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# Compact for America Educational Foundation

Compact for America Education Foundation (CFA Education) is a Houston-based right wing 501(c)3 non profit and associate member of the State Policy

Network (SPN).[1]

Compact for America Educational Foundation was established in 2014.<sup>[2]</sup> According to the organization's website:<sup>[3]</sup>

The Compact for America Educational Foundation, Inc. (the "Foundation") is a not-for profit Texas corporation created to educate



elected officials, citizens and residents of the United States about the use of an interstate compact agreement and counterpart federal legislation to coordinate the use of Article V of the U.S. Constitution by state legislatures and the US Congress to originate, propose and ratify constitutional amendments. The first initiative of the Foundation is the Compact for a Balanced Budget ("CBB"), an interstate compact agreement that organizes the member states to propose and ratify a specific balanced budget and debt limit amendment into the U.S. Constitution.

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## State Policy Network

SPN is a web of right-wing "think tanks" and tax-exempt organizations in 49 states, Puerto Rico, and Washington, D.C. As of January 2017, SPN's membership totals 141. It is an \$83 million right-wing empire as of the 2011 funding documents from SPN itself and each of its state "think tank" members. Although SPN's member organizations claim to be nonpartisan and independent, the Center for Media and Democracy's in-depth investigation, "EXPOSED: The State Policy Network -- The Powerful Right-Wing Network Helping to Hijack State Politics and



Government," reveals that SPN and its member think tanks are major drivers of the right-wing, American Legislative Exchange Council (ALEC)-backed corporate agenda in state houses nationwide, with deep ties to the Koch brothers and the national right-wing network of funders. [4]

In response to CMD's report, SPN Executive Director Tracie Sharp told national and statehouse reporters that SPN affiliates are "fiercely independent." Later the same week, however, *The New Yorker's* Jane Mayer caught Sharp in a contradiction. In her article, "Is IKEA the New Model for the Conservative Movement? ," the Pulitzer-nominated reporter revealed that, in a recent meeting behind closed doors with the heads of SPN affiliates around the country, Sharp "compared the organization's model to that of the giant global chain IKEA." She reportedly said that SPN "would provide 'the raw materials,' along with the 'services' needed to assemble the products. Rather than acting like passive customers who buy finished products, she wanted each state group to show the enterprise and creativity needed to assemble the parts in their home states. 'Pick what you need,' she said, 'and customize it for what works best for you.'" Not only that, but Sharp "also acknowledged privately to the members that the organization's often anonymous donors frequently shape the agenda. 'The grants are driven by donor intent,' she told the gathered think-tank heads. She added that, often, 'the donors have a very specific idea of what they want to happen." [5]

A set of coordinated fundraising proposals obtained and released by *The Guardian* in early December 2013 confirm many of these SPN members' intent to change state laws and policies, referring to "advancing model legislation" and "candidate briefings." These activities "arguably cross the line into lobbying," *The Guardian* notes. [6]

## **Projects**

According to the Compact for America Educational Foundation's website the organization's major project is the Balanced Budget Compact Project.

## **Balanced Budget Compact Project**

According to the Foundation's website, "Compact for America Educational Foundation is helping the states agree ("compact") to advance and ratify a balanced budget amendment by serving as a compact administration and technical advisor for the Compact for a Balanced Budget Commission."<sup>[7]</sup>

CFA Education is one of a number of organizations pushing for a constitutional amendment that would force the federal government to have a balanced budget every year, likely resulting in massive budget cuts.

According to the *Center on Budget and Policy Priorities*, "A balanced budget amendment to the U.S. Constitution would be a highly ill-advised way to address the nation's long-term fiscal problems... By requiring a balanced budget every year, no matter the state of the economy, such an amendment would raise serious risks of tipping weak economies into recession and making recessions longer and deeper, causing very large job losses. That's because the amendment would force policymakers to cut spending, raise taxes, or both just when the economy is weak or already in recession — the exact opposite of what good economic policy would advise."<sup>[8]</sup>

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### Core Financials

#### **2014**<sup>[9]</sup>

Total Revenue: \$235,362Total Expenses: \$93,497Net Assets: \$141,865

## Personnel

### Board of Directors<sup>[10]</sup>

- Thomas C. Patterson, Chairman, Immediate Past Chairman of the Goldwater Institute
- Chip DeMoss, Vice Chairman, Managing Director, Tanglewood Capitol Partners, LLC
- Kevin Gutzman, Member
- Lawrence Reed, Member Emeritus

#### **Management and Associates**

- Nick Drainias, President and Executive Director, Founder
- Chip DeMoss, CEO and Treasurer
- Kevin Gutzman, Executive Vice President and Treasurer
- Lt. Col. Stuart Jolly, Executive Vice President of Development
- Sen. Curtis Olafson (Retired ND), Vice President of State Alliances
- Greg Brooks, Director of Communications

#### Council of Scholars

- Sam Batkins, Director of Regulatory Policy American Action Forum
- Dean Clancy, Vice President of Policy FreedomWorks 2010-2014
- Harold R. DeMoss Jr, Senior Federal Judge (retired), U.S. Fifth Circuit Court of Appeals
- John C. Eastman, Henry Salvatori Professor of Law and Community Service at Chapman University Fowler School of Law
- Jake Jacobs, Liberty Proclamation Education
- Kevin Gutzman, NY Times Best Selling Author, Chairman and Professor History Department
   Western Connecticut State University
- Rick Masters, General Counsel Interstate Commission for Adult Offender Supervision,
   Former General Counsel Council of State Governments
- Steve Moore, National Spokesman
- William "Bill" Norton, Visiting Scholar Bellevue University, Instructor Center for Self-Governance, Former National Support Team Constitutional Coordinator, Tea Party Patriots
- Larwrence Reed, President Foundation for Economic Education
- Ben Scafidi, Professor of Economics Kennesaw State University
- Byron Schlomach, Director of State Policy, 1889 Institute, Director of the Center for Economic Prosperity - Goldwater Institute (2007-2015)]
- Ilya Shapiro, Senior Fellow and Editor-in-Chief, Cato Supreme Court Review- Cato Institute
- Stephen Slivinski, Senior Research Fellow, Center for the Study of Economic Liberty -

Arizona State University, Senior Economist - Goldwater Institute (2009-2014)

- Kystal Slivinski, Assistant Professor of Economics Grand Canyon University
- Baker Spring, Fellow U.S. Senate Committee on the Budget (2014), Research Fellow -Hillsdale College (2014), FM Kirby Research Fellow in National Security Policy - Heritage Foundation (1989-2013)

### Contact

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Category: SPN Exposed

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