



ALEC.ORG



ALEC Annual Report



ALEC American
Legislative
Exchange
Council
LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM



LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM



Now more than ever, your focus should be on the states. Right now, we are at a crossroads in American history where an incredible number of important decisions about our future are going to be made—and they are going to be made by the states. The truth is the vast majority of decisions that affect people's lives are made in state capitals, not Washington, DC.

At the same time as we are on the cusp of a new era, conservatives have also made historic gains at every level of government. Over the past eight years, conservatives won nearly 1,000 state legislative seats, more than 20 percent of the nation's governorships and nearly 15 percent of Congress. Today, almost 60 percent of all state legislators believe in limited government, free markets and federalism.

Electoral victories are great, but then what? After the confetti settles, legislators have to legislate. After the victory, what comes next?

ALEC comes next.

For generations, ALEC has been where legislators go to better understand how and what to legislate. At ALEC, legislators gain the intellectual and policy *bona fides* to be good stewards of people's hard earned dollars. They learn from each other about what worked and what didn't so as to not repeat the mistakes of their predecessors or colleagues from different states. Together, and with the help of hardworking state legislators nationwide, we can make limited government a reality across the country.

Sincerely,

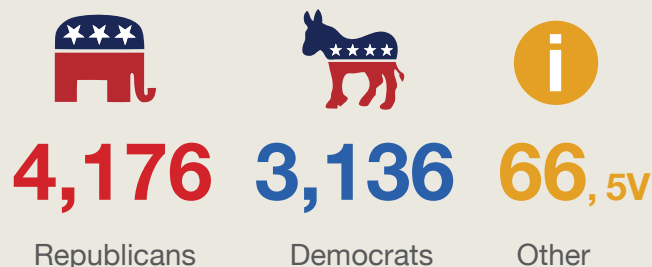
Lisa B. Nelson

Chief Executive Officer

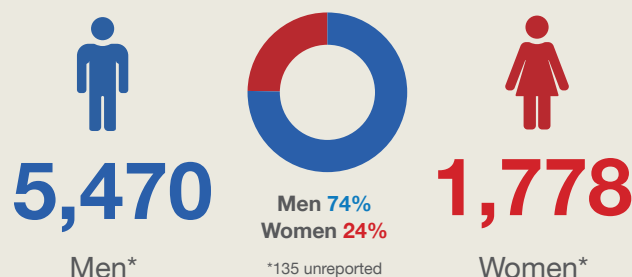
American Legislative Exchange Council

2016 STATE LEGISLATURES

BY PARTY



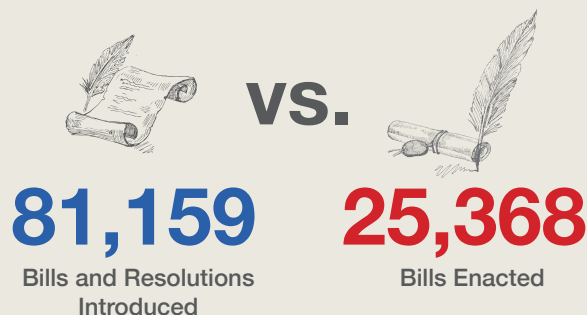
BY GENDER



TOP FIVE LEGISLATIVE ISSUE AREAS

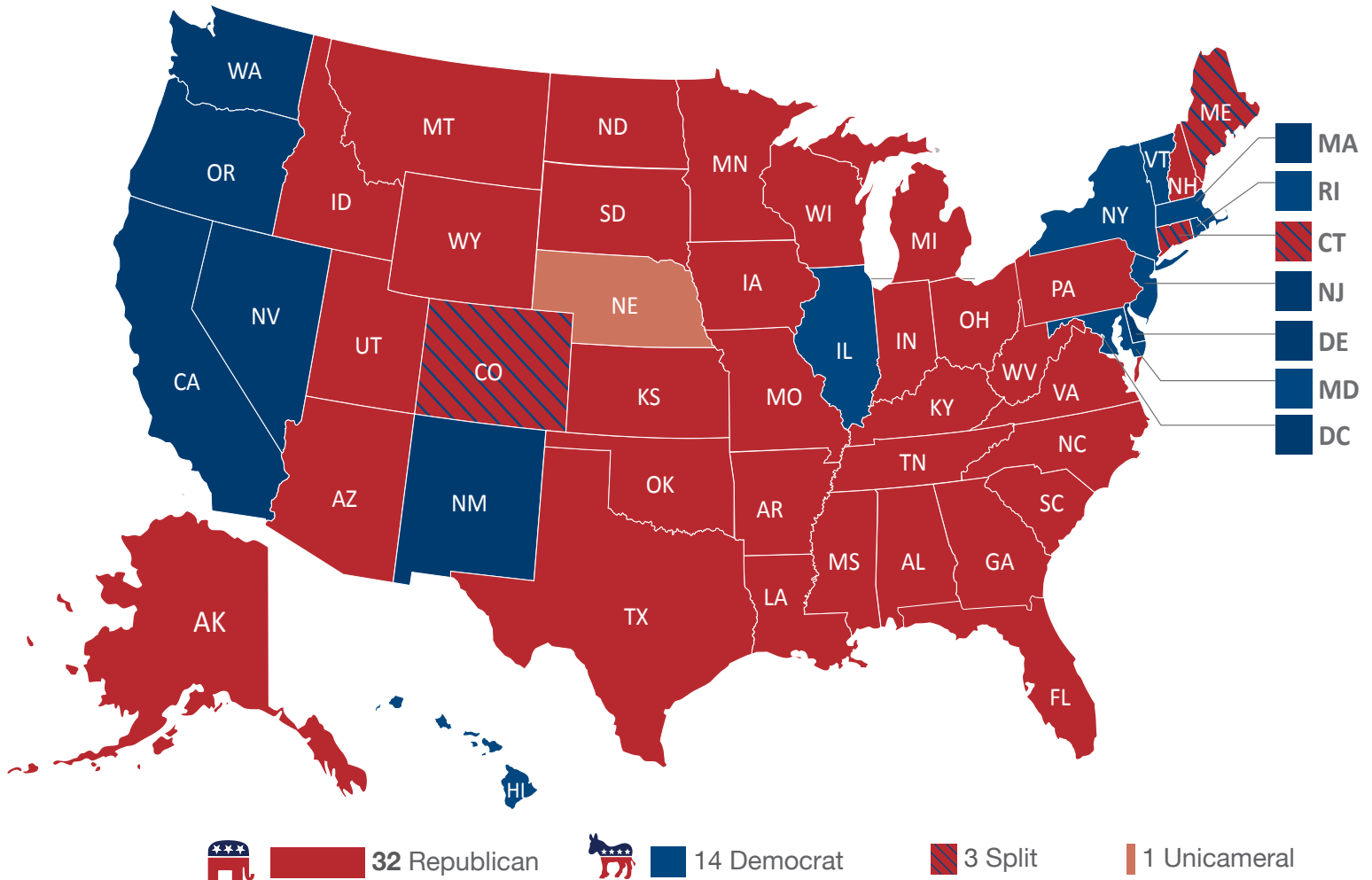
#1	Economics and Public Finance	17,055 bills
#2	Health	16,804 bills
#3	Crime and Law	16,154 bills
#4	Education	14,201 bills
#5	Taxation	9,396 bills

BILLS INTRODUCED VS. ENACTED



Data provided by: Quorum

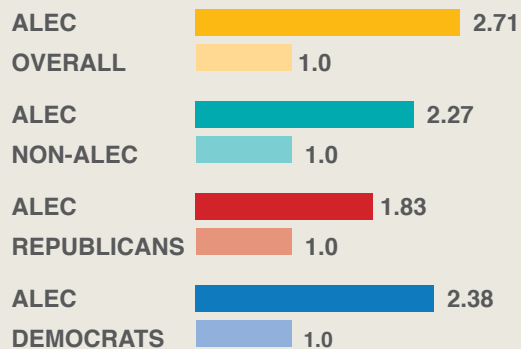
2016 POST-ELECTION POLITICAL PROFILE OF STATE LEGISLATURES



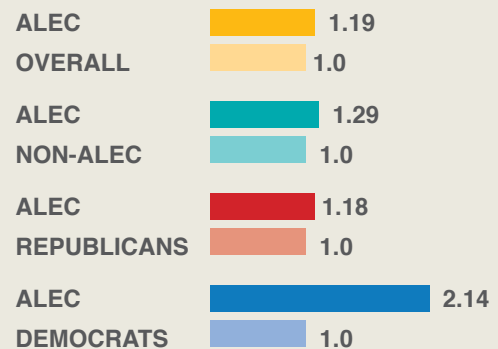
Political Trifectas: 24 Republican 7 Democrat

ALEC MEMBERS ARE MORE COLLABORATIVE AND MORE EFFECTIVE THAN ANY OTHER GROUP OF STATE LEGISLATORS

ALEC MEMBERS COLLABORATE MORE ON LEGISLATION*



ALEC MEMBERS ENACT MORE LEGISLATION*



* 1.0 = Average Legislator

Data provided by: **Quorum**
data driven politics

2016

ALEC brings together the best and brightest minds that are fighting for limited government nationwide. In the run-up to the 2016 presidential election, ALEC hosted Vice President Mike Pence and five presidential candidates.



Mike Pence
Vice President
United States



Ben Carson
Secretary
Housing and Urban Development



Ted Cruz
United States Senator
Texas



Scott Walker
Governor
Wisconsin

“

*I was for ALEC
before it was cool.*

”

—Vice President Mike Pence

ALEC Meeting Highlights

ALEC meetings are where the action is. Legislators from around the country come to learn from one another and hear from the best and brightest—those who may one day lead our nation.

In 2016, ALEC brought together Governors Scott Walker, Rick Perry and Mike Huckabee, as well as Senator Ted Cruz, neurosurgeon Ben Carson and CEO Carly Fiorina to address state legislators from across the country. The highlight of the year was surely hosting then governor of Indiana, now Vice President Mike Pence who shared the famous line, “I was for ALEC before it was cool.” Certainly, Pence has been a friend to ALEC and a longtime proponent of limited government, free markets and federalism.

As a result of the contributions from members and donors, ALEC meetings provide an opportunity for members to network and learn from national policy leaders. ALEC conferences are widely considered to be among the nation’s most respected state-level policy engagements, providing an exchange of ideas and differing views—a forum and format unmatched by other state legislative organizations.



Mike Huckabee
Former Governor
Arkansas



Carly Fiorina
Former CEO
Hewlett-Packard

Exchange of Ideas

ALEC truly embodies the idea of a laboratory for democracy, and the states are paving the way for the future. Legislators from all 50 states proactively share ideas and work together in the nine ALEC issue-focused task forces to create model policies. These policies address critical, state-based issues and expand opportunity for all Americans. Last year, members developed policies focusing on education reform, free speech and energy innovation. Legislators don't always agree, and that's the point. This debate opens the floor for a constructive discussion on what benefits hardworking Americans best.

"As a female legislator—a young, conservative female legislator—this has been a phenomenal opportunity."

—Representative Christina Hagan
Ohio

ALEC ANNUAL MEETINGS

HIGHLIGHTS

Topics Discussed:

- Privacy
- Smart Cities
- Free Speech
- Tort Reform
- Tax and Fiscal Policy
- Health Care
- Education
- Federalism



20+ Different
Issue
Workshops

Learned from
120+ Policy Experts



Networked with
2,500+ Attendees



Learned about trending topics
and hot button issues with
110+ hours of training
in 3 days



Attendees Included:

- State Legislators from Across the Country
- **30+** Think Tanks
- **200+** Industry Experts
- **90+** Non-Profit Leaders



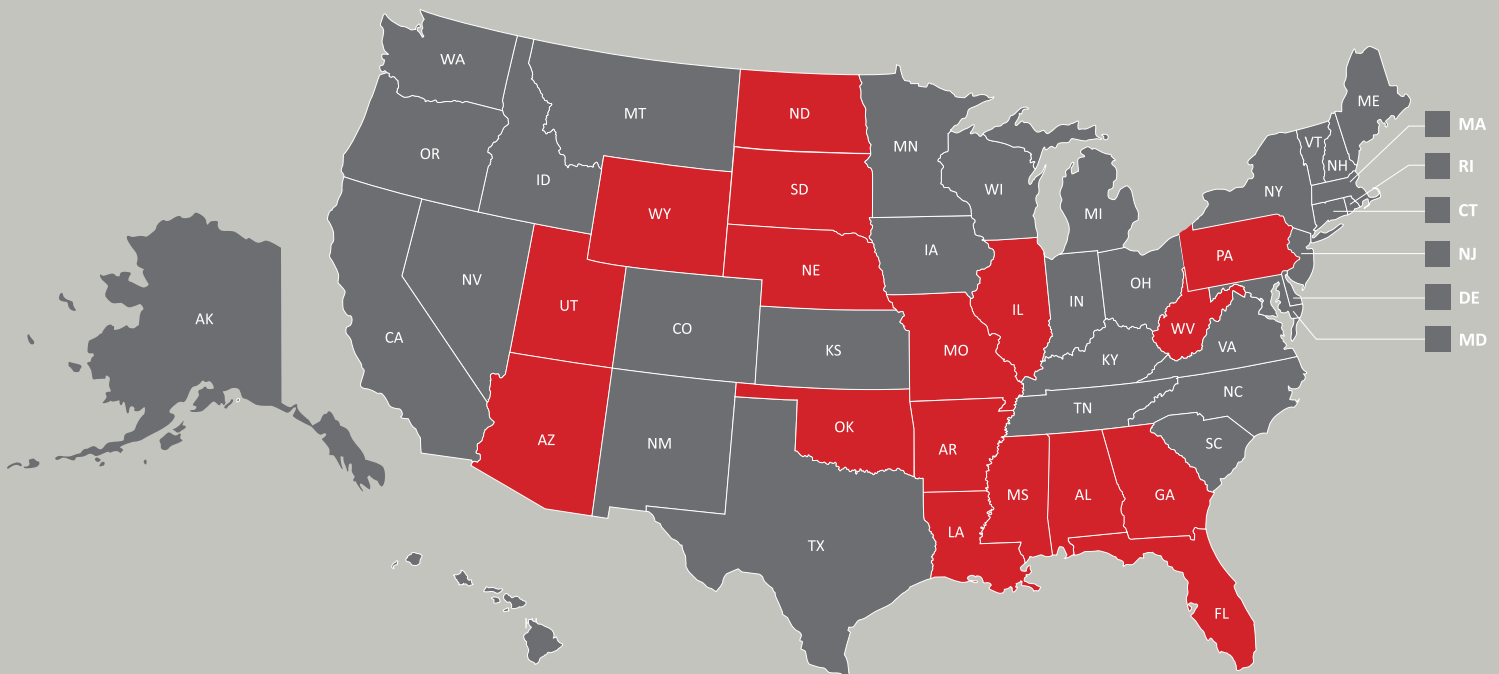
The generosity of ALEC supporters allowed the organization to provide education and research on digital learning, free speech and EPA overregulation:

- Members of the Task Force on Education and Workforce Development focused on the Digital Teaching and Learning Plan, which helps states bring effective digital learning programs to classrooms. They also discussed which states are best implementing digital learning programs while avoiding mistakes made in other states.
- Free speech advocates developed two model policies: one that promotes academic freedom on college campuses and another that protects against government attempts to eliminate donor privacy.
- Since 2013, ALEC has provided states with tools to respond to the EPA Clean Power Plan, a heavy-handed EPA regulation driving up electricity rates and doing little in the way of abating any significant atmospheric warming. ALEC efforts to protect Americans against overregulation exemplifies how our education makes a difference.

“The Regional Tax Academy was great because it specifically defines the fiscal problems our states are facing, but more importantly it offers real solutions including policy proposals and case studies.”

—Representative John Piscopo
Connecticut

STATES THAT ADOPTED ALEC MODELS RELATED TO THE CLEAN POWER PLAN



These states have adopted one of the ALEC model resolutions addressing the Clean Power Plan or a similar resolution expressing concern or objection to the regulation.

 17 ADOPTED ALEC MODELS

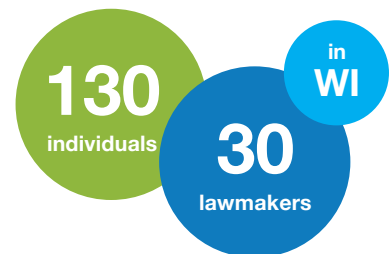
Through the direct support of members and donors last year, ALEC educated legislators across the nation, hosting events such as:

“I wanted to be around the people that were members at ALEC because they care about our country, they care about our state and they care about each other.”

—Senator Andre Cushing
Maine

- A luncheon with Governor Scott Walker showcasing Wisconsin’s success in achieving a top ten status for Wisconsin’s economic outlook as indicated in the ALEC publication *Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index*.

ALEC Vice President Jonathan Williams moderated a panel that included the Senate Committee on Finance Chair Senator Alberta Darling and Assembly Committee on Finance Chair Representative John Nygren and ALEC 2016 National Chairman Senator Leah Vukmir. More than 130 individuals attended, including 30 lawmakers.



PROFILE



Wisconsin Senator Leah Vukmir is the Chair of the **Center to Protect Free Speech**.

She has seen firsthand the impact of the government using reporting laws to silence individuals in her home state.

In her role as chair, she hopes to provide the tools for legislators to encourage actions that can be taken to promote free speech.

PROTECT FREE SPEECH

In 2016, ALEC launched the **Center to Protect Free Speech** which focuses on three key areas: campus speech, donor privacy and commercial speech.

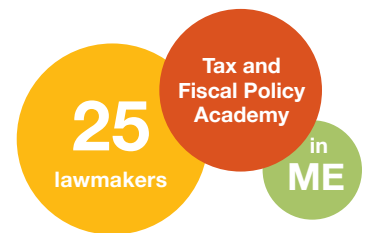
Freedom of speech is not an isolated topic. Free speech and First Amendment law bleed into multiple public policy areas such as education, criminal justice, civic participation, healthcare, commerce and even technology. Free speech, open inquiry, tolerance on college campuses, free association, the rights of businesses to engage in the free exchange of truthful information and donor privacy for nonprofits and charities must be respected and exercised without fear of retaliation, so that our society remains the marketplace of ideas.



- A congressional panel with state and federal legislators in Washington, DC regarding the balance of power between the states and federal government. Indiana Congressman Luke Messer, Harvard Law Professor Lawrence Lessig and Utah Congressman Rob Bishop hosted a panel on reversing federal overreach.
- A Life Sciences Academy in Boston for state lawmakers focused on pharmaceutical innovation with tours of research and development facilities.
- The ALEC Center for State Fiscal Reform successfully hosted its inaugural regional Tax and Fiscal Policy Academy in Portland, Maine in late September. The Academy trained 25 lawmakers on topics including the intersection of fiscal policy and innovation, a guide to sound pension practices, overcoming obstacles to tax reform and a budgeting toolkit for staying in the black. The group also met with Governor Paul LePage and Maine business leaders to learn more about the state's pro-growth reforms.

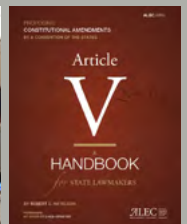
"I joined ALEC because of the wealth of information and opportunity for networking."

—Representative Alan Clemmons
South Carolina



ALEC EVENTS

HIGHLIGHTS



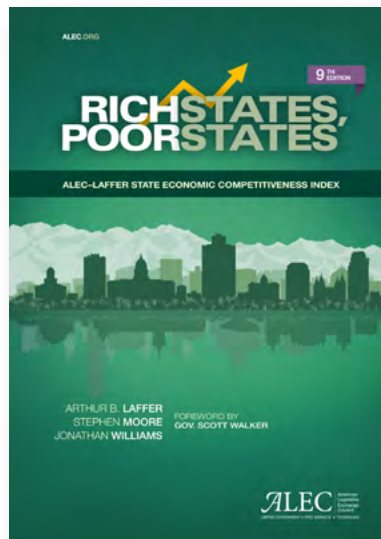
ALEC Publications

ALEC produces dozens of publications each year that serve as valuable resources for state legislators across the country. ALEC ideas and publications are the product of countless hours of research, debate and discussion, and serve as toolkits for anyone who wants to increase the effectiveness and reduce the size, reach and cost of government.



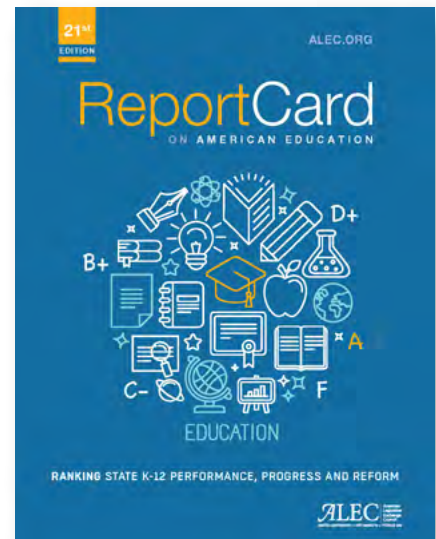
State Factor: Mandatory Minimum Sentencing Reform Saves States Money and Reduces Crime Rates

The United States has been experiencing increasingly high levels of incarceration, particularly over the last three decades. Several states have realized such levels are not sustainable and have been examining potential solutions to lower incarceration rates. One proposed solution is to allow greater flexibility for judges when sentencing nonviolent, low-risk offenders. By allowing judges to depart from mandatory minimums for nonviolent, low-risk offenders, incarceration rates drop without compromising public safety.



Rich States, Poor States, 9th Edition

The 9th edition of *Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index* revealed a pro-growth trend across the nation for 2016. *Rich States, Poor States* examines the latest movements in state economic growth. The data ranks the 2016 economic outlook of states using 15 equally weighted policy variables, including various tax rates, regulatory burdens and labor policies. The 9th edition of *Rich States, Poor States* received an overwhelming media response, reaching over 20 million households through national and local television and radio outlets. The report received more than 300 media hits, including *The Wall Street Journal*, *Investor's Business Daily* and *The Washington Times*.



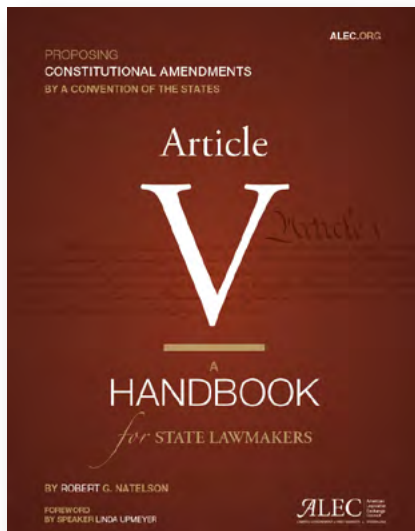
21st Report Card on American Education

The *21st Report Card on American Education* assesses the educational opportunities available to students nationwide, giving each state a letter grade. The future of the American education system has the potential to be bright. While some states have risen to the top of the heap, no state earned higher than a B+ in 2016. There is room to grow; to trust more families instead of regulators, and to ensure that every student has an equal opportunity at the quality, individualized education that 21st century success requires. The *21st Report Card on American Education* was featured on One America News Network's shows Tipping Point and The Daily Ledger.



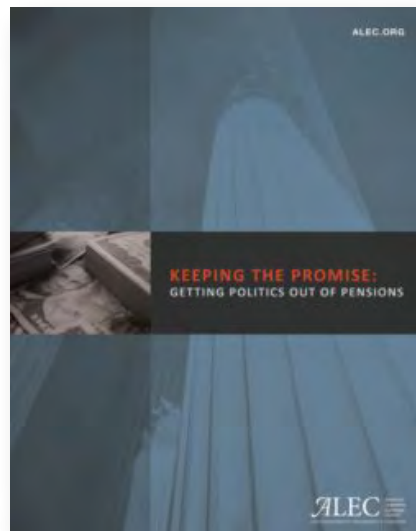
ALEC on Education

For an online comparison tool, custom report cards and state education studies, visit www.ALECReportCard.org.



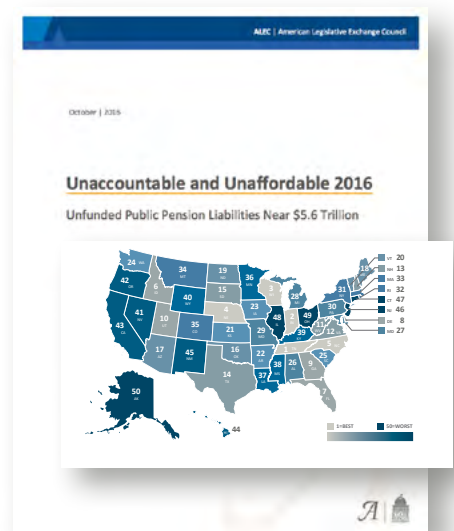
Article V: A Handbook for State Lawmakers

Americans realize that the nation is on the wrong path and Congress lacks the political courage to address our challenges. The Handbook is an invaluable guide for state lawmakers who recognize that the states have the power and the duty to rein in a federal government that is unable and unwilling to reform itself. The time is right for the states to exert the constitutional authority provided to them by the Constitution's framers and to propose amendments that could set us on the right path again. There is far more to fear from state inaction against a dysfunctional and overreaching federal government than there is to fear from states banding together to address some of America's most pressing problems.



Keeping the Promise: Getting Politics Out of Pensions

As lawmakers and trustees knowingly make inferior investment decisions, sacrificing better returns in order to advance political agendas, pension funding declines, jeopardizing workers' retirement benefits and leaving taxpayers to pick up the tab. Unfortunately, many lawmakers and pension plan officials have other priorities besides doing what is best for workers. They see the billions of pension fund dollars they manage as an opportunity to advance their own agendas. This reckless decision to place political agendas ahead of what's best for workers is known as pension fund cronyism, and this report exposes these dishonest practices and shows state and local policymakers what they can do to address the problem.

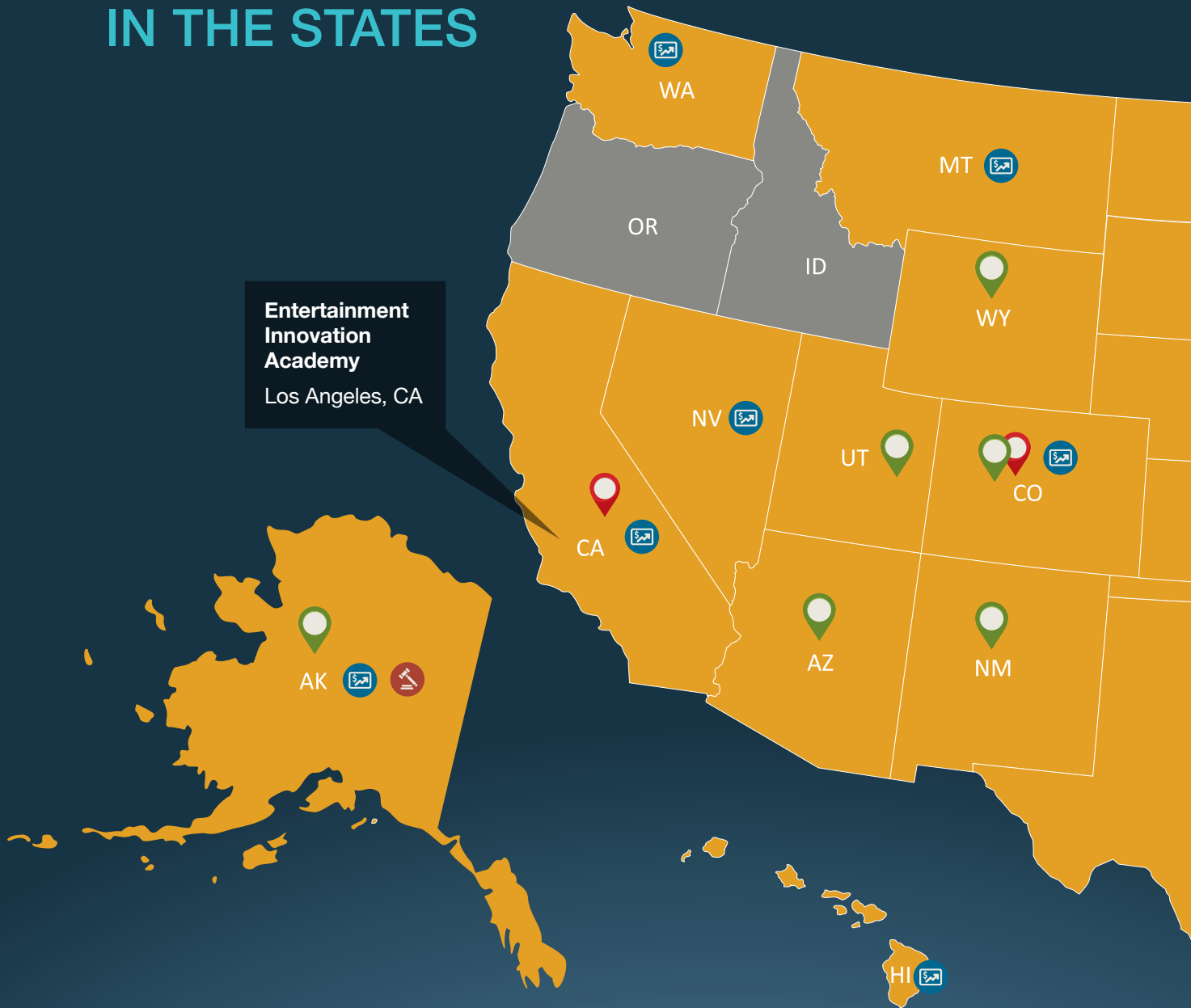


Unaccountable and Unaffordable 2016: Unfunded Public Pension Liabilities Near \$5.6 Trillion

State public pension plans are now underfunded by nearly \$5.6 trillion—an increase of almost \$900 billion from State Budget Solutions' (SBS) last comprehensive report in 2014. When state pension funds are examined through the lens of a more realistic valuation, pension funding gaps are revealed to be much larger than reported in official state financial documents. This report totals state-administered plans' assets and liabilities and finds nationwide total unfunded liabilities to be \$5.59 trillion. The only way to solve this growing problem is for states to enact meaningful pension reform.



ALEC IMPACT IN THE STATES

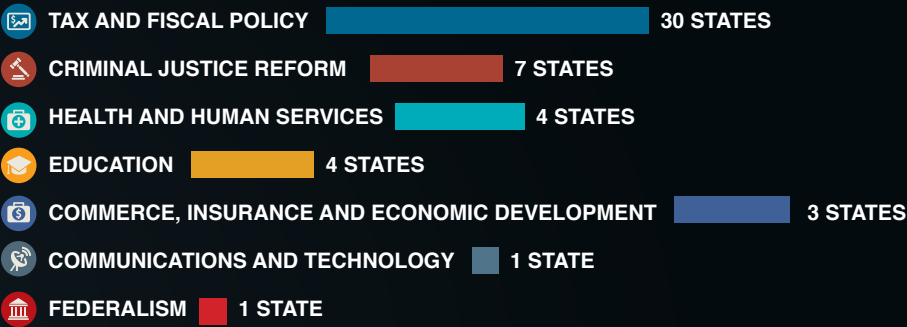


The solution to an overbearing federal government is simple, and ALEC has been pursuing it for years. The states.

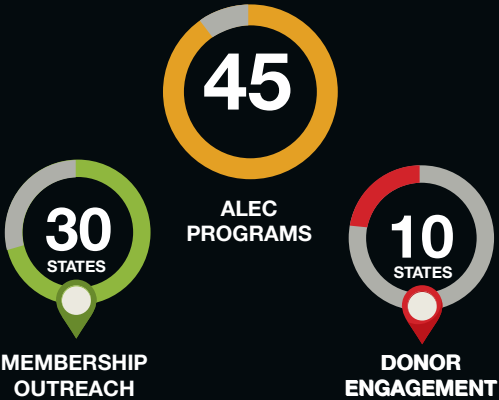
ALEC advances limited government, free markets and federalism in state legislatures across the United States by fostering efficient, effective, accountable and transparent government. That means we're taking control from the hands of bureaucrats and giving it back to you.



POLICY AND TESTIMONY



LEGEND



Financials

ALEC donors and members support the operations and growth of the nation's premier legislative organization promoting free market policy in the states. ALEC accomplishes its mission by educating legislators and individuals about sound policy and by providing them with a platform for collaboration with other stakeholders.



Total Support

\$10.3 M



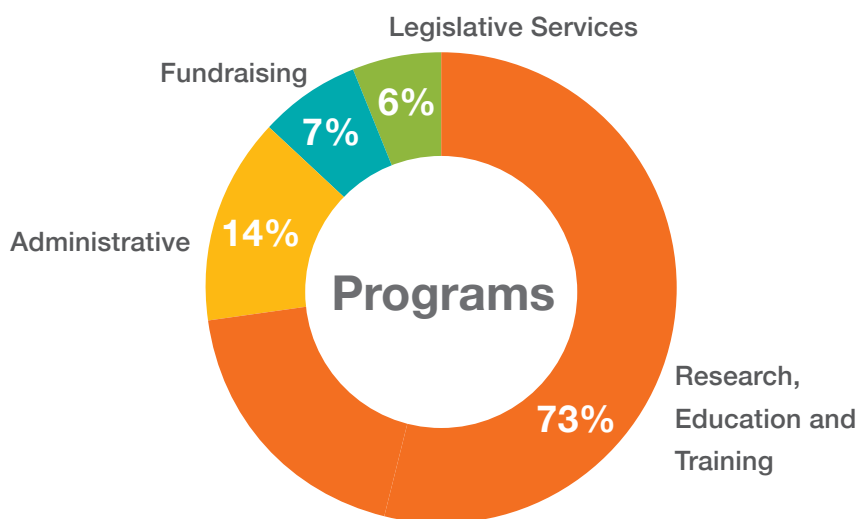
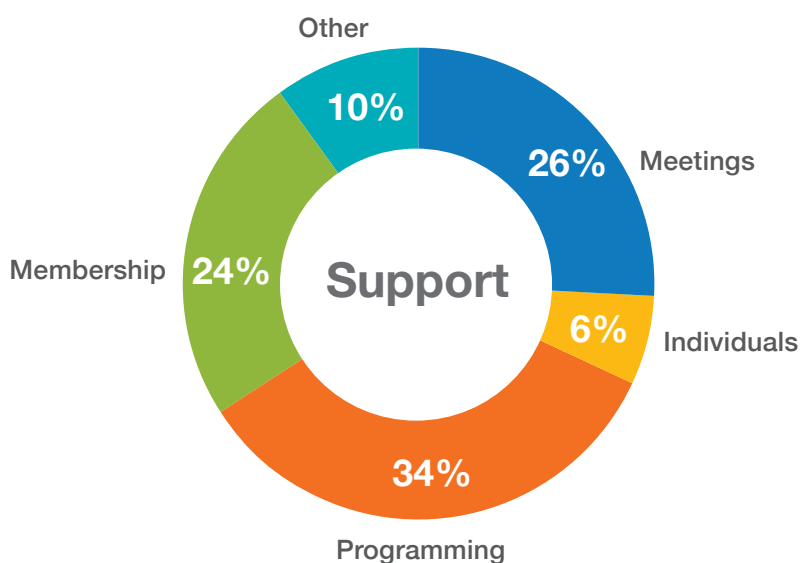
Support

■ Meetings.....	26%
■ Individuals.....	6%
■ Programming.....	34%
■ Membership.....	24%
■ Other.....	10%



Programs

■ Research, Education and Training.....	73%
■ Administrative.....	14%
■ Fundraising.....	7%
■ Legislative Services..	6%



ALEC Reach

State legislators and the people they serve engage with ALEC ideas through a variety of venues and platforms including public forums, broadcast and print news, social media and on the web. In 2016, ALEC reached more than **35 million** Americans with research and plans of action to institute market-based reforms, sound tax policy and fiscally responsible government.

Speaking Engagements:

52



TV Appearances:

29



Interviews:

350 Plus



Radio Segments:

31



Editorials:

45



Facebook:

49,000 Likes



YouTube:

329 Videos



Blog Posts:

401



Twitter:

11,300 Followers



Broadcast and Print News

ALEC scholars saturated American communities with talk of free market reforms in more than 350 interviews with broadcast, print and online outlets including the *Wall Street Journal*, *USA TODAY*, *Des Moines Register*, *National Review*, *Fox News* and many more.



Websites

ALEC re-launched ALEC.org on January 1, 2016. The new website improved the user experience and allows visitors to better engage, learn and share free market policy. What's more, ALEC surpassed one million pageviews for the first time.



Public Forums

ALEC leaders and scholars spoke to more than five thousand legislators and issue activists at 52 public forums in 2016.



Social Media

ALEC followers and engagement increased by nearly 400 percent growing from 10,000 followers to nearly 50,000. Committed ALEC followers shared what they've learned about the free market exhibiting a 552 percent increase in likes, shares and positive reactions over the course of the year.

Leadership

A dedicated team of state legislative leaders from across the country serves as the governing board of ALEC. They are among the vanguard for freedom who dedicate their time and resources to promote limited government, free markets and federalism.

2016 EXECUTIVE COMMITTEE



Sen. Leah Vukmir
Chairman



Sen. Jim Buck
First Vice Chair



Sen. Wayne Niederhauser
Second Vice Chair



Rep. Jason Saine
Treasurer



Rep. Gary Banz
Secretary

2016 ALEC LEADERSHIP



Lisa B. Nelson
Chief Executive Officer



Lisa Bowen
Vice President,
Finance and
Administration



Michael Bowman
Vice President,
Policy and Strategic
Initiatives



Bartlett Cleland
Vice President,
Center for Innovation
and Technology



Jeff Lambert
Vice President,
Member Relations



Bill Meierling
Vice President,
Public Affairs



Jonathan Williams
Vice President,
Center for State
Fiscal Reform

BOARD OF DIRECTORS

Sen. Leah Vukmir, Wisconsin, Chairman
Sen. Jim Buck, Indiana, First Vice Chair
Sen. Wayne Niederhauser, Utah, Second Vice Chair
Rep. Jason Saine, North Carolina, Treasurer
Rep. Gary Banz, Oklahoma, Secretary
Rep. Phil King, Texas, Immediate Past Chair
Sen. Joel Anderson, California
Sen. Bill Cadman, Colorado
Rep. Alan Clemmons, South Carolina
Sen. Andre Cushing, Maine
Rep. David Frizzell, Indiana
Speaker Philip Gunn, Mississippi
Sen. Judson Hill, Georgia
Speaker Bill Howell, Virginia
Rep. Norine Kasperik, Wyoming
Speaker Ray Merrick, Kansas

Rep. Dawn Pettengill, Iowa
Rep. John Piscopo, Connecticut
Sen. Bill Seitz, Ohio
Rep. Blair Thoreson, North Dakota
Rep. Curry Todd, Tennessee
Speaker Linda Upmeyer, Iowa
Sen. Susan Wagle, Kansas

PRIVATE ENTERPRISE ADVISORY COUNCIL

Mr. Bill Carmichael, American Bail Coalition,
Chairman
Mr. Mike Blank, Peabody Energy
Ms. Sano Blocker, Energy Future Holdings
Mr. Jeffrey Bond, PhRMA
Mr. Josh Brown, Pfizer Inc.
Mr. Steve DelBianco, NetChoice

Ms. Marianne Eterno, Guarantee Trust Life Insurance
Mr. Kenneth Lane, Diageo North America, Inc.
Mr. Bill Leahy, AT&T
Mr. Don Lee, K-12
Ms. Frayda Levy
Mr. Stephen Moore
Mr. Michael Morgan, Koch Companies
Public Sector
Mr. Chip Rogers, Asian American Hotel Owners Association
Mr. Daniel Smith, Altria Client Services, Inc.
Mr. Roland Spies, State Farm Insurance Companies
Mr. Pat Thomas, United Parcel Service
Ms. Cynthia Bergman White, ExxonMobil
Mr. Bob Williams, State Budget Solutions
Mr. Steve Woods, NFIB

