

FGA 2022

ANNUAL REPORT

Unlocking the Path to the American Dream

A look into
**Unlocking
Medicaid
Handcuffs**

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Thanks to YOU, 2022 was a great year for FGA.

In addition to the policy victories, we have refined our business model to achieve an even greater impact as we move forward together.

Heading into the 2021–22 legislative cycle, we decided to add election integrity and double down on responding to the worker shortage. We also launched a “Super State” concept, investing heavily in a few states where we have deep relationships and long track records. Rather than providing just a few solutions as we’ve done in the past, **we partnered with lawmakers to create a comprehensive policy reform agenda.**

It worked.

Being relevant to policymakers’ top priorities (addressing election integrity and the labor shortage) increased our access with legislative leaders. In turn, this provided opportunities to educate them on our other high-impact reforms to increase work, support entrepreneurship, improve education, and restore a market in health care. **Super States also drove a record number of wins**, creating momentum for other states to follow their lead.

Like you, we measure our impact based on what we accomplish. And like any successful business, we set annual goals to push ourselves to give you the greatest return on your investment. You’ll see a highlight of FGA’s 2022 goals, along with our actual results, on the opposite page.

In the following pages, you’ll read more about FGA’s results in 2022. Additionally, you’ll see plans for 2023 so you have an idea of where we’re headed. **2023 is going to be another great year**—and I look forward to sharing more with you in the coming months.

Best,



Tarren Bragdon, *President & CEO*



FGA's Top 2022 Goals and Results

| | GOAL | RESULT |
|---|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Achieve 150 state policy reform wins | Achieved 144 state policy wins. Another 49 reforms were vetoed (KS, MI, PA, and WI).  |
| 2 | Train federal leaders on our "Three Big Ideas" federal agenda | Completed. Included a heavy emphasis on congressional approval of costly executive actions (the REINS Act) and universal work requirements in welfare. Achieved two major federal wins: <ul style="list-style-type: none">■ Ended the Medicaid handcuffs starting April 1, 2023, which have been keeping more than 20 million ineligible people on Medicaid, increasing government dependency, and costing taxpayers more than \$200 billion a year. <i>(You can read more about this on page 6.)</i>■ Prevented the refundable Child Tax Credit (through which the IRS paid non-working parents monthly checks per child) from being added back in the final Democrat budget in late 2022. It was a priority of the Left to resurrect these payments before the Republicans took the majority in the U.S. House.  |
| 3 | Obtain 12 top-tier media placements to promote our federal agenda | Completed. Landed 42 top-tier placements, including many in the <i>Wall Street Journal</i> . This was a major force in driving our federal victories.  |
| 4 | Raise \$14 million | Completed. Raised \$15.0 million, up 26 percent since 2020.  |

Thank you for your partnership and making all this possible.

You are helping to achieve hundreds of policy wins in the states, restoring work and the American Dream for millions of people, and building momentum for more federal victories.



2022 IN REVIEW: How You Improved America

Because of you, 2022 was a year of opportunity and work for millions of Americans.

Addressing the Labor Shortage

Your generosity made it possible to achieve more than 45 unemployment and welfare policy victories to move Americans back to work and stop wasteful spending that encourages people to stay home

Kentucky and **Oklahoma** indexed unemployment benefits to economic conditions (tying benefits to the unemployment rate or unemployment claims) and **Iowa** substantially reduced the number of weeks someone can remain on unemployment. As a result, these three states can expect significantly smaller unemployment rolls, higher labor force participation rates, and a better-funded unemployment trust fund.

Another reform victory was requiring an initial job search for able-bodied adults receiving benefits from Temporary Assistance for Needy Families (TANF) in Indiana. With this solution in effect, cash welfare applicants must show proof of searching for jobs—not just doing the bare minimum to comply with program work requirements.

We also achieved a dramatic win in **Kansas** to require able-bodied adults without dependents to participate in the state's employment and training (E&T) program to receive benefits. The legislature passed our solution to make E&T assignments mandatory—but the Kansas House was 14 votes shy of a veto override from the Democrat governor. Our partner 501(c)(4) contractors used FGA's research and messaging to educate every member on the issue. Ultimately, the veto override passed—with two extra votes. As a result of this victory, Kansas's GDP is expected to increase by hundreds of millions of dollars.

Restoring Trust in the Election Process

Election integrity reform went mainstream last year, with FGA's reforms earning broad bipartisan support. **We achieved more than 70 election integrity policy wins across 19 states in 2022.** These victories are increasing transparency and accountability, securing the vote-by-mail process, promoting accurate and fast ballot counting, and securing voter registration.

Missouri enacted 13 of our election integrity solutions after more than a year of outreach and education efforts, including meetings with Missouri legislators and Secretary of State Jay Ashcroft. This reform package was the single largest election reform bill ever passed—for about 12 hours. The next day, **South Carolina** passed the nation's first unanimous bipartisan election integrity bill, containing 18 of our reforms. FGA was invited to attend the bill signing, where we met with the bill sponsors and listened to both leaders of the Republican and Democratic parties talk about the importance of the bipartisan legislation. We achieved another bipartisan victory when **Virginia** banned Zuckerbucks (the private funding of state and local election activities), with the bill unanimously passing the Democrat-controlled state Senate.

Along with our work in the states, **we filed our first-ever lawsuit against the Biden administration's Department of Justice (DOJ)** to uncover potential plans to turn federal agencies into partisan voter registration centers. President Biden's executive order, "Promoting Access to Voting," may conceal an abuse of power—and the administration's lack of transparency makes us wonder what they are hiding.

After the first ruling last summer, FGA received 135 pages of information, most of which was redacted. We were the first to receive any documentation—not even members of Congress were aware of DOJ's plans after multiple requests. There are still up to 5,000 pertinent files missing, including a 15-page strategic plan to implement the executive order. We have a strong legal argument and are confident the Court will not allow DOJ to continue this game of hide-and-seek. Regardless, we have several courses of action to take as we work to hold the Biden administration accountable on this crucial issue.





Moving Millions From Welfare to Work

Unlocking Medicaid Handcuffs

As a financial partner with FGA, **you provide the resources for every victory.** In 2022, you made it possible to achieve more than 140 state policy victories that are promoting work over welfare, spurring entrepreneurship and empowering small business owners, safeguarding elections, and expanding access to affordable private health insurance. Thank you!

Behind each of these wins is a story. Many times, that story is years in the making.

This is especially true at the federal level. A great example of this is our most impactful federal win in 2022—a **successful ending to a three-year fight over Medicaid.**

In response to COVID-19, Congress passed several bills that set the stage for long-term dependency. You may remember that when people lost their jobs, they were enrolled in Medicaid.

Indefinitely.

States could not disenroll anyone if they took extra federal dollars, which all states did. The Left's strategy was clear: Supersize Medicaid to become the vehicle for socialized medicine and pressure non-Medicaid expansion states to keep people on Medicaid in hopes they would become a de facto expansion state.

Millions of ineligible people swelled Medicaid enrollment to almost 100 million Americans—but no one was talking about it.



Except FGA.

As early as Q2 of 2020, we set out to unlock these Medicaid handcuffs. Our state and federal affairs teams had specific goals around ending the Medicaid continuous enrollment provision or persuading state leaders to opt out of the program. These efforts—which continued throughout 2020, 2021, and 2022—included briefings with governors' offices, state Medicaid officials, state legislative leaders, and members of Congress and their staff.

Based on feedback from numerous meetings with the Senate Finance and House Energy and Commerce Committees and their staff, it quickly became clear that FGA was the only group

advocating against the provision in Washington, D.C. FGA continued to lead on this issue for three years—and **even in 2022, we still heard we were the only group providing policy support on the issue of Medicaid handcuffs.**

Because this issue was under the radar, we launched an aggressive awareness campaign. FGA's unique research and top-tier media exposure brought the issue to the attention of federal policymakers and helped create the pressure necessary to force an unwinding of the program. This resulted in hundreds of earned media mentions and coverage in 15 top-tier outlets such as *Fox News*, *New York Post*, *Politico*, and *Real Clear Politics*. The *Wall Street Journal* highlighted the issue and our research with seven op-eds and five editorial board pieces.



Medicaid handcuffs were officially unlocked as part of the federal omnibus spending bill in December 2022. **As of April 1, states can remove the more than 20 million ineligible participants from Medicaid** for the first time in three years. And just as FGA educated lawmakers about Medicaid handcuffs in the first place, we are providing legal and policy expertise so states can take full advantage now that they are unlocked.

This success is your success. Thank you for your partnership.

LOOKING AHEAD IN THE STATES: Seizing New Opportunities in 2023

At FGA, we are always looking to seize new opportunities. It's how we maximize the return on your investment and rapidly grow your impact.

The good news: After the mid-terms, 18 states are "same and steady." Another 14 states are "redder and better," presenting new opportunities for reform. In Florida, Republicans swept all statewide offices and now have supermajority in both chambers. In Iowa, Republicans flipped the offices of the attorney general and the treasurer and added seats in the House and Senate.

Another red wave happened in Texas, where Republicans gained more seats with increased support from Hispanics. Ohio is redder, and Nevada gained a new reform-minded governor. We also plan to work with a more conservative Wisconsin Legislature on popular, bipartisan reforms that can get signed into law by the Democrat governor.

This means that we have 32 states of opportunity for 2023, creating a similar political landscape that made it possible to achieve hundreds of policy wins in the past two years.



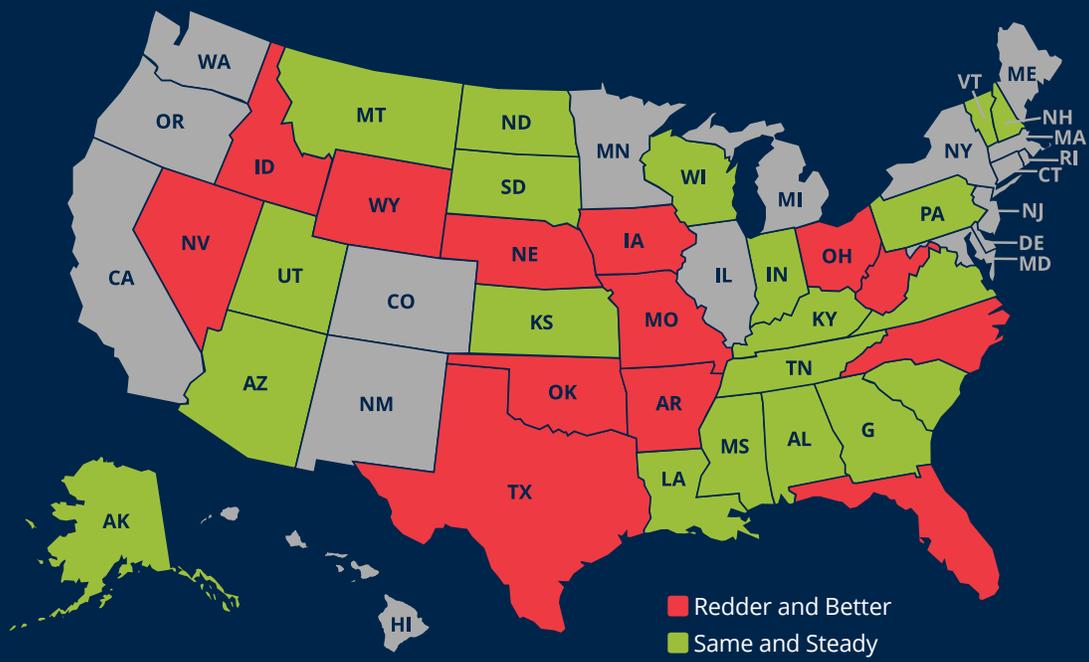
HB 2471 government investments; plans; fiduciary
House Government Committee



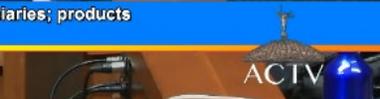
HB 1334



STATES OF OPPORTUNITY FOR 2023



Photos (top to bottom): Scott Centorino, Senior Fellow, testifying in Idaho; Eric Bledsoe, Senior Fellow, testifying in Arizona; Travis Taylor, Senior Market Research Analyst, testifying in Indiana; Madeline Malisa, Senior Fellow, presenting at FGA's December 2022 policy conference in Naples, FL



Our challenge:

What do we need to do in these states now to prepare them for a strong half-century?

We have three big priorities:

1. Opportunity

Work is a miracle—and a core tenet of the American Dream. The path to getting a better job should be clear. It should be easy to start a business.

- This means reining in big government spending, moving more Americans off welfare and back into the workforce, and creating more entrepreneurs and skilled workers.
- We are also exploring new solutions to lower energy costs and push back against attempts to allow financial services to discriminate through ESG (environmental, social, and governance) investment strategies.

2. Trust

Parents need to trust that schools are educating their children for the future, not indoctrinating for the Left. Health care pricing should be clear and transparent.

- When school administrators put propaganda over writing and race before reading, all Americans suffer. We are developing new solutions to give power back to parents through school board election reforms and policies that provide more choice for K-12 education.
- On the health care front, we will advance health care reforms to promote transparency and put patients back in the driver's seat. For example, one of our priority solutions expands access to non-profit Farm Bureau plans, which are up to 77 percent less expensive than individual plans and offer more choice.

3. Security

Voters need a secure, clear election process that makes it easy to vote and hard to cheat. Blue-city residents must have confidence that the government will enforce laws and stop crime.

- This year, we are promoting election integrity reforms to prevent ballot harvesting, enforce existing election laws, and stop outside influence in the election process. We are also educating lawmakers how to prevent the disastrous and often disenfranchising method of ranked-choice voting (RCV) from taking root in their cities and states.
- Instead of ignoring out-of-control blue cities and rising crime, Florida Governor Ron DeSantis fired officials who ignored the law and threatened to call in the National Guard for rioters—and urban voters rewarded him in his bid for re-election. In 2023, FGA plans to identify and develop potential policy solutions to bring this type of governance to other states and build on Florida's example.



*Top left: FGA President and CEO Tarren Bragdon meeting with Senator Mike Lee (R-UT)
Bottom left: Tarren Bragdon with Majority Leader Steve Scalise (R-LA)*

LOOKING AHEAD IN WASHINGTON, D.C.: Building Momentum for 2025

As we seize new opportunities in the states, we are also ramping up our federal work to take advantage of the new Republican-controlled U.S. House of Representatives. This involves working with federal leaders to address issues ranging from inflation to the student loan debt crisis. By helping lawmakers introduce meaningful reforms in 2023, we are laying the groundwork for future success in 2025 when a reform-minded president hopefully takes

office. Even if our solutions are vetoed by President Biden or do not pass the Democrat-controlled Senate, the practice gives us the opportunity to analyze why bills failed and adjust our strategy accordingly for a better chance of future success.

Our federal agenda focuses on three major reforms to create more work, higher incomes, more freedom, and low inflation.



1

Our top federal priority is to drain and contain the D.C. swamp.

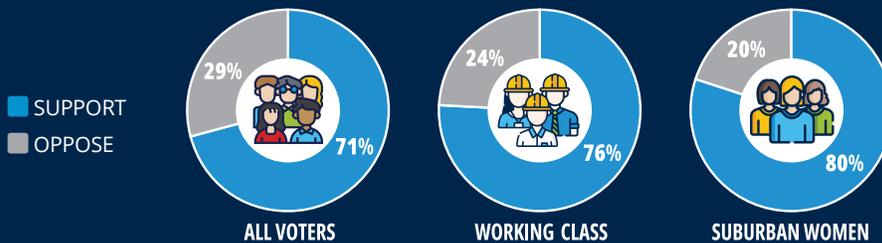
To do so, we are promoting the Regulations from the Executive in Need of Scrutiny (REINS) Act, which requires bureaucrats to get congressional approval for any rule that has an impact of more than \$100 million. This restores congressional authority and prevents unelected bureaucrats from expanding government. After laying the groundwork last summer, meetings with dozens of members of Congress have generated tremendous enthusiasm for this reform in the Republican-led U.S. House. Earlier this year, lead sponsor Rep. Kat Cammack (R-FL) held a press conference on the need for REINS, and nearly 180 Republicans have signed on as co-sponsors.



2

Our second big idea is to enact a universal work requirement for all able-bodied adults.

This would move Americans from welfare to work to fill the more than 11 million open jobs. Not only are work requirements great policy, but they are also great politics: **71 percent of all voters, 76 percent of working-class voters, and 80 percent of suburban women support a universal work requirement for all able-bodied adults on welfare.** Sen. Rick Scott (R-FL) introduced work requirements for food stamps and public housing last year on June 21, and has reintroduced the bill this year. We are educating members of the U.S. House of Representatives to create momentum on this issue.



Source: <https://excellenceinpolling.com/poll/2022-national-poll/>

3

Our third federal priority is to unravel the harmful effects of the public health emergency.

President Biden and the Left have used the public health emergency to prop up big government and dependency, soaking taxpayers with hundreds of billions of dollars in higher food stamp and Medicaid costs tied to the emergency. After Republicans in the U.S. House voted in February to end the public health emergency—an issue we have been working on for more than a year—President Biden announced it will end on May 11. We are educating our state and federal allies how to make the most of this opportunity, along with what the Biden administration is already doing through executive action that may make this unwinding more difficult.





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