



2019

ANNUAL REPORT



THE BEACON CENTER OF TENNESSEE
EMPOWERS TENNESSEANS TO RECLAIM
CONTROL OF THEIR LIVES, SO THAT THEY
CAN FREELY PURSUE THEIR VERSION OF THE
AMERICAN DREAM.

The Beacon Center is a 501(c)(3) nonprofit corporation.



LETTER FROM THE LEADERSHIP

Dear Supporters,

What a year 2019 was for freedom in Tennessee! The Beacon Center was Tennesseans' most effective champion yet again, making their lives freer and more prosperous. In this Annual Report, you will find the accomplishments the Beacon Center was able to achieve with your generous support. Beacon provided the intellectual ammunition around some of the state's biggest policy reforms, educated Tennesseans about the importance of freedom and free enterprise, and litigated for liberty on behalf of Tennesseans whose rights were violated by the government and who had nowhere else to turn but us.

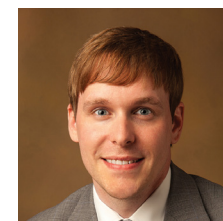
In the second section of this annual report, you can read about how our advocacy partner, Beacon Impact, took our ideas and turned them into action through advocacy, passing important legislation benefitting Tennesseans from one corner of our state to another.

Whether you supported the Beacon Center, Beacon Impact, or both, you left a positive mark on the lives of all Tennesseans this past year. This report will showcase what your investment was able to accomplish, something we never could have done without your generosity. Thank you for making it all possible.

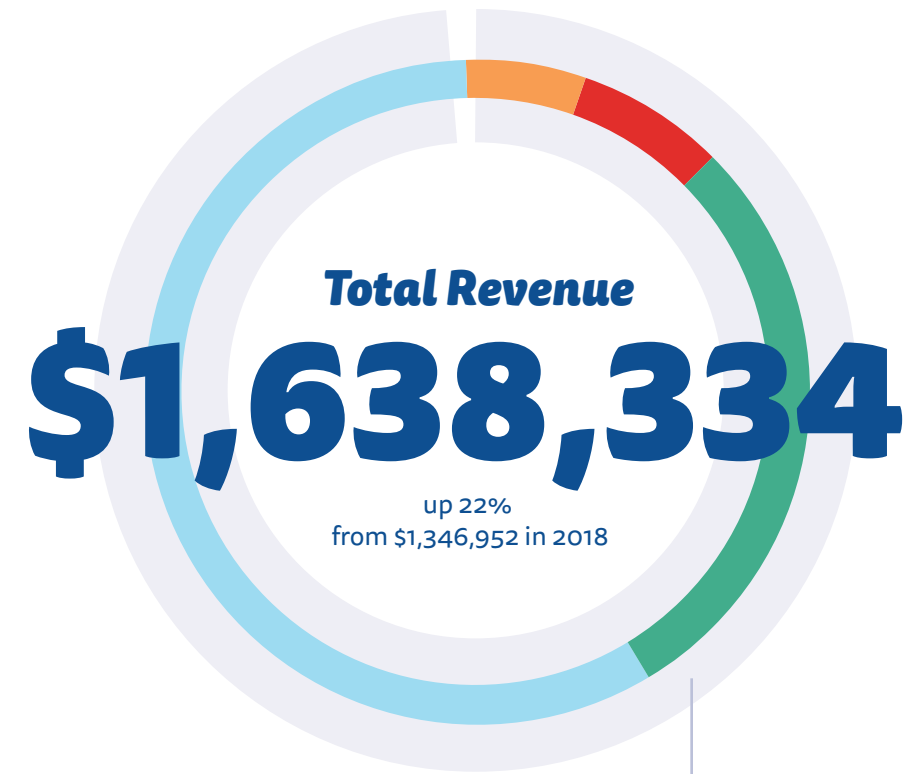
In Liberty,



John Cerasuolo, Chairman



Justin Owen, President & CEO



INDIVIDUAL
 \$466,697 - 29%

FOUNDATION
 \$954,350 - 58%

CORPORATE
 \$105,000 - 6%

OTHER
 \$112,287 - 7%

99%
 of donors live in Tennessee

In 2019, Tennessee performed better in national and international freedom rankings than it ever has:

#1

state for fiscal stability by U.S. News & World Report

#1

for small business revenue growth by Kabbage

3RD

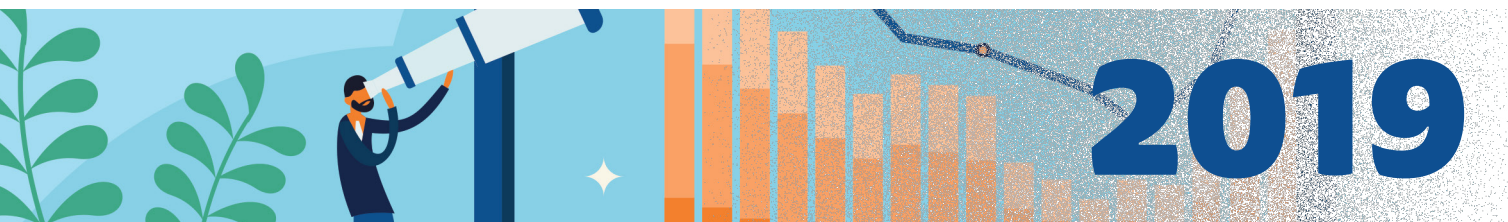
in Kiplinger's "Most Tax-Friendly States in the U.S." rankings

4TH

in the Fraser Institute's "Economic Freedom in North America Index"

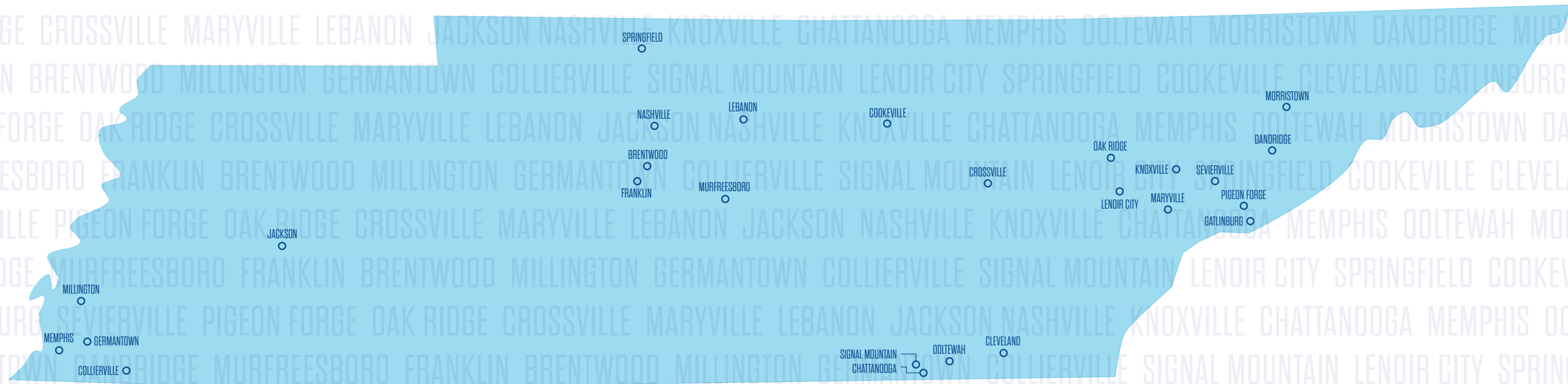
TOP 10

in the American Legislative Exchange Council's "Rich States Poor States" economic performance ranking, up from 15 last year



2019 BY THE NUMBERS

COMMUNITIES VISITED ADVANCING OUR MISSION



11,495

miles traveled across Tennessee
advancing our mission

40

speaking events & conferences presented at
within the state and nationally



THE WORK WE DID

FIND ALL OF OUR
RESEARCH AT
[BeaconTN.org/
research](https://BeaconTN.org/research)

- ✓ **WE CONDUCTED AND PUBLISHED RESEARCH** showing the economic benefits of expanding educational choice, namely Education Savings Accounts (ESAs), in our state. Lawmakers went on to pass Gov. Bill Lee's signature ESA proposal, the most sweeping educational choice program in Tennessee history and one of the largest to be adopted in the country during 2019.

- ✓ **WE PROVIDED POLICY GUIDANCE** on key issues to newly-elected Governor Bill Lee and his transition team, including education, criminal justice, occupational licensing, and corporate welfare.

- ✓ **WE PUBLISHED IN-DEPTH RESEARCH** on our state's economic development grants, finding a stunning lack of transparency and accountability in our method of doling out corporate welfare, which led to significant transparency and accountability measures enacted by the legislature during the 2019 session.

READ ABOUT ALL
OF OUR CASES AT
[BeaconTN.org/
cases](https://BeaconTN.org/cases)

- ✓ **WE CONTINUED TO EXPOSE THE NEED** for occupational licensing reform for low- and moderate-income Tennesseans such as hair braiders. Utilizing our "Dirty Dozen" report on the worst licensing regimes in the state, lawmakers repealed the hair braiding license, which could result in as many as 2,000 women, particularly minorities, starting new businesses in the state.

- ✓ After years of failing to convince lawmakers to drastically expand the auctioneer license to include online auctions, the auctioneer industry finally succeeded in 2019. Yet, our legal team immediately jumped into action and obtained an injunction preventing the new law from taking effect, **PROTECTING NUMEROUS ONLINE AUCTIONEERS** from having their businesses shut down.

WATCH PREVIOUS
EPISODES AT
[BeaconTN.org/
over-caffeinated](https://BeaconTN.org/over-caffeinated)

- ✓ **WE PROVIDED POLICYMAKERS WITH A COMPREHENSIVE BLUEPRINT** on sensible criminal justice reforms. Numerous solutions from that blueprint were subsequently included in Governor Lee's Criminal Justice Investment Task Force recommendations released in December 2019.

- ✓ **WE EXPANDED OUR "OVER-CAFFEINATED" MONTHLY TALK SHOW** featuring a star-studded line up including country music singer John Rich and Matthew Charles, the first person released under the federal First Step Act criminal justice reform and personal guest of President Trump at the 2019 State of the Union address.

- ✓ In late 2019, **WE PUBLISHED A REPORT** analyzing the challenges facing rural communities and offering solutions to lead to a resurgence in those communities. Many of the recommendations are expected to be debated by policymakers in the 2020 legislative session.

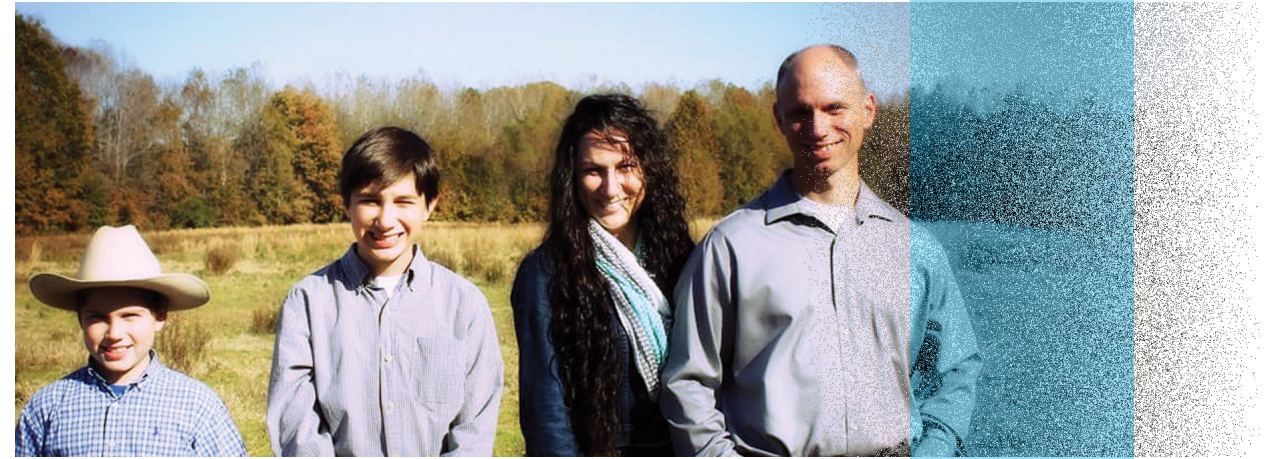
SUBSCRIBE TO OUR
PODCAST AT
[BeaconTN.org/
decaf](https://BeaconTN.org/decaf)

- ✓ We published a report analyzing the state's various welfare programs and **OFFERED SOLUTIONS TO MAKE IT EASIER FOR TENNESSEANS TO TRANSITION FROM WELFARE TO WORK.** After our widely publicized discovery that the state had amassed \$732 million in unused federal funds that could help move people off welfare and into the workforce, the Senate and House speakers established a working group to determine how to conservatively use a portion of those dollars to reduce our welfare rolls and help people get back to work.

- ✓ Given the positive feedback of our monthly "Over-Caffeinated" show, **WE LAUNCHED A SHORTER, WEEKLY PODCAST** called "Decaf." Both shows help us reach a wider audience, changing the hearts and minds of those who may be unfamiliar with or disagree with our ideas.

THE STORIES WE TOLD

There are many true heroes who stood with Beacon in 2019, and their stories changed lives. Following are a few examples of those who fought alongside us for their fellow Tennesseans' freedom and prosperity this past year.



THE GAUGHS
WERE A CRUCIAL
PART OF SHOWING
TENNESSEANS
WHY EDUCATIONAL
CHOICE IS
NECESSARY

Unsung Heroes: The Gaugh Family

Each November, Beacon hosts a mixer to recognize individuals in Tennessee whose stories have inspired meaningful change. In 2019, we honored one standout—or “Unsung”—hero, a family who has gone above and beyond the call of duty to advance freedom in Tennessee. The Gaugh family from Jackson spent hours and numerous trips to Capitol Hill in support of expanding educational choice in our state. Throughout the legislative fight, Glen Gaugh, his wife Julie, and their sons Elisha and Jesse were a crucial part of showing Tennesseans why educational choice is necessary.

Glen has spent his entire life in Tennessee, and that is where he and Julie have chosen to raise their two boys. Glen is very active in his community and church. Because he has two children, Glen's passion is education. He and Julie are just two of many parents who have had to make a difficult decision. Should they continue to send their children to a school system that was badly in need of reform, or should they make financial sacrifices to pursue an alternative path?

After talking it over with their eldest son Elisha, they opted to try the homeschool

route. Since making that decision, Elisha is thriving in his education. He has the option at a very young age to take responsibility for his daily schedule, and he enjoys getting to spend more time with his family. Jesse, who is only in the third grade, remains at public school but hopes to be homeschooled with his brother one day.

But there's a problem. The Gaugh family has already made so many financial sacrifices to educate Elisha at home that they might not have the resources to do the same with Jesse. For this reason, Glen chose to become involved in the fight to bring education savings accounts, or ESAs, to Tennessee.

Through emails, calls, personal contacts, letters to the editor, and testimony in legislative committees, Glen was an integral part of the passage of this year's education savings account bill, even though his hometown of Jackson was carved out of the program and his family wouldn't benefit from it. Glen is the definition of an Unsung Hero, fighting to give others a right that wouldn't even benefit his family, and we were proud to honor the entire Gaugh family for their sacrifices.



From Welfare to Work: Debra Nutall

You might remember Debra Nutall as one of the people most responsible for the removal of harmful barriers on natural hair braiders. For 20 years, Debra fought to return home to Memphis after being driven out of the state by the Tennessee cosmetology board for braiding hair without a license. Her stand for braiders' freedom to work has already changed hundreds of lives. But did you know that braiding itself changed her life?

For years, Debra lived in government housing and was on welfare. But she was never satisfied with that. She deeply desired to be independent and was prepared to work as hard as she possibly could to achieve that independence. Armed only with her talent in braiding natural hair—a skill set that was uncommon in Memphis at the time she started her career—Debra got to work. She began her business by braiding during the day while still holding on to a job at a nursing home.

Because of her hard work, dedication, and natural hair styling ability, it wasn't long before Debra's business took off, and she was able to rent her own apartment without government assistance. As Debra continued braiding, her clientele steadily grew, and now, she owns a business and trains other braiders in the skill that changed her life. She has even taught young women who are in college to pursue other career paths how to braid so they have a tangible skill they can always fall back on, and she is now finally free to return to Tennessee to be near her family and continue her career. "Through braiding, I was able to take care of my family," Debra said. "I never have to live in poverty anymore. I will never go back."

Our state and country rely on highly motivated individuals like Debra—people who value hard work and their own independence. It truly is amazing what Debra and hundreds of other Tennesseans have done to end the cycle of poverty with their generation.

"I NEVER HAVE TO LIVE IN POVERTY ANYMORE. I WILL NEVER GO BACK."

Banging the Gavel: Will McLemore

Like other forms of e-commerce, online auctions have exploded. Consumers, entrepreneurs, and clients alike have benefitted from an auction marketplace that exists entirely online, because it is largely free from the burdens and costs associated with a brick and mortar auction business. Tennessee was especially forward thinking because in 2006 it exempted online auctioneers from needing to hold an auctioneer's license. So in a lurch backward in 2019, Tennessee lawmakers suddenly made the decision to impose an auctioneer license on online auctions.

Auctions like Will's can be done safely and conveniently online. But by 2016, Will could no longer count on the same freedom. Licensed auctioneers realized that the ground was disappearing underneath their feet. They aggressively rallied to expand their regulatory reach into the online marketplace. They finally succeeded in 2019, when lawmakers expanded the auctioneer license regime to online auctions for the first time, changing the rules of the game on entrepreneurs like Will.

Will refused to back down. Along with other principled auctioneers, he formed the Interstate Auction Association that aims to restore freedom for online auctioneers. And he and his association partnered with Beacon's legal foundation to sue the state, alleging that there was no rational reason to begin requiring a license to run an online auction after so many years allowing them to operate freely. Beacon and Will successfully obtained an injunction preventing the law from taking effect. For now, Will and his colleagues are free to continue operating their business without unnecessary regulatory red tape.

HE FORMED THE INTERSTATE AUCTION ASSOCIATION THAT AIMS TO RESTORE FREEDOM FOR ONLINE AUCTIONEERS

Will McLemore is the sort of entrepreneur who made the most of the opportunities afforded by Tennessee's formerly enlightened approach to online auctions. In 2007, he started a new Tennessee business from the ground up: McLemore Auction Company. Since then, Will has successfully represented hundreds of clients on his website free from oversight and with little problem. Will was at the cutting edge. He now has a successful business where he employs multiple individuals, most of whom are not required to obtain a license.



Sunshine is the Best Disinfectant: Karrie Marren

Parents are entitled to full transparency when it comes to the education of their children. Sunshine is the best disinfectant, as the saying goes. To this end, Tennessee enacted a rigorous public records law so that citizens could keep an eye on government officials. The government cannot evade transparency by offloading governmental responsibilities to private actors.

The Tennessee School Boards Association (TSBA) is a prime example. TSBA is given exclusive state authority to train local school board members. While TSBA is technically a private nonprofit, the school boards they train are not. When TSBA obtained a government mandate to complete government duties, almost entirely paid for by taxpayers (over 90% of TSBA's budget comes from taxpayers), it also obtained a responsibility to be fully transparent.

Fortunately, the public records laws apply to governments, and also to their "functional equivalents." Simply put, perform a public job and you owe public transparency. If the TSBA is going to continue to fulfill a vital government role, then it must operate in the light of day.

Karrie Marren, like many Tennessee moms, is extremely attentive to her children's educational needs. Karrie began to worry about the direction of her children's education. Consistently frustrated by an inability to get answers about the schooling of her child, she sought to learn more from the Williamson County school board, but she only ran into more walls. When Karrie learned that it was TSBA who trained school boards, she sought to learn the role the TSBA has played in altering the terrain of educational policy in the state, and in developing a curriculum for training school board members. To that

end, Karrie submitted a public records request to learn more about the work of the TSBA.

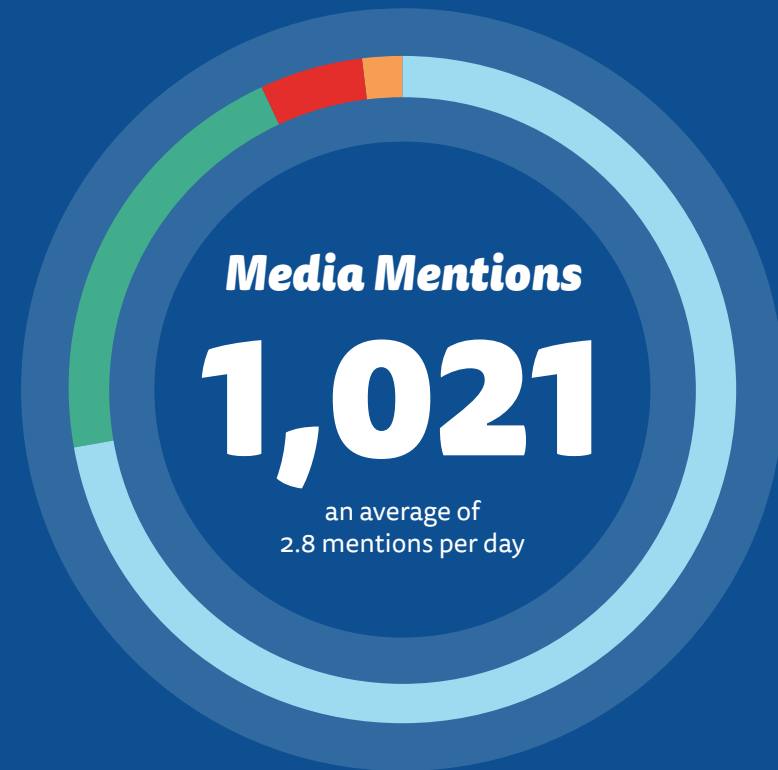
The TSBA denied Karrie's request, claiming that it was a private entity that could operate in the dark. Karrie then turned to Beacon. With Beacon's help, Karrie sued the TSBA arguing that it is subject to our state's open records laws. And with our help, Karrie and parents across our state will have the ability to shine a much-needed light on this entity that is entrusted with such an important government function that impacts all of Tennessee's public school children.

IF THE TSBA IS
GOING TO CONTINUE
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LIGHT OF DAY.



THE COVERAGE WE RECEIVED

At Beacon, one of our strengths is raising public awareness about our solutions through traditional and emerging media outlets. Below is a snapshot of the work we did in 2019 to change hearts and minds across Tennessee and beyond.



PRINT AND ONLINE STORIES

763

TV INTERVIEWS AND STORIES

194

RADIO INTERVIEWS

46

OPINION ARTICLES

18

Ad Value of Earned Media: \$2.58 million

(for every dollar donated to Beacon, we generate \$1.54 in earned media)

National Outlets Covering Our Work

THE DAILY CALLER billboard Forbes THE WALL STREET JOURNAL. Bloomberg NEWS

AP Associated Press Reason NATIONAL REVIEW The Washington Times U.S. News & WORLD REPORT CNN

Sample of Tennessee News Outlets Covering Our Work

TENNESSEAN, MEMPHIS COMMERCIAL APPEAL, CHATTANOOGA TIMES FREE PRESS, KNOXVILLE NEWS SENTINEL, DAILY MEMPHIAN, JACKSON SUN, JOHNSON CITY PRESS, NASHVILLE SCENE, MEMPHIS FLYER, CLARKSVILLE LEAF-CHRONICLE, KNOXVILLE FOCUS, MURFREESBORO DAILY NEWS JOURNAL

Total Video Views

647,400

on Beacon's "Over-Caffeinated" show, "Beacon Weekly," Facebook Live interviews, and storytelling videos

THE TEAM THAT DID IT



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Distinguished Fellow

Naomi Lopez-Bauman
Senior Fellow for Healthcare Policy

Dr. Harold Black
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Jonathan Butcher
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Senior Fellow for Criminal Justice

Dr. Paul Stumb
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Julie Warren
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WHAT'S NEXT?

Tennessee has a strong state economy that is the envy of many others. However, it is imperative that we continue to advance sensible public policy grounded in the principles of freedom and free enterprise if we are going to pass that torch on to our children and grandchildren. To that end, Beacon will spend 2020 ensuring that “Tennessee is Open for Business.”

In 2020, we will:

- ✓ Drive the dialogue, offer policy solutions, and change hearts and minds on our “Tennessee is Open for Business” agenda to promote key issues such as Right to Work, licensing reform, property tax reform, and local permitting protections.
- ✓ Serve as a go-to resource and the intellectual ammunition for policymakers on other key priorities, including tax policy, criminal justice, healthcare, welfare, education, economic development, and rural economic opportunity.
- ✓ Continue our first-of-its-kind research into solutions to take Tennesseans from welfare to work via our “Poverty to Prosperity” initiative and serve as the go-to authority on welfare reform for Governor Lee, legislative leaders, and other policymakers.
- ✓ Engage in robust storytelling to put a face to each of these issues, showing the need for reform in these areas. Our videos, blog posts, op-eds, and interviews telling these stories will directly reach at least 500,000 Tennesseans in 2020.
- ✓ Continue to produce our weekly “Decaf” podcast and monthly “Over-Caffeinated” talk show, reaching 200,000 Tennesseans—particularly younger generations—who are not familiar with Beacon’s work. We will reach them on their own terms, capture their imaginations, entertain them a bit, and most importantly, share our uplifting message of freedom that they otherwise would have never heard.
- ✓ Begin replicating our successful state-level policy strategy to drive freedom and free enterprise in local communities. We will kick this off on July 4, 2020 with our state’s first-ever City Freedom Index ranking cities based on their relative freedom in categories like tax policy, spending, property rights, and business regulations.
- ✓ Represent Tennesseans in court when their freedoms come under attack, and defend our policy gains from legal attacks with amici briefs and intervention in lawsuits that challenge school choice, tort reform, and other laws that are important to Tennesseans.



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