



**ALEC.ORG**



# ALEC Annual Report



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



LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM



# Opportunity in the States

At the 2016 Indianapolis Annual Meeting, then Governor Pence who had just days before been selected as candidate Trump's Vice-Presidential running mate declared, "I was for ALEC before ALEC was cool." His message foreshadowed the forthcoming presidential administration's focus on the states—on a government closer to the people. And from President Reagan onward, there has been no better partner to a Presidential administration looking to return power to the states than ALEC. For almost 45 years, ALEC has been the home for state legislators and public policies that support limited government, free markets and federalism.

2017 was a great year for ALEC members and the policies they support. Three ALEC legislators declared their intention to run for Congress (*adjacent page*), ALEC alumni were selected for key roles throughout the Trump administration, and a willing body of ALEC legislators stood ready to lead the charge in the states. ALEC members led on issues including tax reform (*page eight*), pension reform (*page 12*), occupational licensing (*page 13*) and campus free speech (*page 14*).

As the nation renews its focus on federalism, ALEC is ready to lead the way. ALEC members are more collaborative, more professional and more focused on what it means to be a legislator—service to one's constituents, less government and more freedom. It's for these reasons and many others that ALEC has become the premier free-market organization that provides elected officials with the resources they need to take ideas and transform them into effective policy.

Sincerely,

Lisa B. Nelson  
Chief Executive Officer  
American Legislative Exchange Council



"We have been able to help each other through the ALEC Women's Caucus, and that's what I'm very proud of."



– Senator Debbie Lesko  
Arizona Senate



# Training Ground

ALEC is a training ground for the best legislators at every level of government. For decades, after having served in the state legislature and learned about the needs of the people, ALEC members have continually reaffirmed the commitment to real change and problem solving by serving their communities in other ways—as local, statewide or federal elected officials. ALEC counts eight governors, 25 percent of Congress and countless statewide and local elected officials as alumni. And Quorum, a political intelligence firm, found that ALEC members are almost three times as effective at working together, introducing and enacting legislation in the states.

In 2017, three members of the ALEC Board of Directors answered the call to service in Washington, DC. They chose to restore the balance of government by bringing their state perspectives to the nation's capital. Arizona Senator Debbie Lesko, New Mexico Representative Yvette Herrell and Wisconsin Senator Leah Vukmir declared their intention to run for Congress and return power to the states. They plan on taking the ALEC perspective—one of limited government, free markets and federalism—to the halls of Congress.

“ALEC is where relationships begin. It’s a place to connect with and learn from people across the country.”



– **Representative Yvette Herrell**  
New Mexico House of Representatives

“It is the best tradition of ALEC to look ahead and find solutions to big problems.”



– **Senator Leah Vukmir**  
Wisconsin Senate

# ALEC Year in Review

Recognized as one of the most influential organizations in the nation, ALEC has always been a leader in promoting the principles of limited government, free markets and federalism. ALEC members represent more than 60 million Americans and 30 million jobs. Meetings provide members the opportunity for legislators to learn from one another and compare notes on what worked—and what didn't—with elected leaders from every state.

ALEC meetings are where the action is. Legislators from around the country join together to discuss and amend policy. They learn from the brightest policy minds and academics of the day. And, in doing so, ALEC members become more professional and focused on providing economic security and returning power to the states and to the people.

ALEC members come to meetings to share with one another. They learn what worked and what didn't so they don't repeat the mistakes of old. Instead, they take the best elements of policies from across the states to tailor custom solutions for their communities.



*Utah Senate President Wayne Niederhauser in 2017 States and Nation Policy Summit (Nashville, TN)*



“Our opponents, defenders of the status quo, only protest those capable of implementing real change. You represent real change.”



– **Secretary Betsy DeVos**  
2017 Annual Meeting  
(Denver, CO)

“I know very well of ALEC’s work... a lot of the things we have been able to do over the years were first learned at ALEC meetings”



– **Governor, Bill Haslem (TN)**  
2017 States and Nation Policy Summit  
(Nashville, TN)

“I encourage you to be bold, and be unapologetic of the ALEC principles”



– **Governor, Matt Bevin (KY)**  
2017 Annual Meeting  
(Denver, CO)

“State and local voices should be considered at any regulatory proposal at the federal level”



– **Labor Secretary Alex Acosta**  
2017 Annual Meeting  
(Denver, CO)



## Center for State Fiscal Reform

“As Congress fills in the tax reform framework laid out by President Trump, there’s much at stake. Economists say the nation has already counted the promised tax cut and that coming up short could end ‘The Trump Boom.’”



– Jonathan Williams,  
Chief Economist,  
The American Legislative  
Exchange Council

# Taking the Lead on Tax Reform

In 2017, ALEC led the charge on an important element of federal tax reform—the state and local tax deduction, also known as SALT. President Reagan highlighted the issue as his last remaining piece of business related to tax reform, and it was ALEC state legislators—as referenced by Congress and the White House—that made their voices heard and helped change the course of debate.

Previously, the state and local tax deduction effectively forced the residents of low-tax states to subsidize the spending and government largesse of high-tax states like California and New York. And, people who paid exorbitant state taxes could simply get a refund from the federal government.

Eliminating the state and local tax deduction provided more than \$1.5 trillion over the next decade to implement broad-based tax cuts and reward the hard work of every day Americans. ALEC played a central role in educating the Washington, D.C. community about an issue of central importance to the states.

“Elimination of the SALT deduction will complete the unfinished business Ronald Reagan started in 1986.”



– Senator Jim Buck  
Indiana Senate

“Repealing the state and local tax deduction forces high tax states like Minnesota to live within its means.”



– Senator Cindy Pugh  
Minnesota Senate



# ALEC Letter to Congress

The state legislators listed below come from all regions of the country and represent millions of people.

## Alabama

Representative Jack Williams

## Arizona

Councilman Sal DiCiccio  
Representative Benjamin Toma

Representative Mark Finchem

Representative Vince Leach

Senate President Steve Yarbrough

Senator John Kavanagh

Senator Sylvia Allen

Senator Debbie Lesko

## Arkansas

Representative Karilyn Brown

## Colorado

Representative Lori Saine

Representative Dave Williams

Representative Susan Beckman

Senator Kevin Lundberg

## Connecticut

Representative Joe Piscopo

## Florida

Representative Ralph Massullo

Representative Mike Hill

Representative Neil Combee

## Georgia

Representative Matt Dollar

Representative Bruce Williamson

## Hawaii

Representative Gene Ward

## Idaho

Representative Eric Redman

Representative Jeff Thompson

Senator Steve Vick

## Indiana

Councilman Brian Jessen

Councilman Fred Glynn

Representative David Wolkins

Representative Sean Eberhart

Senator Luke Kenley

Representative David Frizzell

Representative Mike Speedy

Representative Woody Burton

Representative Heath VanNatter

Representative Gregory Steuerwald

Senator Brandt Hershman

Senator Mike Young

Senator Jim Buck

Senator Mark Messmer

## Iowa

Representative Rob Taylor

## Kansas

Representative John Barker

Senator Mary Pilcher-Cook

Senator Ty Masterson

Senator Gene Sullentrop

## Kentucky

Senator Ernie Harris

Representative C.Wesley Morgan

## Maine

Representative Trey Stewart

Representative Matthew Harrington

Representative Nathan Wadsworth

Senator Andre Cushing

## Maryland

Delegate Susan Krebs

Senator Robert Cassilly

Senator Gail Bates

Delegate Ric Metzgar

## Michigan

Representative Michael Webber

Representative Tim Kelly

Senator Phil Pavlov

## Minnesota

Representative Sondra Erickson

Representative Cindy Pugh

Representative Pat Garofalo

Senator Mary Kiffmeyer

Senator Roger Chamberlain

## Mississippi

Speaker Phil Gunn

Senator Josh Harkins

## Missouri

Representative Donna Lichtenegger

Representative Charlie Davis

Representative Cody Smith

Representative Kurt Bahr

Representative Justin Hill

Representative Keith Frederick

Representative T.J. Berry

Representative Bruce DeGroot

Representative Nick Schroer

Representative Scott Fitzpatrick

Representative Jared Taylor

Senator Wayne Wallingford

Senator Ed Emery

## Montana

Senator Roger Webb

## Nebraska

Senator John Lowe

Senator Jim Smith

## New Hampshire

Representative Jesse Edwards

Representative Gary Daniels

Representative Ken Weyler

## New Mexico

Representative Yvette Herrell

## North Carolina

Representative Jason Saine

## North Dakota

Representative Craig Headland

Representative Karen Rohr

## Ohio

Councilman Ethan Reynolds

Senator Bill Coley

Representative Gary Scherer

Speaker Cliff Rosenberger

Senator Lou Terhar

Representative Tom Brinkman

Representative Andrew Brenner

Representative Andy Thompson

Representative Wes Goodman

Representative Bill Seitz

Representative Ronald Young

Representative Wes Retherford

## Oklahoma

Representative Kevin Calvey

## Pennsylvania

Representative Brian Ellis

Representative Eric Nelson

Representative Seth Grove

Representative Stan Saylor

Senator Richard Alloway

## South Carolina

Representative Garry Smith

Representative Alan Clemmons

## South Dakota

Representative John Mills

Representative Taffy Howard

Representative Hal Wick

Representative Tim Goodwin

Senator Jim Stalzer

## Tennessee

Representative Martin Daniel

Representative Dan Howell

Senator Bill Ketrom

Senator Brian Kelsey

## Texas

Representative Ron Simmons

Representative Kevin Roberts

Representative Rick Miller

Collin County Judge Keith Self

## Utah

Senate President Wayne Niederhauser

Senator J. Stuart Adams

Representative Brian Greene

## Virginia

Councilman Jon Russell

Delegate Kathy Byron

Speaker Bill Howell

## West Virginia

Delegate Kelli Sobonya

Delegate Eric Householder

Delegate Gary Howell

## Wisconsin

Senator Leah Vukmir

Senator Alberta Darling

Senator Devin LeMahieu

Representative John Nygren

Representative John Macco

Representative Mike Kuglitsch

## Wyoming

Representative Dan Laursen

Councilman Dicky Shanor

Representative Donald Burkhart

Representative Dr. Timothy Hallinan

Senator Jeff Wasserberger

Representative Danny Eyre

To read the ALEC letter, visit [ALEC.org/salt-letter](http://ALEC.org/salt-letter)



# Believe in Better: States Lead the Way on Tax Reform and Fiscal Restraint

“2017 was the year for the taxpayer. Congress took the initiative to update a tax code that had not been rewritten since 1983 and in turn put more money into the pockets of hardworking Americans.”



– Joel Griffith, Director, Center for State Fiscal Reform

The 2017 legislative session ended with nine states enacting changes to their tax codes. States remained focused on fiscal reform and provided substantial tax relief to their citizens. But, pro-growth tax reform is only one side of the coin. As legislators work to limit the size and scope of state government, they must also consider innovative approaches to reigning in spending, particularly as it relates to unfunded pension liabilities.

To help legislators better understand spending, debt and unfunded liabilities, ALEC published the State Debt Report ([alec.org/state-debt](http://alec.org/state-debt)) which analyzed unfunded pension liabilities, outstanding debt, unfunded post-employment benefits and unemployment trust fund loans. The report found California, New York and New Jersey carry the highest liabilities in several categories.

For too long, some state legislatures have funded today's government programs on the backs of tomorrow's retirees. ALEC provides a roadmap for legislators to keep the promise ([alec.org/keep-the-promise](http://alec.org/keep-the-promise)), reign in spending and ensure a fully-funded pension for public employees.

ALEC research and analysis provides legislators across the country accurate and timely information to reform state policy and protect hardworking taxpayers.





## Criminal Justice

# Criminal Justice and Individual Liberty

The rise in criminal offenses parallels the growth of the administrative state. There are roughly 5,000 criminal laws and approximately 300,000 criminal regulations. The regulations are largely written by unelected bureaucrats, who are not accountable to constituents. Each year lawmakers pass criminal laws that do not prescribe a standard of culpability. As a result, innocent, noncriminal conduct carries criminal penalties.

ALEC model policy and legislator education efforts focus on removing the number of criminal offenses, distinguishing between criminal and non-criminal conduct and removing criminal law-making ability from bureaucrats.

In 2017, ALEC hosted 16 criminal justice briefings across the states. ALEC outreach educates legislators not only about the best, free-market policy, but also on how to assess policy proposals.

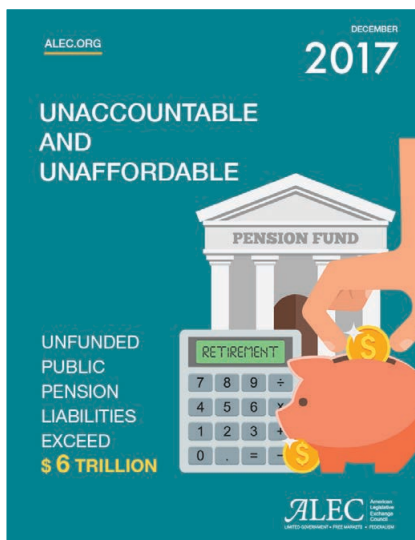


*Did you know, unauthorized use of the Smokey the Bear image carries a potential prison sentence... So does shipping undersized lobsters in plastic bags.*





## Center for State Fiscal Reform



# Keeping the Pension Promise

ALEC has long promoted fiscal restraint in state budgets. After all, taxes and spending—in this case on pensions—are two sides of the same coin. But, most people are surprised to learn every state in the nation has an underfunded pension system, and in many cases, the government has used public-employee pension funds to fund other projects. (See the report *Unaccountable and Unaffordable* at [alec.org](http://alec.org) to learn more about the \$6 trillion funding crisis.)

“Reforms were necessary to ensure that promises to current retirees could be met while protecting Michigan taxpayers from further growth of the unfunded accrued liability of over \$29 billion.”



– Michigan State Senator  
Phil Pavlov

While ALEC supports a shift from defined benefit programs such as pensions to defined contribution programs like 401(k) plans, ALEC also believes government should keep its promise. If a state government has promised retirement security through a pension program, it should be funded. Public employee pensions should not be used as a slush fund or piggy bank for out-of-control government spending.

In 2017, ALEC worked with legislators in Pennsylvania and Michigan on critical pension reforms. ALEC policy experts helped legislators in both states reduce the long-term risk of taxpayer bailouts for state pension systems by helping institute needed reforms. To recognize ALEC work on the pension issue in Pennsylvania, state legislators and Governor Tom Wolf invited ALEC Chief Economist Jonathan Williams to be part of the bill signing ceremony in Harrisburg.





## Communications and Technology

# Occupational Licensing

Occupational licensing is often the roadblock that keeps people from achieving opportunity and financial security. Occupational licensing is the unnecessary barrier that keeps people from engaging in the entrepreneurial behavior that makes America great. In Missouri, it is easier to become an emergency medical technician than it is to be a hair braider—both require a license. In Maryland, it is quite expensive—more than \$400—to become a licensed dog walker.

Occupational licensing is a tool to limit people's individual ability to achieve and prosper. It is a tool that puts the power of opportunity in the hands of unions and licensing boards rather than with the people.

In all ALEC policy discussions, legislators work to limit the size and scope of government while increasing the individual's ability to pursue opportunity in the free market. ALEC policies help states remove barriers to entry, give a second chance to people with criminal records and use the least-restrictive methods to protect public health and safety. In 2017, ALEC legislators were at the forefront of existing professional compacts, such as the **Enhanced Nurse Licensure Compact** adopted in 26 states, or the **Physical Therapy Interstate Compact** in effect in 11 states.

“Occupational Licensing hinders the American workforce. But it does provide one wonderful thing: it provides legislators like you the opportunity to engage in principled reform to help the American workforce.”

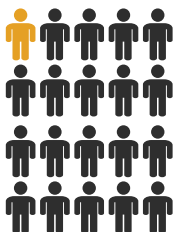


— Secretary of Labor Alex Acosta,  
Annual Meeting (Denver, CO)

## ECONOMIC LIBERTY: TRENDS IN OCCUPATIONAL LICENSING

### 1950s:

1 IN 20 U.S.  
WORKERS NEED A  
LICENSE TO WORK  
FOR PAY



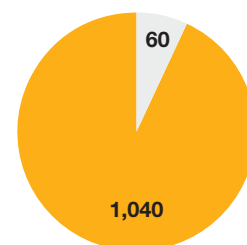
### TODAY:

6 IN 20 U.S.  
WORKERS NEED A  
LICENSE TO WORK  
FOR PAY



### 1,040 OCCUPATIONS

REQUIRE A LICENSE IN AT LEAST  
ONE STATE BUT ONLY 60 ARE  
REGULATED IN ALL 50





## Center to Protect Free Speech

“A student should not need to fear a campus disciplinary hearing for their beliefs, and such oppressive policies may force the student to withhold their beliefs all together. This is unacceptable and must be changed.”



– Shelby Emmett, Director, Center to Protect Free Speech.

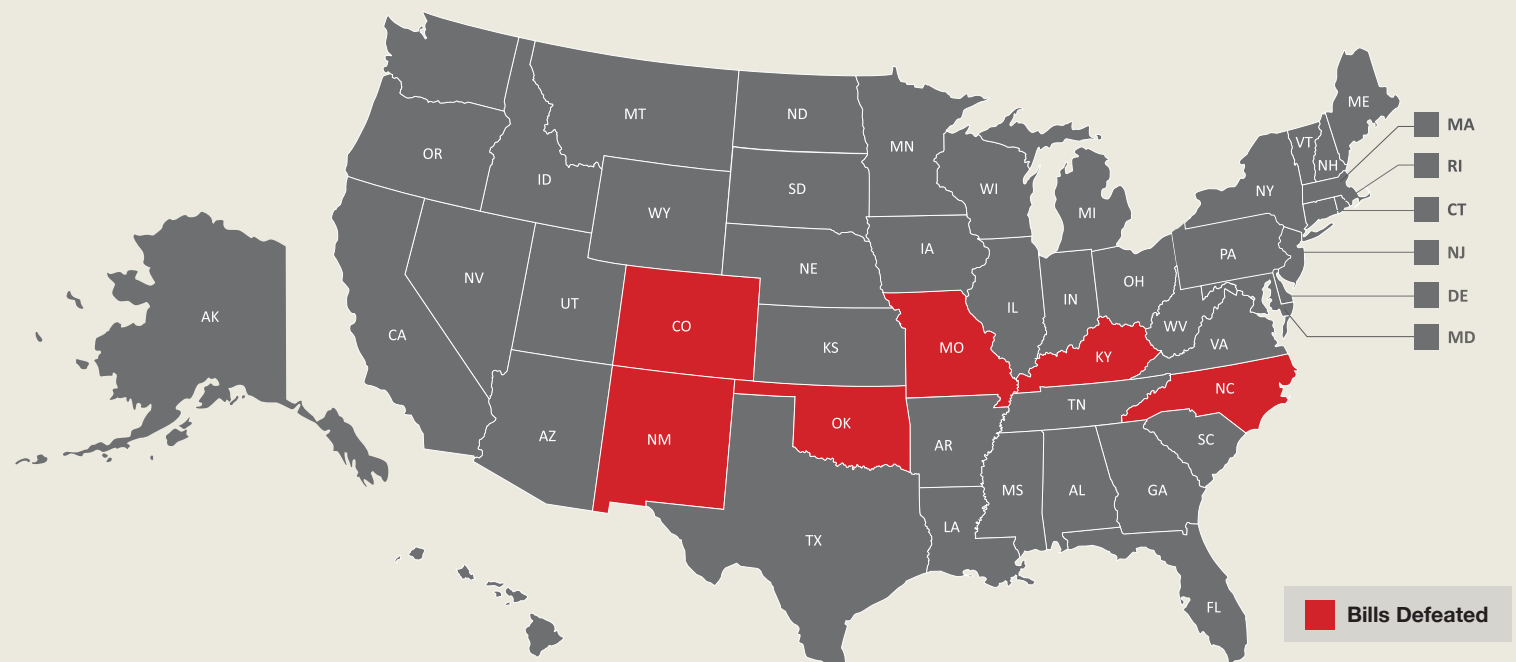
# Donor Privacy and Campus Free Speech

Donor privacy and campus free speech are at the forefront of the First Amendment debate. Our country was founded by leaders who believed freedom of speech—including anonymous speech (the Federalist Papers were written under pen names) should be protected, and ideas with which one may disagree should not be legislated into silence.

In recent years, a wave of speech-limiting policy proposals has swept the states and targeted donors to all nonprofit organizations and students on campus. The ALEC Center to Protect Free Speech works daily to educate legislators on important free speech protections. And in 2017, ALEC developed the **Forming Open and Robust University Mind Act (FORUM ACT)** to protect debate on college campuses. Center staff also educated more than 300 legislators and worked on donor privacy issues in six states.

## 2017 DONOR DISCLOSURE LEGISLATION

States where donor disclosure bills were stopped from being enacted into law



ACCE: American City County Exchange

# Engaging Local Elected Officials

Because many state legislatures are strongly committed to ALEC limited government, free market principles, many from Washington, DC, have developed strategies focused on progressive change at the local level. ACCE: The American City County Exchange is the needed barrier to government control and progressive policy at the local level.

ACCE: The American City County Exchange is America's only nonpartisan forum for local and municipal decisionmakers who believe taxpayers should come first in every decision. The ACCE mission is simple: engage local elected officials and leaders from the business community to advance limited government, free market principles in municipalities across the states.

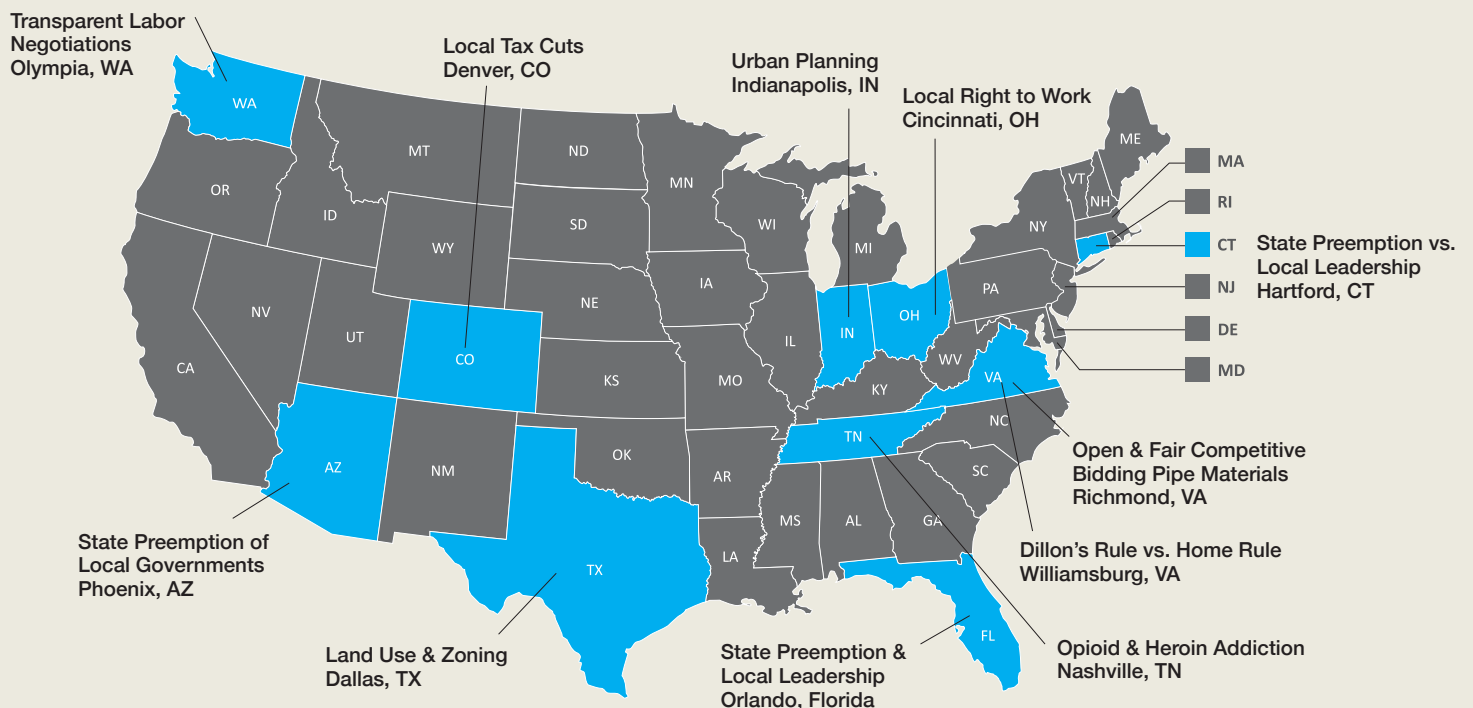
“Open and fair competition is a win-win for taxpayers that will drive down costs of overall underground infrastructure.”



– Ellen Troxclair, ACCE: American City County Exchange Member

## ACCE MAKES POLICY WAVES COAST TO COAST

In 2017, ACCE: The American City County Exchange hosted events and trainings for local elected officials in 10 states to work on issues including competitive bidding practices, tax policy, agricultural tourism, local right to work and local preemption.



# 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

# \$10.6 M



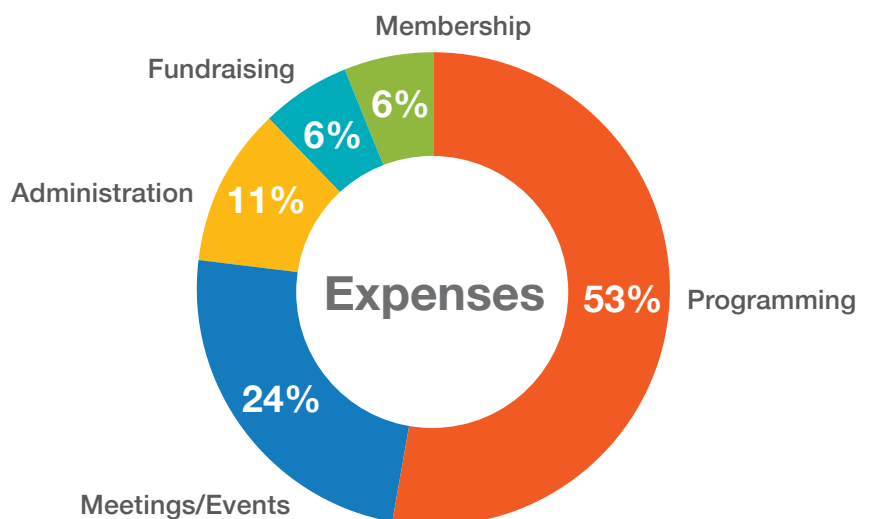
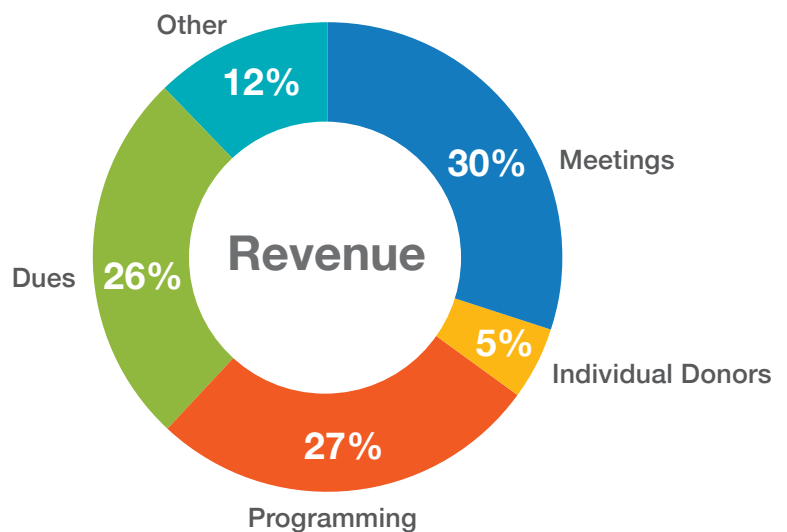
## Revenue

■ Meetings.....	30%
■ Individual Donors.....	5%
■ Programming.....	27%
■ Dues.....	26%
■ Other.....	12%



## Expenses

■ Programming.....	53%
■ Meetings/Event.....	24%
■ Administration.....	11%
■ Fundraising.....	6%
■ Membership.....	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:

**120**



## TV Appearances:

**18**



## Interviews:

**208**



## Radio Segments:

**17**



## Editorials:

**88**



## Facebook:

**49,017**



Likes

## YouTube:

**147**

Videos



## Blog Posts:

**399**



## Twitter:

**12,400**

Followers



### Broadcast and Print News

ALEC scholars saturated American communities with talk of free market reforms in more than 200 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 continues to improve online engagement. In 2017, ALEC surpassed the one-million view mark for a second time and launched [RichStatesPoorStates.org](http://RichStatesPoorStates.org) and [ALECReportCard.org](http://ALECReportCard.org). Both websites help individuals better understand the public policy that impacts their daily lives.



### Public Forums

ALEC leaders and scholars spoke to more than five thousand legislators and issue activists at 120 public forums in 2017.



### 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.

## 2017 EXECUTIVE COMMITTEE



**Sen. Jim Buck**  
Indiana,  
National Chairman



**Sen. Wayne Niederhauser**  
Utah,  
First Vice Chairman



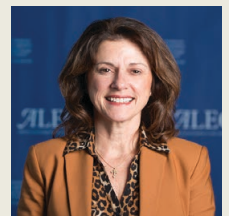
**Rep. Jason Saine**  
North Carolina,  
Second Vice Chairman



**Sen. Debbie Lesko**  
Arizona,  
Treasurer



**Sen. Andre Cushing**  
Maine,  
Secretary



**Sen. Leah Vukmir**  
Wisconsin,  
Immediate Past  
Chairman

## 2017 ALEC LEADERSHIP



**Lisa B. Nelson**  
CEO



**Lisa Bowen**  
CFO, Executive VP,  
Operations and  
Administration



**Michael Bowman**  
VP, Policy



**Bartlett Cleland**  
General Counsel,  
Chief Strategy and  
Innovation



**Jeff Lambert**  
VP, Member  
Relations



**Bill Meierling**  
CMO, Executive VP,  
External Relations  
and Strategic  
Partnerships



**Jonathan Williams**  
Chief Economist and  
VP, Center for State  
Fiscal Reform

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Sen. Gary Daniels, New Hampshire  
Rep. Dave Frizzell, Indiana  
Speaker Philip Gunn, Mississippi  
Rep. Yvette Herrell, New Mexico  
Speaker Bill Howell, Virginia  
Sen. Brian Kelsey, Tennessee

Rep. Phil King, Texas  
Rep. Dawn Pettengill, Iowa  
Rep. John Piscopo, Connecticut  
Rep. David Reis, Illinois  
Sen. Bill Seitz, Ohio  
Sen. Jim Smith, Nebraska  
Speaker Linda Upmeyer, Iowa  
Sen. President Susan Wagle, Kansas

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Ms. Sano Blocker, VISTRA Energy

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Mr. Steve DelBianco, NetChoice  
Mr. Rob Engstrom, U.S. Chamber of Commerce  
Mr. Ken Freeman, Exxon Mobil  
Ms. Marva Johnson, Charter Communications  
Mr. Scott LaGanga, PhRMA  
Mr. Bill Leahy, AT&T  
Ms. Frayda Levin  
Mr. Stephen Moore, Heritage Foundation  
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Mr. Chip Rogers, Asian American Hotel Owners Assoc.  
Mr. Daniel Smith, Altria Client Services, Inc  
Mr. Keith Smith, National Association of Manufacturers  
Mr. Roland Spies, State Farm Insurance Companies  
Mr. Mike Kiely, United Parcel Service  
Mr. Bob Williams, State Budget Solutions  
National Federation of Independent Business

