Urban Leadership Initiative Newsletter, Spring 2003, p. 3.


Mainly the John M. Olin Foundation (New York), Smith Richardson Foundation (Westport, CT), Scaife foundations (Pittsburgh), and later the Lynde and Harry Bradley Foundation (Milwaukee).


Institute for Justice, at ij.org/pdf_folder/city_studies/ij_city_study_sandiego.pdf. The report was funded by the Jacobs Family Foundation of San Diego. *Brightening the Beacon*, inside cover.


The American Conservative Union was formed in the weeks following Barry Goldwater’s massive defeat at the hand of Lyndon Johnson in 1964 as an effort to put the right wing back together after its drubbing at the polls. ACU played a pivotal early role in the phoenix-like rise of the right over the next three decades. In its early years ACU vigorously opposed efforts to repeal the Taft-Hartley Act’s “right to work” provisions, Richard Nixon’s Family Assistance Plan and his revenue sharing scheme. American Conservative Union, “History of the American Conservative Union,” at www.conservative.org/about/history.asp.


*Corporate America’s Trojan Horse in the States*, p.1. At www.alecwatch.org/report.html.

Ibid., pp. 4, 9, 42.

Which backed Prop 75, a major California ballot initiative to block government agencies from deducting union dues for unions that spend on political campaigns. Andy Furillo, “Union Dues Measure Leads in Early Poll,” *Sacramento Bee*, June 23, 2005.

*Corporate America’s Trojan Horse in the States*, op. cit., p. 39. E & M Charities is an Iowa foundation headed by David M. Stanley, president of the Iowa Public Interest Institute (part of the right wing State Policy Network) and a former chairman of the National Taxpayers Union. E & M granted the National Taxpayers
Union Foundation $70,000 and the right wing Institute on Religion and Democracy $40,000 in 2003. E & M Charities 2003 IRS Form 990.

27American Legislative Exchange Council, 2003 IRS Form 990; ALEC Staff listing: www.alec.org/viewpage.cfm?pgname=1.3a.


29Corporate America’s Trojan Horse in the States, op. cit., p. 6.

30ALEC website, at www.alec.org/viewpage.cfm?pgname=2.1g.


33ALEC website, at www.alec.org/viewpage.cfm?pgname=5.01.

34See e.g. Nicole Gelinas, “A Permanent Pension-Fund Fix for San Diego,” The San Diego Union-Tribune, June 1, 2005. Gelinas is a contributing editor to the Manhattan Institute’s City Journal. See also Clint Bolick, Brightening the Beacon: Removing Barriers to Entrepreneurship in San Diego, op. cit.


40James C. Dobson, endorsement letter for Howard Kaloogian, January 13, 2004. Focus on the Family, with a budget of $126 million, is one of the largest religious right organizations in the U.S. It was formed in California, where Dobson first launched his nationwide radio network (originally based in Arcadia), and then moved to its massive headquarters in Colorado Springs. Focus on the Family, 2004 Combined Annual Report, p. 6. See also People for the American Way Foundation, Dobson’s Choice: Religious Right Leader Becomes Political Power Broker (Washington, DC: February 2005).

41Russo is with Russo, Marsh and Rogers of Sacramento, a PR firm that has worked on campaigns in the U.S., Nicaragua and the Ukraine, and served as media consultants for California’s Prop 209, which banned affirmative action in the state. See www.rmrweb.com/index2.asp.

See www.moveamericaforward.org/index.php/MAF/AboutUs. The National Tax Limitation Committee has received funding from the Charles G. Koch foundation. Uhler is a longstanding veteran in the anti-tax movement. In 1972, Governor Reagan asked him to organize and serve as chairman of his Tax Reduction Task Force.

“Max Blumenthal, “Avenging Angel of the Religious Right,” Salon.com, January 6, 2004. According to Blumenthal, the Western Center once filed a brief defending a local school district for banning Gabriel Garcia Marquez’s novel One Hundred Years of Solitude.


Ibid., and Americans for Tax Reform, “Sen. John Campbell to Chair Taxpayer Protection Caucus in California — Former House Taxpayer Protection Caucus Chair To Take The Lead In Protecting Taxpayers’ Interests After Being Elected To The Senate,” media release, January 18, 2005. Campbell, a millionaire car dealer, is now running to fill the congressional seat of Christopher Cox, who was appointed as chairman of the Securities and Exchange Commission by President Bush.


Lee Edwards, The Power of Ideas (Ottawa, Ill.: Jameson Books, 1997), p. 91. The section in which this appears is titled “Let a Hundred Think Tanks Bloom”

David Callahan of Demos has described this as the “devolve and destroy” strategy. David Callahan, “Clash in the States: Can Progressive Nonprofits Match Their Conservative Rivals?” American Prospect, June 18, 2001.

“They are bringing a national right-wing agenda to Maine,” an aide to Governor Gov. John Baldacci (D) of Maine, said of the Maine Heritage Policy Center (a member of the State Policy Network) after they hosted President Bush’s chief of staff, Andrew Card, to push social security privatization in the state. Susan M. Cover, “Think Tank Finds Right Climate For Fast Growth,” Kennebec Journal (Augusta, Maine), July 10, 2005.


Roe served on the board of trustees of the Heritage Foundation for two decades and also served on the board of directors of the Intercollegiate Studies Institute. He died in 2000.


The Evergreen Freedom Foundation, which has been supported by the Hume, JM, Scaife and Walton foundations, operates a Labor Policy Center with a “Paycheck Protection” website (tpf.effwa.org/index.php) aimed at preventing unions from spending mandatory union dues on political causes. According to Mediatransparency.org, the EFF has operated “the most sustained and targeted ‘paycheck protection’ campaign” in the country, targeted at the Washington Education Association. See www.mediatransparency.org/recipientprofile.php?recipientID=106. Its president, Bob Williams, serves on the State Policy Network’s president’s advisory council.

Which Norquist defines as “the date of the calendar year on which the average American worker has earned enough gross income to pay off his or her share of spending and regulatory burdens imposed by all levels of government, federal, state and local.” At www.atr.org/national/cogd/2005/index.html. See also effwa.org/main/page.php?number=259.


Ibid.


Warder was appointed vice chancellor of Pepperdine University in February 2005, where Edwin Feulner of the Heritage Foundation chairs the board of visitors of the Davenport Institute in the School of Public Policy. Warder is a former official of Sun Myung Moon’s Unification Church (which he left and denounced after nine years). He was previously executive director of the Los Angeles Children’s Scholarship Fund, which administered a $750,000 private school scholarship fund in San Diego. The $100 million Children’s Scholarship Fund, part of the effort to charter school movement, was bankrolled by John Walton and veteran right wing funder Ted Forstmann (who recently contributed $1 million to the Pepperdine School of Public Policy). On Warder and Unification Church, see Russ Bellant, The Coors Connection, p. 6. On Children’s Scholarship Fund, see Chris Moran, “Private School Scholarships Offered,” The San Diego Union-Tribune, November 20, 2001.

Masugi served with the Institute for Justice’s Clint Bolick on the staff of the U.S. Equal Employment Opportunity Commission when it was headed by Clarence Thomas in the early 1980s. Masugi profile on Claremont website, at www.claremont.org/about/staff/masugi.html; on Bolick see Cokorinos, Assault on Diversity, pp. 24-25.

Arnn is president of Hillsdale College, a conservative Calvinist college in Michigan, and on the board of directors of the Heritage Foundation, Americans Against Discrimination and Preferences (which opposes affirmative action) and the Center for Individual Rights, which sued the University of Michigan to end affirmative action in the landmark Supreme Court Gratz and Grutter cases in 2003. Arnn was the founding chairman of the California Civil Rights Initiative (Prop 209), which ended affirmative action in California in 1996. Arnn biography, at www.hillsdale.edu/arnn/.

For an excellent introduction to Strauss and how he fits into the different currents of the right, see Shadia Drury, Leo Strauss and the American Right (New York: St. Martin’s Press, 1997).

The “foundational political idea” underlying Claremont’s approach to local government “is known in Catholic social theory as ‘subsidiarity,’ in the Reformed tradition as ‘sphere sovereignty,’ and better known in American democratic culture as the idea of federalism. The principle of subsidiarity holds that nothing should be done by a larger and more complex organization that can be done as well by a smaller and simpler organization.” Philip Bess, “The New Urbanism: Friend or Foe of Property Rights?” paper delivered at the Claremont Center for Local Republican Government’s “Property Rights and the New Regulation” conference, September 17-18, 2004. At www.claremont.org/projects/local_gov/essays/prconfbess.html. Communitarians and their neocon-
servative allies “champion a homogeneous America held together by the cement of religion and nationalism.”

Drury, p. 176.

There has been a vigorous debate on suburban secession on the right which is reflected in the pages of the Center on Local Government’s quarterly newsletter, Local Liberty. For an analysis of the potential impact of secession see Los Angeles Alliance for a New Economy (LAANE) and UCLA Center for Labor Research and Education, *Left Behind: The Impact of Secession on Low-Income Residents and Workers in the San Fernando Valley and Hollywood* (October 2002), at www.laane.org/research/docs/LeftBehind.pdf

In 2003, e.g. the Ahmanson Charitable Community Trust donated $50,000 to the Discovery Institute in Seattle, which promotes anti-evolution “intelligent design” beliefs. Howard Ahmanson serves on its board of directors. On Ahmanson’s close ties to the late Rousas Rushdoony, the leader of the theocratic Dominionist movement, see Frederick Clarkson, *Eternal Hostility: The Struggle between Theocracy and Democracy* (Monroe, Maine: Common Courage Press, 1997), p. 111.


Frederick Clarkson, *Eternal Hostility*, pp. 111-115. The local leaders of this San Diego initiative were Steve Baldwin and Dan Van Tiegham (p. 22).


Victor Davis Hanson, *Mexifornia: A State of Becoming* (San Francisco: Encounter Books, 2003). Encounter Books, headed by Peter Collier, has been funded by the Charles G. Koch and Philip M. McKenna Foundation (which has also supported the Claremont Institute, Pacific Research Institute and Pacific Legal Foundation). It was started with a $3.5 million investment from the Bradley Foundation, according to Eric Alterman, (*What Liberal Media?*, New York: Basic Books, 2003, p. 86). Collier, who first suggested writing the book to Hanson, edited the manuscript along with Myron Magnet of the Manhattan Institute. Hanson, pp. xv-xvi.


Hanson, a former visiting professor of classics at Stanford University (1991-92) and currently a Fellow at the Hoover Institution, also held the visiting Shifrin Chair of Military History at the U.S. Naval Academy in Annapolis from 2002-3. Hoover Institution website, at www-hoover.stanford.edu/bios/hanson.html.

One critic wrote of *Mexifornia* that “unencumbered by the references, footnotes, facts and figures which clutter most books about immigration, Hanson relies largely upon personal anecdotes and emotional tirades to create a pastiche of fearful imagery.” Walter A. Ewing, *Mexifornia: A State of Confusion*, at www.ailf.org/ipc/Mexifornia.asp.
Endnotes:


83 William A. Rusher, who was publisher of *National Review* for nearly 40 years, is a Claremont Institute distinguished fellow. On Cheney and Libby’s fondness for Hanson’s hawkish views (which Cheney invited Hanson to share at a small private dinner with Libby in the Vice President’s residence) see Mark Leibovich, “In the Spotlight and on the Spot: Scooter Libby, Backstage No More,” *Washington Post*, October 23, 2005.


87 “You might also want to read a book by Victor Davis Hanson a professor at the University of Fresno, California called Mexifornia. He outlines the machine that wants to destroy our standards of living.” Posting by Kevin Hancock at “Envision San Diego,” at www.signonsandiego.com/communities/envision/archives/000286.html.


93 Sally Cruver, the San Diego Area vice chair of United Republicans of California, is the Senate District 38 director of the California Republican Assembly. See www.unitedrepublicansofcalifornia.org/Convention20050514Call.htm and www.ca-ra.org/officers1.htm.


96 McClintock also served in the Assembly from 1982-92 and again from 1996-2000, when he was elected to the State Senate.


101Fisher, Ed Feulner of Heritage Foundation and William E. Casey (later Reagan’s CIA director) were the original incorporators of the Manhattan Institute, which Feulner considered leading at Fisher’s behest before he decided to go Heritage. Lee Edwards, The Power of Ideas (Ottawa, Ill.: Jameson Books, 1997), pp. 23-24.

102At his Senate confirmation hearings for a post on California’s State Board of Education, to which he had been nominated by Gov. Pete Wilson, Hume held up a copy of Charles Murray’s The Bell Curve, which links race and intelligence and has been denounced as racist. David Bacon and Bill Berkowitz, “San Francisco’s Hume Family — Building a Rightwing Empire on Dried Garlic and a Busted Union,” at www.labornet.org/news/111499/02.html.


106Mediatransparency.org reports that PRI received over $7 million in grants from foundations between 1985 and 2003.


110See also Lawrence J. McQuillan, CalPERS’s Corporate Activism Does Not Help Shareholders or Pensioners (PRI, February 2005).


116The leading theorist of what has come to be called “competitive federalism” is Michael Greve, the John G. Searle Scholar at the American Enterprise Institute and director of AEI’s Federalism Project. The arguments are detailed in Michael S. Greve, Real Federalism: Why It Matters, How It Could Happen (Washington, DC: American Enterprise Institute Press, 1999). On the Federalism Project see www.aei.org/research/filter.projectID.13/project.asp.

118 Pacific Research Institute, Monthly Impact (May 2005), p. 2.

119 Ibid.


123 As Nina Easton calls them. Gang of Five, p. 87.


131 Ron Nehring, “Communicating Ideas: Applying Political Technology to Win Public Policy Battles,” The Insider (July 2002). Norquist also has an article in the same issue, “July 1, 2002: The Other Independence Day,” plugging his “cost of government day.”


134 Ferrara led an often lonely twenty year battle that culminated in the Bush administration’s finally making social security privatization the centerpiece of domestic policy. Jeffrey H. Birnbaum, “Private-Account Concept Grew from Obscure Roots,” The Washington Post, February 27, 2005. Ferrara’s seminal paper, published by the Koch-funded Cato Institute, was “Social Security: The Inherent Contradiction” (San Francisco: Cato Institute, 1980). Ferrara was Norquist’s college roommate, and according to Nina Easton used to cover for him when his trips to Angola to support UNITA raised questions among the ATR board about what that had to do with passing the Tax Reform Act 1985. Easton, Gang of Five, pp. 161-162.


139 Among other things, Nehring objected to the fact that Texas law firms that received fees in the Texas tobacco settlement contributed to the Texas Democratic Party. Ronald Nehring, “National Association of Attorneys General: Opening the Door to a New Era of Regulation through Litigation,” *Organization Trends* (September 2000).

140 See www.workerfreedom.org.


143 California Secretary of State, “Proposition 226: Political Contributions” op. cit.


149 Leadership Institute, 2004 IRS Form 990; Blackwell biography at www.leadershipinstitute.org/01ABOUTUS/02MCBlackwell.htm.

150 Nehring’s biography on the California Republican party proudly boasts that he has taught campaign strategy and tactics “even in such troubled areas as the Middle East and Haiti, through the International Republican Institute and the Leadership Institute.” California Republican Party website, at www.cagop.org/leadership_content.aspx.

151 See Leadership Institute website, at www.leadershipinstitute.org.


156Project for California’s Future website, at www.californiasfuture.org/Boards.htm.

157Project for California’s Future website, at www.californiasfuture.org.


167Robert Poole, whose 1980 book *Cutting Back City Hall* launched the privatization drive against the cities, was an adviser on privatization to Reagan’s Office of Policy Development. Tibor Machan is a Hoover Institution research fellow and adjunct scholar at the right wing libertarian Ludwig Von Mises Institute in Auburn, Alabama.


170In addition to his role in FreedomWorks advocating privatization of social security, Armey is a lobbyist for Piper Rudnick, which has lobbied on behalf of the Investment Company Institute on legislation calling for tighter regulation of the mutual fund industry. Deirdre Shesgreen, “Nonprofit Group Skirts Lobbying Laws, Critics Charge,” *St. Louis Post-Dispatch*, March 5, 2005.


177Reason Foundation 2003 IRS Form 990; Cato Institute 2003 IRS Form 990.


182At www.performanceweb.org/training/courses/strategic_planning.htm. The conferences are “Strategic Planning in Government,” “Balanced Scorecard Measurement and Management in Government,” and “Strategic Sourcing in Government.”


184Reason Public Policy Institute, Privatization 2002. All was not triumphalism, however: “Included is a brief discussion of why Enron’s collapse does not signal the end of government contracting for energy.”


189Ibid.


193In 2002, Reason ranked San Diego as the most efficient city in California, pronouncing that “cities with city managers tend to be significantly more efficient than those without.” Geoffrey F. Segal, Adrian T. Moore, and James Nolan, California Competitive Cities: A Report Card on Efficiency in Service Delivery in California’s Largest Cities (RPPI Policy Study No. 291, February 2002), p. 15.


196Robert W. Poole, Jr., Peter Samuel, and Brian F. Chase, Building for the Future: Easing California’s
Transportation Crisis with Tolls and Public-Private Partnerships (Reason Public Policy Institute Policy Study 324, January 2005.

197*Building for the Future,* “Acknowledgments,” p. 75.


202Caitlin Rother, “Think Tank’s DeMaio Cites Plan; Critics Wary,” The San Diego Union-Tribune, May 18, 2005.


205Mercurio, ibid.

206Virginia L. Thomas, “Restoring Government Integrity through Performance, Results, and Accountability,” Heritage Foundation Backgrounder #1380, June 26, 2000.


210“‘Budget Geek’ Focuses on San Diego,” op. cit. Robert Poole of the Reason Foundation worked on the transportation transition team.


212At www.rppi.org/thewaitisover.html.


214See, e.g., Carl D. DeMaio, “Pioneering Performance,” September 17, 2002, at www.rppi.org/pioneeringperformance.html. DeMaio’s article worked its way to the remotest recesses of the State Policy Network orbit, e.g. appearing on the news website of the Hawaii Reporter, whose president is Malia Zimmerman, co-founder of SPN’s Hawaii affiliate, the Grassroots Institute of Hawaii, on December 6, 2002.

215RPPPI website, at www.rppi.org/sourcing.html. The presentation is online at www.rppi.org/sourcing/sld001.htm.

216Health and Human Services website, at knownet.hhs.gov/acquisition/ performDR/PDF/HHS%20Slides.ppt.


RYAN MOORE, “PERFORMANCE INSTITUTE PRESIDENT, CARL DEMAIIO, APPOINTED TO WHITE HOUSE PANEL,” THE DAILY TRANSCRIPT (SAN DIEGO), FEBRUARY 2, 2005.


OMB ACQUISITION ADVISORY PANEL MEETING MINUTES FEBRUARY 28, 2005, AT HTTP://205.130.237.11/AAP/DOCUMENTS/02%2028%2005%20PANEL%20MTG%20MINUTES.PDF. NOBLE IS A FORMER VICE PRESIDENT OF THE PROGRESS AND FREEDOM FOUNDATION, FOUNDED BY THE FORMER DIRECTOR OF NEWT GINGRICH’S GOPAC, JEFF EISENACH.

OMB ACQUISITION ADVISORY PANEL MEETING MINUTES MAY 17, 2005, P. 7, AT WWW.ACQNET.GOV/AAP/DOCUMENTS/05%2017%2005%20PANEL%20MEETING%20MINUTES.PDF.


“THINK TANK’S DEMAIIO CITES PLAN; CRITICS WARVY,” OP. CIT.


VIRGINIA STATE CORPORATION COMMISSION RECORD (AR# 205-24-0374 DATE 03/17/05), PERFORMANCE INSTITUTE, ACCESSSED APRIL 22, 2005.


232 *Citizens' Budget*, pp. 67-68.

233 *Citizens' Budget*, p. 66. Nahan is a senior fellow at the right wing Institute for Public Affairs in Australia, which has joined with the American Enterprise Institute and the Federalist Society to attack the role of non-governmental organizations in international development work. See ngowatch.org and IPA's sweeping critique of the role of NGOs in Australia, at www.ipa.org.au/files/ProtocolWeb.pdf.


235 San Diego Citizens Budget Project website (a project of PI), at www.sandiegobudget.org/sandiego/about.htm.


237 “Think Tank’s DeMaio Cites Plan; Critics Wary,” op. cit.


241 Davidson also worked as the political director for the Los Angeles County GOP and served as a Youth Coalitions Chairman on the Bush campaign’s California Campaign Steering Committee. “Michael P. Davidson-Biography,” at California College Republicans website, www.collegegop.org/index.cfm/About-Executive_Committee-Michael_Davidson_75.htm.


244 Ibid.


250 Gorton and Shumate worked on strategy and message for Boris Yeltsin’s campaign in the 1996 Russian presidential elections.


254 See e.g. The Bell Policy Center report, Ten Years of TABOR, at www.thebell.org/pdf/Revisedt.pdf. The Bell Policy Center also produces monthly TABOR Watch e-newsletters.


256 For instance The Center for Policy Alternatives in Washington, DC and Demos in New York are offering critically important networking and policy support to state legislators. Also, as noted above, the recent formation of the Progressive Legislative Action Network is a step in the right direction.

257 Hudson Institute, “‘Axis of Ideology,’ or Excess of Mythology?” Transcript of March 11, 2004 conference.


259 GOP RNC Chairman Ken Mehlman claims that 1.4 million volunteers helped in this effort in the 2004 elections. “Memo from Chairman Mehlman Regarding GOTV Efforts in Special Elections” to Republican National Committee members, May 23, 2005.


264 Scherer, “Can Democrats Get Smart?”