





LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM

**"Why ALEC matters:** The conservative organization has been a pivotal player advancing conservative priorities in the states."



The American Legislative Exchange Council is America's largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets and federalism. Comprised of nearly one-quarter of the country's state legislators and stakeholders from across the policy spectrum, ALEC members represent more than 60
million Americans and provide jobs to more than 30 million people in the United States.



### "Why ALEC Matters..."



Our 45 year anniversary was a wonderful reminder of the American Legislative Exchange Council (ALEC) mission. Our organization was formed to network and share best practices among state legislators and in the process fill our nation's statehouses with citizen-lawmakers whose beliefs in limited government would help preserve the rights of the people.

So, how did we do in 2018? 32 states are solidly in the ALEC column. Our policy positions are winning the day – preserving free speech, fighting against an Internet tax. In the words of Politico – an influential news outlet – this is "Why ALEC matters..." The timing of the headline couldn't have been better. This media endorsement coincided with the convening of our 45<sup>th</sup> Annual Meeting and propelled us to tackle new issues, such as school safety and rural development.

In this 45<sup>th</sup> year, look no further than our alumni to see "Why ALEC matters." It's a *Who's Who* of public officials from Vice President Pence to freshman member of Congress Representative Debbie Lesko of Arizona. ALEC alumni haven't forgotten where they came from. Vice President Pence keynoted the Gala dinner. He was joined by White House advisor Kellyanne Conway who delivered a message from President Trump praising our work in leading the nation.

Other highlights of the 45<sup>th</sup> anniversary celebration included Representative Lesko's tour of the Capitol and a surprise visit with Speaker Paul Ryan. Not to be outdone, ALEC alumnus U.S. Energy Secretary Rick Perry took us behind the scenes to the White House Briefing Room where he conducted an informative press conference, questions and all.

In our 2018 annual report, we'll introduce you to today's ALEC leaders – ordinary citizens stepping up to lead state governments, the laboratories of democracy. Compared to 45 years ago, it's exciting to see how quickly "best practices" are shared across the country among our legislator-members. The states are leading the nation in the search for solutions. That's why ALEC matters.

Sincerely,

Lisa B. Nelson

(in Bhelom)

Chief Executive Officer

American Legislative Exchange Council

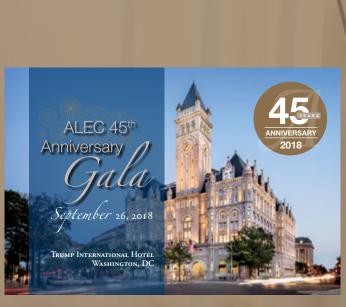


# ALEC 45<sup>th</sup> ANNIVERSARY

## Gala

#### VIP ATTENDEES

It was a political Who's Who at the 45th Anniversary Gala - Vice President Mike Pence, Kellyanne Conway, Speaker Newt Gingrich and many more. If your friends are a reflection of who you are, then the American Legislative Exchange Council has never looked better. On view was a remarkable ALEC political journey - elected officials raised in statehouses graduating all the way to the executive branch and the highest-ranking public offices in the country. The 45<sup>th</sup> Anniversary was a celebration of federalism, a celebration of state innovation and a celebration of past and present ALEC members. State government works and this is the time for states to lead the nation. Here's to another 45 years.







LIMITED GOVERNMENT • FREE MARKETS



"Our opponents, defenders of the capable of implementing real change. You represent real change."



Mike Pence, Vice President 45th ALEC Anniversary Gala Washington, DC

"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."



Kellyanne Conway,White House Adviser 45<sup>th</sup> ALEC Anniversary Gala Washington, DC

"I encourage you to be bold, and be unapologetic of the ALEC principles."



**Newt Gingrich** Former Speaker of the House 45<sup>th</sup> ALEC Anniversary Gala Washington, DC

"State and local voices should be considered on any regulatory proposal at the federal level."



- Jason Saine **North Carolina Representative** 45th ALEC Anniversary Gala Washington, DC

#### 45TH ANNIVERSARY GALA



ALEC CEO Lisa Nelson warmly greets Vice President Pence as he arrives for a surprise visit to celebrate ALEC.



The Heritage Foundation's Bridgett Wagner and Tommy Binion listen intently to the Wall Street Journal's Kimberley Strassel as she shared perspective on ALEC power and accomplishment.



Speaker Newt Gingrich and ALEC Chair of the State Chairs Bruce MacRae pose for a selfie.



Speaker Newt Gingrich meets with gala attendees.





### Celebrating **ALEC Leaders** Past & Present

Master of Ceremonies Kimberley Strassel of The Wall Street Journal and 2018 Chairman Representative Jason Saine welcomed the distinguished guests who included members of the administration, governors, members of Congress, state legislators, policy experts and philanthropic and esteemed business leaders.



Vice President Mike Pence greets ALEC legislators and stakeholders from across the 50 states at the 45th Anniversary Gala.



Wall Street Journal editorialist and author of The Intimidation Game Kimberley Strassel served as the Gala master of ceremonies.



2018 ALEC Chairman Jason Saine spoke on the value of sharing ideas between citizen state legislators.

# The Voice of the States in Washington, DC

During the 45<sup>th</sup> Anniversary, ALEC state legislators met with ALEC alumni now serving in Washington, DC. Nearly one quarter of Congress launched their careers in public service as ALEC members.



American



Iowa Senator Chuck Grassley joined ALEC members on the Capitol steps to thank ALEC state legislators for supporting Justice Brett Kavanaugh's Supreme Court nomination. More than 400 ALEC state legislators signed a letter of support.

## HHERE HH

#### WELCOME



### White House Briefing

ALEC alumnus, U.S. Secretary of Energy Rick Perry briefs ALEC state legislators at the White House. He stressed the importance of state input on federal policies. To facilitate dialogue and get the state point-of-view, key administration officials offered their contact information and asked the state legislators to help guide the direction of federal policy. The states after all are first among equals with the federal government.







ALEC members receive an exclusive briefing on current administration activities.

## ALEC Alumni on Capitol Hill

ALEC state legislators visited old friends and colleagues on Capitol Hill for fellowship and policy briefings. ALEC members spent time with Speaker Paul Ryan, ALEC alumna and Arizona Representative Debbie Lesko, North Carolina Representative Patrick McHenry, then U.S. House Agriculture Committee Chairman Mike Conaway, and even had the opportunity to visit the Speaker's Balcony for one of the best views of Washington, DC.







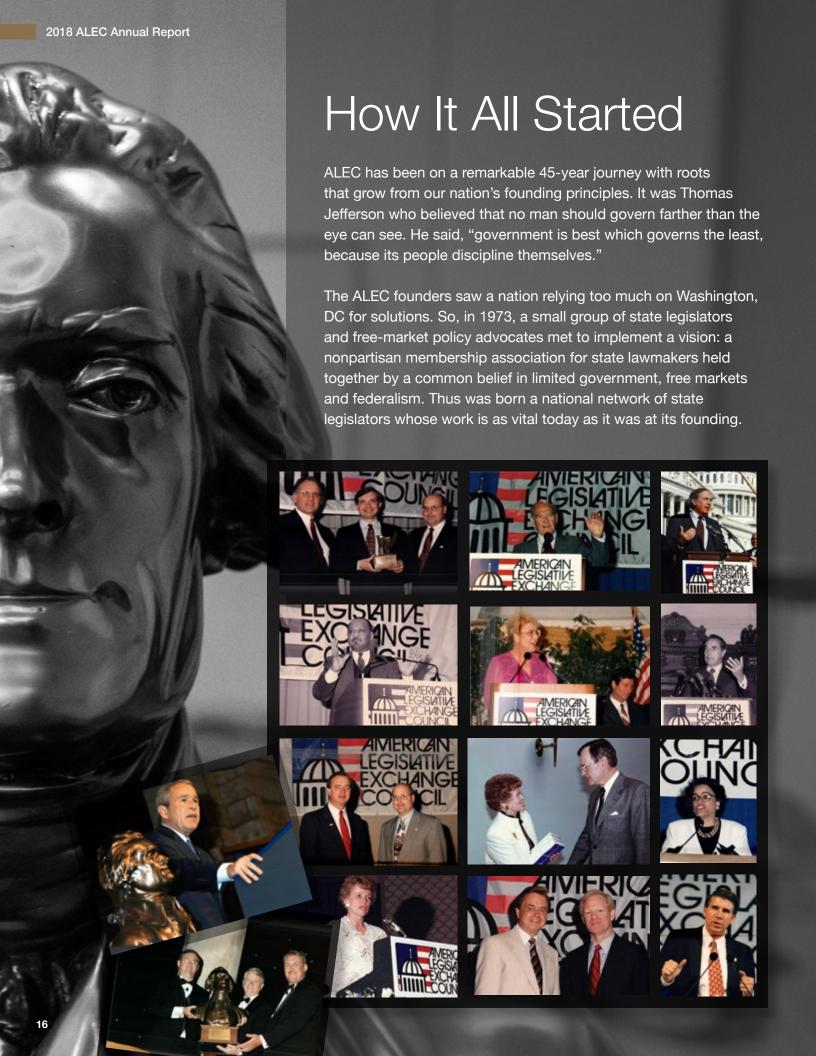












## Thomas Jefferson Freedom Award

In 1990, President Ronald Reagan was the first recipient of the highest honor at ALEC: the Thomas Jefferson Freedom Award. While traveling the country for General Electric from 1954–1962, Reagan came to understand the power of the states and the meaningful connection each person has with his or her community.

As governor, Ronald Reagan played a central role in the ALEC founding by dispatching his trusted adviser Lew Uhler to organize a group of state legislators to exchange ideas and best practices. It's only fitting that President Reagan was the first recipient of the Thomas Jefferson Freedom Award. The words of his acceptance speech continue to ring true today.

"ALEC has forged a unique partnership between state legislators and leaders from the corporate and business community.
This partnership offers businessmen the extraordinary opportunity to apply their talents to solve America's problems and build on our opportunities."



- President Ronald Reagan





### **ALEC Annual** Meeting

New Orleans, LA

ALEC members are at the forefront of change in their states, and at the 2018 Annual Meeting it was on full display. Louisiana Governor John Bel Edwards opened the event having just signed three bills into law based on ALEC model policies. He is one of eight sitting governors who are ALEC alumni.

Keynote speaker U.S. Secretary of Transportation Elaine L. Chao and Secretary of Health and Human Services Alex Azar laid out the Trump Administration plans for modernization, innovation and regulatory reduction.

The 2018 Annual Meeting featured a range of exciting speakers:



Elaine Chao, Secretary of Transportation



Alex M. Azar II, Secretary of Health and Human Services



Brooke Rollins, Special Assistant to the President



45<sup>th</sup>

**ALEC** 

**Annual** 

**Meeting** 

FIGURE 1 STREET STREET

A. S. M. S.

TO SECTION AND ADDRESS OF THE PROPERTY OF THE

John Bel Edwards, Louisiana Governor



Mark Janus, Supreme Court Plaintiff



Louisiana State Treasurer



"A lot of what you are about and a lot of what we are doing have in common."



- John Bel Edwards, Louisiana Governor 2018 ALEC Annual Meeting

"We want to work with states and localities to avoid a patchwork conflicting rules that could inhibit innovation. And this is where we need your help."



- Elaine Chao, Secretary of Transportation 2018 ALEC Annual Meeting







ALEC legislators at meetings sit down with radio hosts to elevate their work on a national platform.

## States & Nation Policy Summit

#### Washington, DC

ALEC members descended on the nation's capital a few weeks after the 2018 midterm elections. Against the backdrop of the impending federal government shutdown, the 2019 state planning sessions were a reminder of where the action is happening. More than 100,000 bills are voted on each year in the states, and 49 of 50 state legislatures are required by law to pass a budget (the 50<sup>th</sup> does it anyway because they are fiscally responsible). Keynotes from administration officials conveyed a common theme: It is time for states to lead.







"What you do does count. There are people in Washington, DC who look to the states for information, for guidance. So, if you ever wonder if you are making a difference, the answer is ves."

- Mick Mulvaney, Office of Management and **Budget Director** 2018 State & Nation Summit

"I have a surgical mentality." Surgeons say, what's the problem? OK, let's deal with it before the patient dies. When in doubt, cut it out. We have to cut a lot of these regulations, a lot of these things that are getting in the way."

 Ben Carson, **Housing and Urban Development Department** Secretary

2018 State & Nation Summit

"It's been almost twenty vears since I've been coming to ALEC meetings and this is a hub of innovation, a hub of thinking, a hub of making a difference in each of our states across the country."



- Ted Cruz. **Senator from Texas** 2018 State & Nation Summit

"As state legislators I hope it is now clear to you that the Trump Administration is here to support your efforts to develop local solutions to provide your citizens with higher quality, more affordable health care coverage."



**Centers for Medicare** and Medicaid Services **Administrator** 

2018 State & Nation Summit

# ALEC Welcomes the Bradley Forum

The Lynde and Harry Bradley Foundation held its inaugural Bradley Forum at the ALEC States and Nation Policy Summit. The topic: How to advance constructive public policy in this political environment. It was no accident that the Bradley Foundation chose an organization of state legislators to start the conversation.

"It has never been more important to discuss how we can move good ideas along at the state level, when the opportunities for constructive change at the federal level are increasingly more challenging," said Bradley Foundation President Rick Graber.





Incoming ALEC National Chairman Alan Clemmons joins Rick Graber for the first ever Bradley Forum.





Panelists included: Ramesh Ponnuru, National Review; Henry Olsen, Ethics and Public Policy Center; Tarren Bragdon, Foundation for Government Accountability; and Rick Esenberg, Wisconsin Institute for Law & Liberty. Their discussion touched on creating policies based on the core principles of free markets, limited government, individual liberties and separation of powers.

"The federal government is distant," said Rick Graber. "Where the action is happening these days and where it should be is in the states and local governments. State legislators are close to the people; they talk to them; they are their neighbors. It's part of the uniqueness of America that is so special to have that relationship with elected officials and it needs to be nurtured."



Rick Graber, President and CEO Bradley Foundation



Tarren Bragdon, President and CEO Foundation for Government Accountability



Ramesh Ponnuru, Columnist and Editor National Review



Rick Esenberg, Founder and President Wisconsin Institute for Law and Liberty



In 2017, ALEC honored acclaimed Reagan economist Dr. Arthur B. Laffer with the eponymous Laffer Award for Economic Excellence. Each year it is awarded to a legislator or business leader who has had a significant impact on the economic performance and outlook of their community.

In 2018, the Arthur B. Laffer Award for Economic Excellence went to Florida Governor and then Senator-Elect Rick Scott for his long-standing commitment to pro-growth tax policy, such as his support of the supermajority requirement in state legislatures to enact tax increases."



In 2018, the Arthur B. Laffer Award for Economic Excellence winner - Florida Governor and Senator-Elect Rick Scott.









## My First ALEC Meeting

This is my first ALEC meeting here in New Orleans. It's just a wonderful event. Everyone is thoroughly enjoying it and I'm learning a lot. I've talked to my colleagues from other states who are working on similar issues as I am here in Louisiana. It's very encouraging that I am not alone in pushing for change and that I have a support group behind me. As a freshman state senator, ALEC gives me a template that I can follow that we know has worked in other states, which is a great security for me here in Louisiana. ALEC is helping me bring a change to the people of Louisiana that will make their quality of life better. We don't have broadband in my district. So, it's hard to be competitive when you can't even use broadband. This is a big issue with ALEC, too, and we'll work together on it.

– Louisiana State Senator Beth Mizell





"For me, it became a fundamental issue of medical freedom and medical liberty. Why can't someone who is of age sign a medical release for something that can make such dramatic difference in their lives?"



- Texas Representative Tan Parker

### Sharing Best Practices

For many, ALEC meetings are a chance to learn what cutting-edge policies are taking shape in other states. Often, what works in one place can be adapted to another. In 2018, legislators were interested in a range of trending issues from stem cells to school security to rural development.

One of the most widely attended breakout sessions was held by two Texas state lawmakers fresh off of a first-of-its-kind legislative victory involving the rights of patients to try experimental stem cell regenerative therapies. State Representative Tan Parker and Senator Paul Bettencourt were accompanied by two stem cell transplant recipients. They appeared on the ALEC Facebook Live channel to keep the momentum going across the states.

"For the many people who are ill with multiple sclerosis and other diseases that stem cell therapy has the hope of solving in our lifetime, I look at this bill, I look at the possibility of what can happen in the 21st Century with Texas taking the lead on adult stem cell treatments and this bill has the potential to extend lives and make a difference for these patients."



- Texas Senator Paul Bettencort

#### TMC NEWS

EVENTS

New Law Opens Doors for Regenerative Medicine in Texas



www.tmc.edu/news/2017/10/new-law-opens-doors-regenerative-medicine-texas/

## Preventing Another Parkland

Though six months had passed since the mass shooting at Marjory Stoneman Douglas High School, ALEC Homeland Security Task Force members learned that much more needs to be done to protect schools. In 2018, more than 150 school safety-related bills were introduced in state legislatures. Many focused on creative solutions to school safety.

Millions of children gather in schools every day, yet the school structures themselves remain mostly unprotected. At the ALEC meeting, a panel of security experts discussed an array of strategies from expanding perimeter security to improving school disciplinary procedures and mental health support. Legislators then crafted and voted on a statement of principle on school security.

"School administrators are challenged in answering two questions: what do we do? And how much does it cost? All integrated solutions are very complex."



Mark Williams,
 Partner Alliance for Safer Schools

states for help

To protect our kids and make schools safer, let's turn to the



"Hardworking individual and business taxpayers deserve protection from out-of-state tax collectors. Congress is now the only way to safeguard innovators and entrepreneurs from aggressive regulation."



--Jonathan Williams,
ALEC Chief Economist and VP of the
Center for State Fiscal Reform

"This hearing is critical as a starting point for Congress to begin formulating a solution that will create sensible and fair rules that end confusion and reduce the burdens for merchants, consumers and citizens. Indeed, Congress must act."



 Bartlett D. Cleland,
 ALEC General Counsel and Chief Strategy Officer

### ALEC Opposes Online Sales Tax

In 2018, ALEC legislators led the charge against the online sales tax. In a digital world, its easy to assume an online sales tax would be fair, but few on the national stage considered the implications for small businesses and for main street — ALEC did.

There are more than 12,000 taxing authorities in the United States. An online sales tax would allow each and everyone to tax any business that engages in online sales. The cost of compliance alone could drive many businesses to shut their doors.

ALEC has long held that physical presence should be a requirement for taxation — a 21<sup>st</sup> century take on taxation without representation — and shifted that perspective into high-gear in advance of the Supreme Court arguments in *Wayfair v. South Dakota* with an amicus brief, a letter signed by hundreds of state legislators and testimony before the House Judiciary Committee.



https://www.alec.org/press-release/alec-submits-amicus-brief-to-fight-against-online-sales-tax/



larger tax base resulting from accelerated growth v

The hardworking men and women of America nee the penalty of success (the income tax) produces fit because spending through the SALT deduction. the state and local income tax deduction in exchan

No. 17-494

In The

## Supreme Court of the United States

SOUTH DAKOTA,

Petitioner,

WAYFAIR, INC. ET AL.

Respondent.

On Writ of Certiorari to the Supreme Court of South Dakota

#### BRIEF AMICUS CURIAE FOR THE AMERICAN LEGISLATIVE EXCHANGE IN SUPPORT OF RESPONDENT

JONATHON P. HAUENSCHILD Counsel of RecordJOEL GRIFFITH BARTLETT CLELAND AMERICAN LEGISLATIVE EXCHANGE COUNCIL 2900 Crystal Dr., Ste. 600, Arlington, VA 22202 Main - (703) 373-0933 jhauenschild@alec.org Counsel for Amicus Curiae

## STAND WITH WING WORKERS

"It is going to be a state by state fight.
We've gotten so much pushback and misinformation out there.
This isn't the end of a case. It's the beginning of a long road."

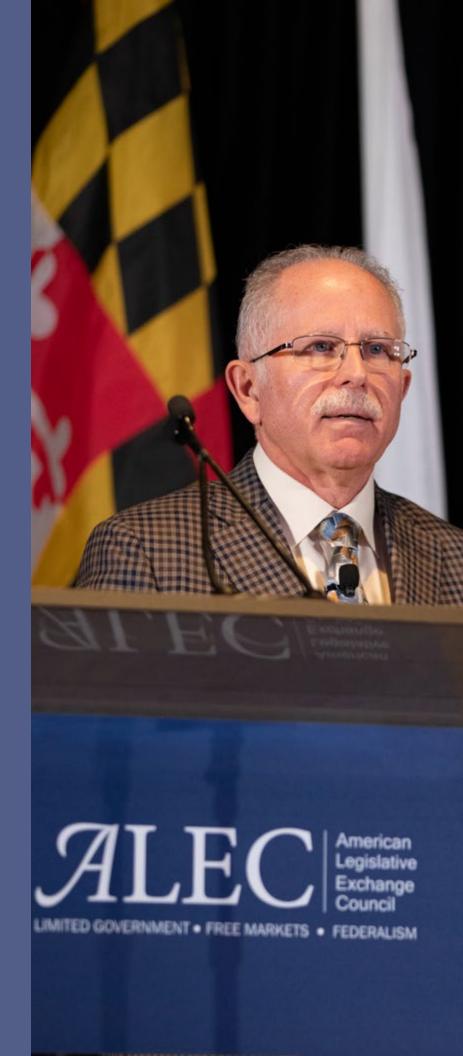


– Mark Janus, Plaintiff, Janus v. AFSCME

"We conclude that this arrangement violates the free speech rights of nonmembers by compelling them to subsidize private speech on matters of substantial public concern."



Justice Samuel A. Alito,
Jr., writing for the majority





COMMERCE, INSURANCE AND ECONOMIC DEVELOPMENT

### My Job My Choice

The signs outside the Supreme Court read "Stand with Mark," "Stand with Workers" and "My Job My Choice." While inside, one of the biggest labor rulings in recent history was about to be handed down. ALEC was there to support the plaintiff, Mark Janus, an Illinois child support specialist who believed the forced payment of union dues was a violation of his first amendment free speech protections. Essentially, Mark Janus was forced to subsidize speech with which he disagreed.

The Supreme Court stood with Mark in their 5-4 decision on June 21, 2018. But the job of state legislators was not yet complete. As political commentators labeled the decision a major threat to public employee union membership, union leaders did not sit quietly. Instead they began lobbying efforts in the states to create legislative workarounds that would again force union dues payment on workers.

Fresh off the decision, Mark Janus and ALEC partners from the State Policy Network and the Liberty Justice Center addressed state legislators at the ALEC meeting to provide tools to preserve free speech and worker freedom during the 2019 legislative session.

### The Washington Post



Demonstrators outside the Supreme Court on Monday. (J. Scott Applewhite/AP)

As expected, the Supreme blow to U.S. labor unions this week. The case, Janus v AFSCME Council 13, involved Many expect that the ruling a plaintiff, Mark Janus, who did not think that he should have to contribute to the costs have to contribute to the costs union-represented workers associated with negotiating and such as Janus to opt out enforcing the union contract from which he benefits as an Illinois state employee Janus's attorneys argued that contribute to the union that represents him violated his First that conclusion feels almost Amendment freedom of speech, inevitable, but it's important as it required him to subsidize speech with which he disagrees. could be otherwise. North of

The court largely agreed, with Justice Samuel A. Alito Jr. writing for the majority, "We conclude that this arrangement violates the free speech

compelling them to subsidize private speech on matters of substantial public concern." will further weaken labor unions by encouraging of paying for benefits they can now get free, thereby defunding unions.

Given the trajectory of labor to remember that thing and their unions have faced challenges similar to those of their U.S. counterparts. Through the 1980s, the

https://www.washingtonpost.com/news/posteverything/wp/2018/06/27/thesupreme-courts-janus-ruling-is-flawed-canadian-legal-history-shows-why/?utm\_ term=.e7a18bd75567

## "You see, the colors aren't as vibrant over here because you lose creativity when you don't have individual liberties."

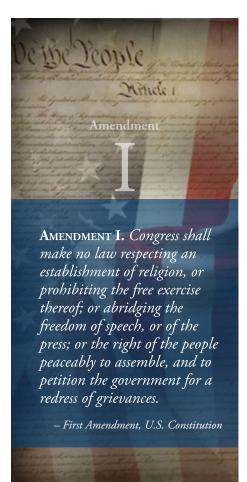


 Shelby Emmett,
 ALEC Director of the Center to Protect Free Speech

## A Free Society and A Regulated States

It is sometimes hard to understand how pervasive the regulation of free speech can be — particularly as it extends into commercial speech. In Virginia for instance, a convenience store owner can advertise "beer" for sale, or "cold beverages" for sale, but not "cold beer" for sale. It is a simple example of how well-intentioned legislation likely focused on public safety can have serious implications for the First Amendment.

Under the heading of "never let a crowd go to waste," ALEC Director of the Center to Protect Free Speech Shelby Emmett hosted an experiential learning reception at the ALEC Annual Meeting. The room was creatively designed and divided to illustrate what a free society and a regulated state really means.



#### **NOTICE**

Feel free to use this space to avoid the psychological harm of disagreement.

#### **WARNING**

Drinking beverages
with added sugar(s)
contributes to obesity,
diabetes, and tooth decay.
This is a message from
the City and County of
San Francisco

– San Francisco Health Code §4203

#### NOTICE

You may be placed on a government watch list because of your donation.







## ALEC Takes Lead to Support Free Trade

The 2018 States and Nation Policy Summit (SNPS) coincided with the signing of a sweeping new trade agreement between the U.S., Canada and Mexico (USMCA). With the ink still wet from the signing, an ALEC delegation from the Federalism and International Relations Task Force were invited to the Canadian Embassy to learn more about the trade pact.

ALEC has long recognized the vital role that strong intellectual property (IP) protections play in America's innovation economy and is particularly heartened by USMCA IP provisions. They are the most comprehensive to date in both stopping theft and promoting innovation.

For state legislators, the USMCA trade deal recognizes the integral role of small business by cutting red tape and other hassles. And 2019 will put ALEC legislators in the driver's seat as states push for ratification of the trade deal.





https://www.whitehouse.gov/briefingsstatements/united-states-signs-strongertrade-agreement-mexico-canada/



"Trade agreements
are one of the most potent
devices in America's
soft power toolkit,
supplementing treaties
and aircraft carriers to
communicate U.S. regional
priorities and to secure
regional influence."



 Karla Jones,
 ALEC Director of the Federalism and International Relations Task Force

In Texas, the crime rate is down

30%

"If we can change the criminal justice system in Texas, the deepest red of the red states, we can change it anywhere. In the last decade, Texas' population has almost doubled and at the same time it has shuttered eight prisons. We have saved billions of dollars. The crime rate is down 30% and the recidivism rate is down. It works."



 Brooke Rollins,
 Assistant to the President for
 Strategic Initiatives and Director of the White House
 Office of American Innovation





### The FIRST STEP on Criminal Justice Reform came from ALEC

2018 was a momentous year for criminal justice reform at the Federal level, but there was a long path of state action that led to the national reform. In December 2018, President Trump signed the FIRST STEP Act into law, easing the way for nonviolent offenders to reenter society. It removes punitive sentencing at the federal level and ALEC fingerprints were all over it.

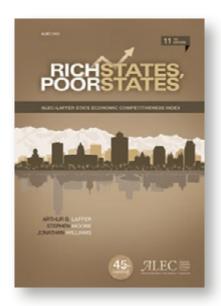
Criminal justice reform has long been an area ripe for bipartisan solutions. Since the 1990s when Democrats and Republicans alike were tough on crime, advancing three-strikes-and-you're-out laws across the country, legislators and activists have come together to recognize the harm punitive sentencing can have on families and society. Whether you come at the issue from a social justice or a state budget angle, criminal justice reform is common sense policy led by ALEC legislators in states across the nation.

Innovative legislation drafted by ALEC legislators in Georgia, Oklahoma, Texas and elsewhere show that with the right programs in place, prison populations will decline along with recidivism. At the 2018 ALEC Annual Meeting, Brooke Rollins, Assistant to the President in the Office of American Innovation shared what Washington learned from the states to help ex-offenders reenter society and better prepare for a life after prison.

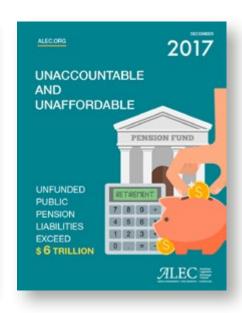


ALEC Criminal Justice Task Force Director, Ronnie Lampard interviews Brooke Rollins.

#### Publications & Studies







#### Rich States, Poor States, 11th Edition

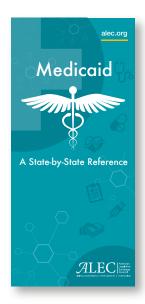
The 11th edition of Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index revealed a pro-growth trend across the nation for 2017. Rich States. Poor States examines the latest movements in state economic growth. The data ranks the 2017 economic outlook of states using 15 equally weighted policy variables, including various tax rates, regulatory burdens and labor policies. The 11th 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.

#### 22<sup>nd</sup> Report Card on American Education

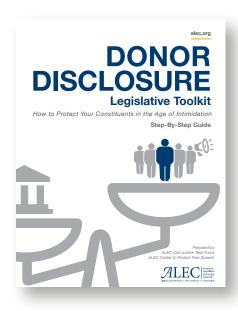
The 22<sup>nd</sup> Report Card on American Education assesses the educational opportunities available to students nationwide, giving each state a letter grade. The future of the American education system has the potential to be bright. While some states have risen to the top of the heap, no state earned higher than a A- in 2017. 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 22<sup>nd</sup> century success requires. The 22<sup>nd</sup> Report Card on American Education was featured on One America News Network's shows Tipping Point and The Daily Ledger.

#### Unaccountable and Unaffordable 2017

Unaffordable and Unaccountable 2017 surveys the more than 280 state-administered public pension plans, detailing their assets and liabilities. The unfunded liabilities (the amount by which the present value of liabilities exceeds current assets) are reported using the investment return assumptions used by states, along with alternative measures more consistent with prudent risk management and more reasonable long-term market performance expectations. This report clearly illuminates the pervasive pension underfunding across the nation and details the assumptions and trends contributing to this crisis.







## Medicaid Guide A Step-by-Step Reference

Medicaid is eating up an everincreasing share of already strapped state budgets. The ALEC Medicaid Guide is an essential tool for legislators to check the health of their Medicaid program and see how they compare to other states. The guide covers the basics of Medicaid and how it operates, how it is funded and waiver programs. The stateby-state analysis allows legislators to check the enrollment, spending, and metrics of their program. This is a tool for those serious lawmakers who are focused about providing real solutions to their constituents. With health care costs rising, the information this guide provides is critical for legislators to consult and consider as they set budgets.

#### State Factor: The Latest Trends of Asset Forfeiture Transparency and Juvenile **Justice**

This State Factor examines trends across the states in Civil Asset Forfeiture reform, as well as in juvenile justice for the latest legislative sessions. It also examines the policy ideas driving these trends. Transparency lets light shine on government programs. A program that takes the property of individuals away from them should receive even more transparency and scrutiny. Adding more transparency just gives more protection and information to individuals. Providing these solutions for state lawmakers and individuals is what ALEC is all about.

## **Donor Disclosure** Legislative Toolkit

Protecting the privacy of individual donors is paramount. The First Amendment protects Freedom of Speech and Association, yet many bills are designed to intimidate people from associating with things the government may not like. The ALEC Donor Disclosure Legislative Toolkit gives lawmakers a step-by-step guide to protect against threats to individual privacy and to ensure legislation does not inadvertently violate the Free Speech and Association rights of nonprofits. The Toolkit includes a step-by-step guide legislative guide, five places to look for unconstitutional efforts to stifle free speech, how to define "political committee," questions to ask proponents of donor disclosure legislation, and contact information for donor disclosure information and analysis.



# Local Officials Leading the Way

"States are first
among equals in the
American system of
government. But states
rely on counties and
municipalities to get
stuff done for state
constituents. ACCE
supports and educates
local officials."

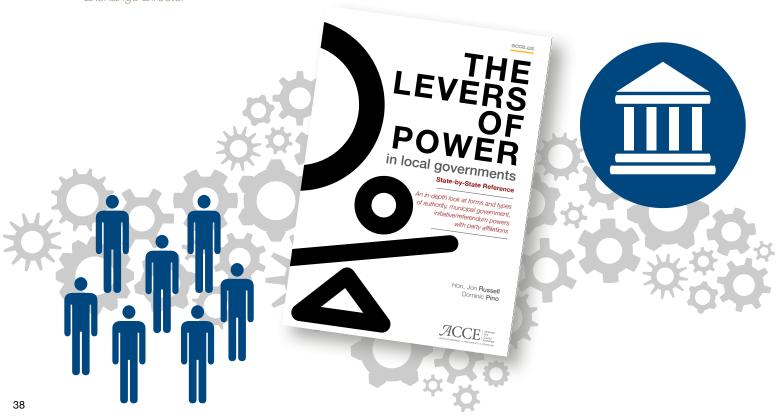


Jon Russell,
 ACCE American City County
 Exchange Director

Grassroots movements are often described as democracy in action. It's people caring deeply about a local issue in the communities where they reside. In 2018, the American City County Exchange (ACCE) and its local elected officials tackled a range of issues relating to our core beliefs of limited government and free markets.

#### The Levers of Power in Local Governments

Though different in each state, municipal governments in the United States are extremely important to the understanding of federalism. One genius of the Founders was in diffusing power between different layers of government. Understanding the fact that local government is closest to self-governance is necessary to a more complete understanding of distribution of power in American government. This guide was created with the intention of producing a comprehensive look at local government as well as an understanding of the different structures.





# ALEC State Legislator of the Week



Sen. Gail Bates Maryland



Rep. Ryan Warner Pennsylvania



Rep. Seth Grove Pennsylvania



Sen. Patricia Rucker West Virginia



Rep. Jason Saine North Carolina



Del. Kathy Szeliga Maryland



Rep. Woody Burton Indiana



Sen. Ralph Alvarado Kentucky



Sen. Brian Munzlinger Missouri



Del. Trent Kittleman Maryland



Rep. Taffy Howard South Dakota



Rep. Kim Moser Kentucky



Sen. Joel Anderson California



Sen. Jim Smith Nebraska



Del. Kathy Byron Virginia



Rep. Michael Clark South Dakota



Sen. Brian Kelsey Tennessee



Rep. Vince Leach Arizona



Rep. Bruce DeGroot Missouri



Rep. Dale Devon Indiana



Throughout 2018, ALEC and FreedomWorks continued their successful "Legislator of the Week" collaborative program. These legislators are hand selected for their principled positions. Their solutions and plans of action are highlighted nationally and locally by both ALEC and FreedomWorks.



Sen. Laura Ebke Nebraska



Rep. Andy Dulin North Carolina



Rep. Trey Stewart Maine



Sen. Bill Coley Ohio



Rep. Ron Ryckman Kansas



Rep. Ken Weyler New Hampshire



Sen. Ed Emery Missouri



Rep. Dennis Paul Texas



Rep. Amber Mariano Florida



Rep. John Nygren Wisconsin



Sen. Chris Birch Alaska



Sen. Stuart Adams Utah



Rep. Sage Dixon Idaho



Rep. Destin Hall North Carolina



Rep. Kelly Townsend Arizona



Sen. Kevin Lundberg Colorado



Sen. Bob Onder Missouri



Rep. Doc Anderson Texas



Sen. Susan Wagle Kansas



Rep. Bill Seitz Ohio







**Policy-Focused Speakers** 



**Editorials** 

Impressions per Day on Twitter



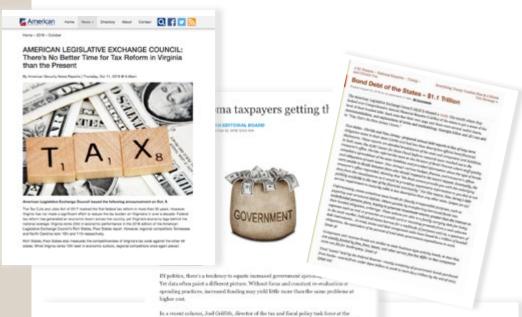


per Week **Positive Mentions Across the States** 

# **ALEC Reach**

ALEC legislators are citizen legislators. They focus on providing real solutions to states. The ALEC team offers consultation and support for media, editorial and digital strategies to benefit state legislators advancing limited government, free markets and federalism.

The ALEC team engages in cross platform promotion to build awareness and understanding on the pressing public policy issues of the day. ALEC lets legislators take a good idea and turn it into a perfect fit for the people of their state. That's why ALEC matters.





ent column, Joel Criffith, director of the tax and fiscal policy task force at the an Legislative Exchange Croncol, noted Oklohoma state government aproduced substantially over the long term. Offing data from the National Association

The Washington Post

















AP ASSOCIATED PRESS



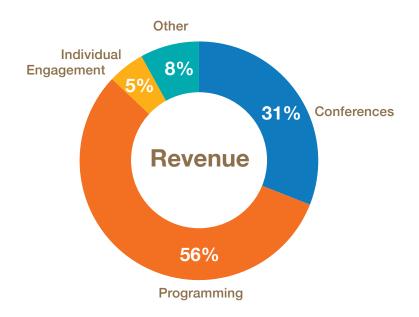


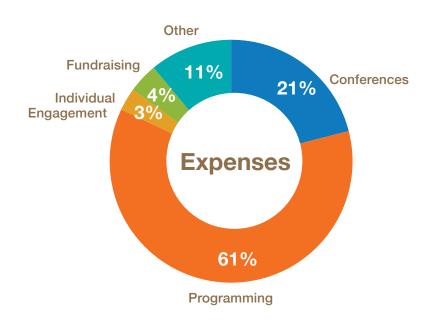




# Financials

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.







\$9.7M





#### **Expenses**

Conferences	21%
Programming	61%
Individual Engagement	3%
Fundraising	4%
Other	11%

## 2018 Executive Committee



Rep. Jason Saine North Carolina, Chairman



Sen. Wayne Niederhauser Utah,

Vice Chair



**Sen. Andre Cushing**Maine,
Treasurer



Rep. Alan Clemmons South Carolina, Secretary



Sen. Jim Buck Indiana, Immediate Past Chair



Marianne Eterno
Chairwoman,
Private Enterprise
Advisory Council
Guarantee Trust Life



Don Lee
First Vice Chair,
Private Enterprise
Advisory Council
K12 Inc.



Bill Carmichael Immediate Past Chair, Private Enterprise Advisory Council American Bail Coalition

## 2018 ALEC Leadership



**Lisa B. Nelson**Chief Executive Officer



Lisa Bowen
Chief Financial Officer,
Executive Vice President
of Operations and
Administration



Vice President, Policy



Bartlett Cleland General Counsel, Chief Strategy and Innovation Officer



Bill Meierling
Chief Marketing Officer
and Executive Vice
President, External
Relations and Strategic
Partnerships



Jonathan Williams
Chief Economist
and Vice President,
Center for State
Fiscal Reform

## **Board Directors**

Representative Jason Saine, North Carolina, Chairman

Senate President Wayne Niederhauser, Utah, First Vice Chairman

Senator Andre Cushing, Maine, Treasurer

Representative Alan Clemmons, South Carolina, Secretary

Senator Jim Buck, Indiana, Immediate Past Chairman

Senator Joel Anderson, California

Delegate Kathy Byron, Virginia

Senator Gary Daniels, New Hampshire

Representative Dave Frizzell, Indiana

Speaker Philip Gunn, Mississippi

Representative Yvette Herrell, New Mexico

Senator Brian Kelsey, Tennessee

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Representative David Reis, Illinois

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Representative Ron Simmons, Texas

Senator Jim Smith, Nebraska

Speaker Linda Upmeyer, Iowa

Senator Leah Vukmir, Wisconsin

Senate President Susan Wagle, Kansas

# Private Enterprise Advisory Council

Ms. Marianne Eterno, Guarantee Trust Life, Chairwoman

Mr. Don Lee, K12 Education, First Vice Chairman

Mr. Bill Carmichael, American Bail Coalition, Immediate Past Chairman

Mr. Mike Blank, Peabody Energy

Mr. Josh Brown, Pfizer

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

Mr. Michael Morgan, Koch Companies Public Sector

Mr. Chip Rogers, Asian American Hotel Owners Association

Mr. Gary Selvy, National Federation of Independent Business

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

## **About ALEC**

The American Legislative Exchange Council is America's largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets and federalism. Comprised of nearly one-quarter of the country's state legislators and stakeholders from across the policy spectrum, ALEC members represent more than 60 million Americans and provide jobs to more than 30 million people in the United States.

All Americans deserve an efficient, effective and accountable government that puts the people in control. ALEC provides a forum for experts to discuss business and economic issues facing the states. The ALEC model policy library is home to dynamic and innovative ideas that reduce the cost of everyday life and ensure economic freedom. ALEC ideas and publications are the product of countless hours of research, debate and discussion and serve as a toolkit for anyone who wants to increase the effectiveness and reduce the size, reach and cost of government. ALEC is proud to offer real solutions to the top issues facing the states, and the strength of the ALEC family is proof that good ideas are better when shared.

ALEC is a forum for stakeholders to exchange ideas and develop real, state-based solutions to encourage growth, preserve economic security and protect hardworking taxpayers. ALEC members understand the importance of hearing from all sides of an issue and value public-private partnership in policy discussions. Job creators and state legislators alike come to ALEC to offer important policy perspectives to ensure economic security and opportunity in their communities.

By joining ALEC, state legislators gain the competitive advantage of shared knowledge and experience, as they are able to learn from one another about what policies have succeeded or failed in the states. Similarly, business leaders and policy experts are able to discuss the real-world implications of potential policies with state legislators who best know their communities and economic landscapes.

At ALEC, ideas drive the discussion. Innovation and technology are at the forefront of members' conversations, and ALEC is home to experts who stay ahead of the issues and who provide continuing education to members about the effect changing issues will have on the Americans.

