DRAWING A LINE IN THE SAND
Commandancy of the Alamo
Bexar, May 24th, 1836

To the People of Texas & all Americans in the world Fellow Citizens & Compatriots

I am besieged by a thousand or more of the Mexicans under Santa Anna. I have sustained a continual bombardment & cannonade for 29 hours & have not lost a man. The enemy has demanded a surrender at discretion, otherwise the garrison are to be put to the sword if the post is taken. I have answered the demand with a cannon shot, and our flag still waves proudly from the walls. I shall never surrender nor retreat.

Then, I call on you in the name of Liberty, of patriotism, & of everything dear to the American character, to come to our aid with all dispatch. The enemy is receiving reinforcements daily & will no doubt increase to three or four thousand in four or five days. If this call is neglected, I am determined to sustain myself as long as possible; & die like a soldier who never forgets what is due to his own honor & that of his country.

Victory or Death
William Barret Travis
Lt. Col. Comdt.

P. S. The Lord is on our side. When the enemy appeared in sight we had not three bushels of corn. We have since found in deserted houses 30 or 40 bushels & got into the walls 20 or 30 head of Beves.

Travis
Colonel William Barret Travis had known for several days that his situation inside the old Spanish mission called the Alamo had become hopeless. In the sunrise hours of March 6, 1836, General Antonio Lopez de Santa Anna, commanding the Mexican Army, attacked the mission compound in San Antonio de Bexar with as many as 2,500 soldiers. Within two hours, the 189 Texan defenders were overwhelmed and killed. Who were these people—willing to risk everything in the name of liberty? They were Texas heroes, and their determination to fight to the end for the principles they held dear, have rallied Americans on battlefields over the globe—fighting for the freedoms established in our Constitution and fought for so valiantly inside the adobe walls of the Alamo. "Remember the Alamo!"

As Texans, we have great pride and passion for liberty and freedom, and we do remember the Alamo. We will never forget the lessons learned from those hallowed grounds—the Shrine of Texas Liberty. As individuals, we have our own stories of principle and dedication to ideals—our own lines drawn in the sand. We must never surrender or retreat from the principles that have made our state and nation what they are today—beacons of liberty and entrepreneurial spirit.

For the past 19 years, the Texas Public Policy Foundation has been drawing a line in the sand, standing firm on conservative principles to help shape policy that doesn’t lose sight of our Texas heroes’ vision of a government that is limited in scope and that promotes freedom, liberty, and prosperity for all.

Our work obviously paid off in 2008, as Texas’ fiscal prudence has proven to be our deliverance from the financial ruin facing other areas of the country. Texas leads the U.S. in exports, job creation, and the number of Fortune 500 companies, and experienced a 2.1% economic growth rate in 2008, compared with the national rate of -1.4%. An astounding 70% of the jobs created in the U.S. from November 2007 to November 2008 were in Texas—approximately 221,200 jobs. Texas’ many successes have resulted from a commitment to fiscal discipline and a free market, limited government approach to policy.

The Foundation has also drawn the line against the federal government’s spending spree. We recognize that our prosperity and national greatness are built on our free market values. The Foundation is committed to preserving Texas’ entrepreneurial spirit and competitive economic climate—drawing people and businesses to live and prosper in the Lone Star State.

In 2008, there have also been challenges brought on by a weakening economy and uncharted approach to government intervention in the free markets. We rallied to the cause, bringing in nationally-acclaimed experts such as Dr. Arthur Laffer to discuss with our Texas leadership the
importance of toeing the line and staying steadfast to the conservative principles that have made Texas a beacon of hope and opportunity for all other states to emulate.

In addition to our successes, the past year brought great sorrow as well with the death of our longtime board member, Houston developer Michael Stevens. Michael was not only a great presence for us here at the Foundation, he was a man of unwavering principle and a formidable player in the conservative movement in Houston and all of Texas. Michael was a modern Texas hero, and we will miss his service and leadership. Indeed, we would all hope to leave such a legacy behind.

In 2008, two of our colleagues moved into new opportunities within the public policy arena. Mary Katherine Stout served the Foundation as vice president of policy and director of the Center for Health Care since 2003. In July, Gov. Rick Perry selected Mary Katherine to serve as his director of budget, planning, and policy. Kudos to the Governor for choosing someone with such impeccable principle and passionate belief in liberty and freedom. Both the Governor and the state will be well served by her talent and intellect. In a move a bit farther from home, education policy analyst Jamie Story crossed the Pacific Ocean to serve as president of our sister think tank in Hawaii—the Grassroot Institute. We wish them well in their ongoing quests for greater freedom and liberty.

These departures brought the opportunity to welcome Justin Keener as our new vice president of policy and communications. His mixture of policy and communications experience will help us carry the message of free markets and limited government to policymakers and 23 million fellow Texans.

With these challenges and changes in the political landscape, it is more important than ever that we mirror the conviction and determination of the heroes of the Alamo, in fighting for Texas and the freedom and liberty they fought for to the end. Of course, we cannot win without your support. We remain humbled and inspired by your unwavering dedication and generosity. Together, in the proud Texas tradition, we will fight on for a freer, more prosperous Texas.
In 2008, the Texas Public Policy Foundation led the charge in the ongoing battle to curb runaway government spending and shine a brighter light on how tax money is appropriated. With a changing political landscape in Washington, there arose an even greater need for vigilance in the face of unfettered spending of taxpayers’ money and mounting government debt.

Here in Texas, we lead by example. Under the visionary leadership of Gov. Rick Perry and Texas Comptroller Susan Combs, the Foundation worked towards bringing fiscal sanity and greater transparency to government spending with the creation of an online searchable database of all state agency expenditures. In July 2008, the Foundation launched TexasBudgetSource.com, a one-stop source that brings together important information for taxpayers on where and how tax dollars are being spent. With links to Texas school district check registers and city and county budgets, TexasBudgetSource.com provides fiscal discipline and accountability to taxpayers and sets a shining example for the country of the importance of transparency and oversight when it comes to government spending. In fact, as a result of Texas’ leadership in this area, 45 other states have now implemented their own transparency measures.

The Foundation’s Center for Fiscal Policy also established a series of working groups during the interim to educate and inform legislators, agency directors, and staff of upcoming fiscal issues. The groups discussed the importance of maintaining Texas’ economic advantage by standing our ground on the conservative principles that have kept Texas one of the strongest, most prosperous places for people to live and work.

As other states across the country began to crumble under the weight of a faltering national economy, the Lone Star State shone brightly as one of the few states still a stronghold for economic success. With so much of the national spotlight on misguided policies of bailouts, increased spending, and tax hikes, the Foundation closely examined Texas’ economy and the principled ideas that have made it such a beacon of success.

The Foundation hosted a sold-out luncheon featuring Gov. Rick Perry and internationally renowned economist and “Father of Supply-Side Economics” Dr. Arthur Laffer, who argued for the economic policies that put Texas on top of the former economic heavyweight, California.

In conjunction with the event, the Foundation released a report authored by Laffer, Ardvin & Moore Econometrics, Competitive States: Texas vs. California—Economic Growth Prospects for the 21st Century. The report proved that Texas is a knockout winner due to its commitment to low taxes and limited government.
Like the Foundation itself, the Center is known for its attention to detail. During a hearing in which a Center analyst testified before the Sunset Advisory Commission on the Texas Department of Insurance, Chairman Carl Isett said that the Foundation’s work in this area was the most comprehensive they had seen.

PRIVATE PROPERTY RIGHTS

On the front lines of preserving private property rights in Texas, much was accomplished during the 80th session of the Texas Legislature in 2007. But there was still much work to be done in 2008. The Center for Economic Freedom continued to address the need for stronger legislation that protects the fundamental right to own property. The Center’s director met with U.S. Sen. Kay Bailey Hutchison and other state leaders to develop plans to help fight the unjust government takings of private property. The Center also provided comprehensive research on eminent domain to members of the House Land and Resource Management Committee, to be used in their interim report and to help fight the eminent domain battle in places like El Paso.

Indeed, this issue remains core to preserving the freedoms and liberties granted to us by our founders. More work remains, but we are marching in the right direction.
stakeholders on the importance of market-based reforms, choice, accountability, and transparency in our education system. Children are the key to Texas’ future success as an economic leader. We must give them the choice and opportunity to meet the challenge.

HEALTH CARE: FREEDOM TO CHOOSE

In the midst of efforts to expand government programs, the Foundation’s Center for Health Care Policy suggested a different path with more individual control and ownership. In particular, the Foundation’s research supported efforts to free the health care marketplace—allowing Texans more options to receive care in convenience clinics emerging around the country, as well as purchase health insurance without costly new mandated coverage. The Center hosted a Health Care Policy Summit for legislators and staff. More than 60 legislative offices were represented at the day-long event, which featured round-table discussions with state and national health care experts on health insurance and provider regulations.

The Center also hosted a special presentation and discussion on Medicaid and Medicare with an administrator from the Center for Medicare and Medicaid Services at the U.S. Department of Health and Human Services. This was part of an effort to curb the Medicare cost explosion and explore market-based solutions that provide all Texans with access to quality, affordable health coverage.

OPPORTUNITY IN EDUCATION

Parents make many choices for their children—helping them to grow, succeed, and reach their full potential. Therefore, what could be more important than providing parents and children a choice in their educational opportunities? Choices in education give children a chance to succeed. Under this guiding principle, the Foundation’s Center for Education Policy was at the forefront of the debate on charter schools. With nearly 17,000 children currently on charter school waiting lists, the need for lifting the cap on the number of charters allowed to operate in Texas was the focus of the Center’s work during the interim. Our work on charter schools has since reaped significant dividends. As a result of our research and supportive editorial in The Wall Street Journal, the 81st session brought legislation to the table that would lift the cap on the number of charter schools in Texas. Using new outreach initiatives that have included tours and case studies of successful charters in legislators’ districts, the Center has been particularly effective at building relationships with legislative offices on both sides of the aisle, and at forming a united front in the battle to reform education and provide greater opportunities for all Texas children.

At the Governor’s request, Brooke Dollens Terry, education policy analyst, testified before the Governor’s Competitiveness Council on education reform recommendations. The Center for Education Policy conducted 172 legislative briefings to inform education stakeholders on the importance of market-based reforms, choice, accountability, and transparency in our education system. Children are the key to Texas’ future success as an economic leader. We must give them the choice and opportunity to meet the challenge.

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EFFECTIVE JUSTICE

The Foundation also stood up to government’s voracious appetite for taxpayer dollars in the criminal justice system. The Foundation’s Center for Effective Justice was instrumental in providing the intellectual ammunition needed by policymakers and the Sunset Commission in determining the most cost-effective means of protecting the public, reforming juvenile offenders, and bringing restitution to crime victims.

Chairman Jerry Madden of the 80th Session’s House Corrections Committee said of the Foundation’s work on criminal justice, “The commitment of TPPF to promoting conservative ideals such as fiscal transparency and accountability, free market principles, and sound strategies that support the family and other vital contributors to successful societies extends beyond academic research and position papers. I commend the Texas Public Policy Foundation for its exemplary track record of educating the public and elected officials alike by facilitating dialogue among stakeholders ... and informing the civic discourse which concerns communities larger even than Texas.”

FREE MARKETS

Preserving Texas’ vast natural resources requires a natural resource policy based on free market principles in the environmental and natural resource debate. Environmental mandates at the state and federal level are rapidly becoming increasingly onerous, with little proven scientific justification. As governments move toward “one-size-fits-all” regulations that will cripple productivity and raise prices for taxpayers, the Foundation has taken a stand by creating the Center for Natural Resources under the direction of the former chair of the Texas Commission on Environmental Quality, Kathleen Hartnett White.

Through sound academic research, educational events, and briefings with policymakers, the Center brings increased visibility and rising prominence to the energy and environment debate—providing a principled voice of sanity on issues ranging from climate change to environmental constraints on domestic oil production to water rights and more.

HIGHER EDUCATION REFORM

The Foundation’s Center for Higher Education also worked to provide reasonable, effective recommendations to the crisis in the state’s system of higher education. In January, the Texas Higher Education Coordinating Board adopted rules that streamline the process of starting for-profit colleges and universities in Texas. Numerous modifications are incorporated in this expedited regulatory procedure to obtain permission from the state to award degrees and expand existing degree programs. These reforms will inject more choice and competition into the area of higher education, providing greater opportunities and efficiencies to the most important customers—students.
COMMUNICATIONS & OUTREACH

The message of freedom was delivered to the Legislature, media, and community through an outreach strategy that produced record results by every standard of measurement. The Foundation had an all-time record 1,265 media mentions in 2008—topping 2007’s record by 37 percent. Quotes and commentaries appeared in print publications with total circulation of 59.4 million—another all-time record—and a total readership of 144.6 million people. The Foundation’s work on the issues was cited by the Associated Press, featured on the front page of DrudgeReport.com, and published in a wide variety of major U.S. newspapers and magazines, including The Wall Street Journal, Los Angeles Times, Sacramento Bee, Miami Herald, Arizona Republic, and The Economist. Our message carried across the oceans to major international newspapers, including the Daily Telegraph (UK), Guardian (UK), International Herald Tribune, and Taiwan News.

New media have also been highly successful in disseminating our conservative principles to a broader audience. The Foundation’s weekly podcast series was downloaded 220,000 times in 2008.

Taking the message beyond the halls of government, the Foundation extended its ideals, principles, and solutions to Texas cities and towns in all corners of the Lone Star State through conferences, roundtables, speaker presentations, and other events. The Sixth Annual Policy Orientation for the Texas Legislature was another sell-out event and has earned its reputation as the premier policy symposium in the state.

All told, the Foundation’s events, including the Second Annual Capital Campus-Texas and the many in-house and traveling policy primers, brought together more than 1,000 attendees to listen, learn, and work towards conservative solutions to the state’s key policy issues. Foundation events bring people together to engage in the debate and help carry the mantle of limited government and freedom forward for future generations.

In 2008, the line-up of speakers and experts who took part in the debate included some of the most recognized names in the conservative movement. Foundation events featured speakers such as renowned economist Dr. Arthur Laffer of "Laffer Curve" fame, South Carolina Gov. Mark Sanford, 2008 presidential candidate and Fox News host Mike Huckabee, former Ohio Sec. of State Ken Blackwell, former U.S. Sen. Phil Gramm, Congressmen Jeb Hensarling (TX) and Mike Pence (IN), Gov. Rick Perry, and Texas Attorney General Greg Abbott.
Texas Comptroller Susan Combs discusses budgeting principles during her participation on a panel at the Policy Orientation.

Texas Attorney General Greg Abbott greets attendees before delivering the opening keynote address at the Sixth Annual Policy Orientation.

“Everyone wishes to depart under the white flag of surrender, you may do so now. You have that right. But if you wish to stay here with me in the Alamo, we will sell our lives dearly.” — William B. Travis
Throughout the year, donors to the Texas Public Policy Foundation voiced their allegiance to our great state with significant contributions to move our work forward. They know that Texas’ successes—such as low unemployment, a robust economy, and vital growth in new businesses and families—are a result of Texas’ commitment to low taxes and a free market economy. They understand how significantly our work impacts policymakers as they debate the issues that affect over 23.5 million Texans, and they demand that our leaders continue to draw a line in the sand against influences not in our best interests.

To further engage in our work, donors attended our many events both in Austin and around the state, including our popular educational programs. In addition to our premier Annual Policy Orientation for the Texas Legislature, our Policy Primers and policy-focused fundraising events have become the heart of our outreach efforts. The goal of these events is to educate policymakers, the media, and other key stakeholders on the most important issues facing Texans. Whether we’ve brought together acclaimed economists and our own Gov. Rick Perry to release relevant research, or convened a policy discussion by leaders of Congress’ influential Republican Study Committee, donor contributions allow us to spread our message across the state and nation. We travelled to Dallas, Houston, El Paso, San Antonio, Corpus Christi, Midland, Washington, Arizona, and other cities to further our message.

Even while facing the uncertainty of the next year’s economy, dedicated Foundation supporters made significant investments in our work in 2008. Our $2.82 million budget goal was surpassed by 13 percent and accounted for a 33 percent increase over 2007’s budget. This allowed for an uninterrupted focus on producing the highest-quality research, significant media distribution, personal meetings with legislators, testimony before key committees, the launching of new websites, the expansion of new media efforts, and more.

Of course, we take this trust very seriously and, in preparation for 2009, tightened our already-conservative budget even further. In fact, many of you pledged an investment for 2009, allowing us to plan our strategy knowing we had the full support of our dedicated donor base.

Protecting Your Investment
Your investment is safe with us. Our board takes a principled approach to investment just as it does to public policy, and it has updated our monetary policy to ensure our Stability Fund is as liquid and safe as possible. The majority of our Stability Fund is invested in government-backed securities, rather than the stock market. Our approach safeguarded your investment in the Foundation during the current economic downturn. Thus, the Foundation’s work will move forward even in the face of difficult economic times. This is our way of ensuring our ability to carry on the fight for liberty in Texas, with your help.
FINANCES

RESPONSIBLE STEWARDSHIP

Last year, the Texas Public Policy Foundation enjoyed strong financial health—even in an uncertain economic climate. Total revenue for 2008 was $3,181,436—a 33 percent increase over 2007’s total revenue.

This financial strength is due to the unwavering commitment and generosity of our supporters and responsible decision-making by Foundation leadership. Our Board chose to keep our reserves in the safest possible location—and decided against investing our reserve funding (the result of seven years of hard work and penny-pinching) in the stock market. This proved a very far-sighted decision that has kept our financial health strong.

Rest assured, the Foundation will continue to be a careful steward of your hard-earned dollars, as we not only preach fiscal responsibility but practice it.

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GIVING BACK

Foundation staff give back to the community by personally contributing to the Project Backpack charity, which collects school supply donations for low income students. The Foundation staff came through with 2,000 supplies collected, just in time for the start of the school year.

The brave freedom fighters of the Alamo never lost sight of the importance of standing on principle—even in the face of insurmountable challenges. In the end, they paid the ultimate price so that future generations might have liberty and freedom.

Together, we salute our Texas heroes and continue to fight for a state where freedom, opportunity, liberty, and prosperity continue to flourish.

As Texans, we remember the Alamo. We learn from the past and look to the future—standing on principles, drawing a line in the sand.

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IN MEMORIAM

Michael S. Stevens

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FINANCES

Assets

Cash & Receivables $2,028,545
Property & Equipment $17,344
Prepaid Expenses $61,379
Total Assets $2,107,269

Liabilities

Current Liabilities $58,768
Deferred Revenue $411,859
Total Liabilities $470,627

Net Assets

Equity Prior Years $1,422,840
Equity 2008 $213,802
Total Net Assets $1,636,642

Total Net Assets & Liabilities $2,107,269

Revenue Growth: 2004-2008

2004 $1,242,952
2005 $1,796,662
2006 $2,293,317
2007 $2,508,314
2008 $3,181,436

---All financial data subject to review by independent audit---

2008 Income: $3,181,436

22% Foundations
13% Corporations
12% Events
80% Operations
80% Research and Policy
12% Development
47% Individuals
18% Foundations
4% Interest
1% Arts
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TEXAS PUBLIC POLICY FOUNDATION STAFF
DRAWING A LINE IN THE SAND