

# THE HERITAGE LECTURES

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**Why the 1990s  
Will Be  
the Decade of  
the States**

*By Fred C. Noye*



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**The Heritage Foundation**  
214 Massachusetts Avenue, N.E.  
Washington, D.C. 20002-4999  
U.S.A.  
202/546-4400

# Why the 1990s Will Be The Decade of the States

By Fred C. Noye

I want to speak to you today on the changes occurring in state policymaking and on the rapid growth of state level think tanks and public policy groups. These are groups that are working with ALEC to support conservative state policy makers across the country.

In the last ten years, about 55 conservative policy institutes have been founded in 29 states. Some of these organizations are devoted exclusively to a particular state, like the Commonwealth Foundation for Public Policy Alternatives in my home state of Pennsylvania. Others, like ALEC and the Manhattan Institute, focus on public policy issues that affect large numbers of states or all 50 states.

Some people express surprise that conservative state level organizations are on the rise. But the real question is not why these organizations are increasing, but why now?

The answer is simple: the marketplace of ideas operates on the same principles as any other free market. Therefore, wherever the public policy debate is most interesting and contentious and meaningful, which means wherever there is a real chance to change the direction of the public policy debate, you will find people moving in to influence the debate.

The fact is, there is more dynamic change going on in the states today than there is at the national level, which is why the 1990s will be the decade of the states.

**The Collapse of Liberalism.** First, the federal government is intellectually, financially and politically bankrupt. Though the liberals still control Congress, the liberal agenda is dead from a lack of workable ideas and money. And it was money that fueled the liberal agenda for decades.

I think it is vitally important that we recognize that the liberal agenda is dead. Notwithstanding the "politically correct" movement, ecoterrorists, and the posturing of liberals like Jesse Jackson and Ted Kennedy, the liberal agenda has joined communism in the dustbin of history. It may still linger in the media, in our schools and campuses, on Capitol Hill and in state capitals, but by and large the voters have repeatedly just said "no" to the liberal agenda on a national level in each of the last three presidential elections.

The liberal agenda died because it simply didn't work. It's taken a quarter of a century for people to learn that the hopes and idealism of the liberal agenda were simply that—hopes and idealism. They have not been able to develop an effective agenda because their philosophy is based on flawed theories and principles of government, which have now been generally disproven to the satisfaction of the American people.

At the state level, the signs that the liberal agenda is dying can be found in the election of Governors Tommy Thompson in Wisconsin, John Engler in Michigan, William Weld in Massachusetts, and Jim Edgar in Illinois. The conservative revolution at the national level is now beginning at the state level, and the momentum is growing.

**The Revival of Federalism.** With the collapse of liberalism's national agenda, which was greatly hastened by the administration of President Reagan, conservatism has begun to flourish. This brings us to the second reason why conservative think tanks are growing in the states: the Reagan Revolution.

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Pennsylvania Representative Fred C. Noye is Incoming National Chairman of the American Legislative Exchange Council. He spoke on August 25, 1991 at The Heritage Foundation's Fifth Annual Workshop For State Policy Organizations held in Seattle, Washington.

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A central tenet of the Reagan Revolution was the redistribution of government power—the “New Federalism.” The states were encouraged to take a more traditional, powerful, and activist role under the Reagan administration as a matter of principle and practicality. President Reagan recognized that the federal government not only shouldn’t do everything, it couldn’t do everything.

The combination of the collapse of liberalism and the Reagan administration’s commitment to reinvigorating the federal system led to state governments becoming more active and dynamic than they have been since the heyday of Progressivism.

In the 1989-90 legislative session, over 168,000 bills were introduced in state legislatures, with more than 30,000 enacted, for an 18% passage rate. Only 11,700 were introduced at the federal level (which is still far too many for me) and only 558 were enacted, for a 4.7% passage rate. That means nearly one out of five bills passed at the state level, less than one out of 20 at the federal level.

Obviously, the total number of bills introduced is less important than the passage rate. The high passage rate demonstrates that state legislatures are making dramatic changes in the law and policies of state governments. Many of these changes have real consequences for the people of their states. This is another reason why people have become interested in starting state level think tanks.

The states have become the nation’s centers of innovation. For example, while various types of choice in education programs are being tested in Milwaukee, the Bronx, Cambridge, Massachusetts, and statewide in Minnesota, Iowa, Vermont and New Hampshire, the federal government conducts an eternal debating society on the issue. Programs like Colorado’s Individual Health Care Accounts or the reduction of costly state mandates in Michigan are actions which are instilling competition and self-sufficiency back into the American health care system. The privatization of mass transit, prisons and other government services is being actively pursued in California (San Diego and Los Angeles) and Colorado, while Congress debates raising gasoline taxes a nickel a gallon to invest in a national mass transit system that spends 75 cents of every new dollar on overhead. Take issues across the board: the environment, the war on crime and drugs, housing, welfare reform, and you’ll find the states leading the way with creative and innovative solutions to the nation’s problems.

**The State Policy Marketplace.** Which brings us back to the original point of this discussion: the tremendous increase in the amount of state legislative activity has created a strong market for conservative policy organizations.

And that brings us to the subject of money. Whether we like it or not, the development of sound public policies requires that individuals and organizations provide the necessary wherewithal to conduct research, develop ideas, and publish and disseminate policy proposals. Like a great product that never found a market, a great policy concept can remain undeveloped and unheralded without adequate organizational support.

As state legislatures have gained greater influence, foundations, citizens groups and the private sector have come to recognize that their philosophies, issues and interests lie as much in state capitals as in Washington, D.C. During the last decade there has been a gradual shift in funding from national issues to state issues, providing the necessary resources for the establishment of public policy institutes dedicated to the states. Though there are no hard figures on the shift in funding by foundations, Donald K. Ross, Director of the Rockefeller Family Fund, was probably representative of the field when he said, “our funding has substantially changed from pre-1985, when it was mainly national. Since then there has been a dramatic shift to the state and regional level.” Daniel Cantor of the Veatch Program sums it up when he said, “(The states), that’s our main thing. We’ve decided the states are where the action is.”

Since the action is in the states, and funding is following the action, the question remains why are conservatives so much more active than their liberal counterparts? After all, there are plenty of foundations and companies who are more than anxious to fund liberal projects.

The answer is that conservatives believe that state government is important. We honestly believe that the states should and do have a major role in governing the nation. We have an inherent respect for state government because it is closer to the people, it is more responsive to their concerns, and it is more representative of their beliefs and desires than Congress and the bureaucracy in Washington. The fact is conservatives are just more comfortable and interested in working at the state level than are liberals. It is one of the reasons the potential for moving the conservative agenda at the state level is so great.

Take ALEC for example. In the 1990-91 session, a total of 240 of our model bills were introduced throughout the nation. At least one ALEC model bill was introduced in all 49 states in session. (Kentucky was not in session.) Ninety-two ALEC bills were enacted in 46 states, for a passage rate of 38%. That's 20% higher than the average for state legislation, and 33% higher than the federal level. Seven states enacted four or more bills, while 21 enacted two or more. Our success at moving legislation in the states confirms that conservative policies can and will receive the public and political support necessary for enactment if there is a strong public-private partnership pushing the issue. This partnership between the public and private sectors is the strength of ALEC and the secret to our success.

**States as Laboratories of Democracy.** The importance of the work done by conservative think tanks at the state level cannot be underestimated. Politics is fundamentally a battle of ideas. But in order for ideas to have power and influence, they must be grounded in reality; they must be coherent, thoughtful, and convincing.

In order for ideas to be put into action, they must also be politically practical. Brilliant ideas that ignore the time, place and political conditions in which they are proposed will remain just that, brilliant ideas. Their time will come only when the circumstances are right for their enactment, not before.

State think tanks, by narrowing their focus, are able to sharpen their ideas, targeting them to a specific political environment. What works in California may not work in Georgia or Texas or Ohio. But getting agreement between Pittsburgh, Philadelphia, and Harrisburg, though never easy, can be done, because there are more commonalities among the people of a single state than there are between people of different states and regions throughout America.

This makes states ideal laboratories of democracy, able to develop and test new policy concepts. Actual change and innovation is often easier to achieve at the state level than at the national level; policies can be more quickly implemented; their results are easier to discern and to evaluate. Though what works in one state may not necessarily work in another, we can learn, as a nation, what may work, and what will not.

The innovations that are occurring in states across the nation will be the national policies of the 21st century. And the genesis of many of these ideas will be traced back to places like the Mackinac Center in Michigan, the Independence Institute in Colorado, the Commonwealth Foundation in Pennsylvania, the Washington Institute in Washington, the James Madison Institute in Florida, and the Pioneer Institute in Massachusetts.

Now, the long and short of this is that the collapse of liberalism and the paralysis of the federal government has left a huge void, which has been filled by those daring conservative activists in state legislatures who were encouraged by Ronald Reagan's commitment to federalism. They have created an environment which has attracted public policy experts and funding for projects which focus on the dynamic political changes that are happening in the states.

We dare not let this opportunity pass us by. We need to maintain the momentum. As we are seeing in the Soviet Union, people value freedom, they are willing to fight for freedom, and they are seeking leaders who will forthrightly stand up for freedom. Our agenda is based on those fundamental Jeffersonian principles of freedom that are a basic part of the American character. If we stick to our principles, if we clearly articulate our agenda, and if we have the courage to stay the course against the opposition of the liberals in the legislatures and the media, we will discover that we have the majority of the people on our side. And that is the bottom-line in democratic politics.

