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Mission Statement The mission of the American Legislative

Exchange Council is to advance the Jeffersonian principles of free markets, limited government, federalism

and individual liberty among America's state legislators.

Operational Strategy

To promote the principles of federalism by developing and promoting policies that reflect the Jeffersonian principles that the powers of government are derived from, and assigned to, first the People, then the States, and finally the National Government.
To enlist state legislators from all parties and members of the private sector who share ALEC's mission.
To engage in an ongoing effort to promote Jeffersonian principles among elected officials, the private sector, and the general public, for the purpose of enacting substantive and genuine legislative reforms consistent with the ALEC mission.
To conduct a policy making program that unites members of the public and private sector in a dynamic partnership to support research, policy development, and dissemination activities.
To prepare the next generation of political leadership through educational programs that promote the principles of Jeffersonian democracy, which are necessary for a free society.

${\mathcal A}$ Message from the National Chairman, Private Enterprise Board Chairman and Executive Director



Steve McDanielALEC National Chairman
Tennessee Representative



Michael MorganPrivate Enterprise Board Chairman
Koch Industries



Duane Parde ALEC Executive Director

The Guiding Principles of ALEC

The last 28 years have been truly remarkable for the American Legislative Exchange Council. From the fledgling organization conceived by a handful of visionary state and federal legislators, ALEC has grown into a nationally-recognized voice whose diverse membership—a membership representing different races, creeds, colors, and political affiliations—stands united by the principles of limited government, free enterprise and individual liberty. Ever since ALEC was founded, it has held high the banner of individual liberty. But, as the saying goes: Liberty is not free. It is paid for with good citizenship. That is why ALEC's challenge is to remain an organization that is vigorous and creative in preserving, protecting, and promoting the principles of liberty.

Our future hinges on our unflagging commitment to these principles, regardless of the political cost. But the genius of ALEC is that we bring these principles to life in our states, in the work that we do. Our principles have guided us in putting billions of dollars back in the pockets of ordinary Americans, thanks to more than 20 years of tax cuts. The private purchasing power that this has unleashed has helped fuel the greatest economic growth in our nation's history. Tax cuts have also helped begin the process of returning government to its rightful, limited functions. Our principles have guided us in enhancing the competitiveness of our free enterprise system. By deregulating utilities and privatizing certain government services, we have enhanced our economy's efficiency, while cutting costs.

ALEC and its members have been at the forefront of all of these movements. The organization is also leading the efforts in education reform, tort reform, pension reform, online privacy, tax reform, preserving our environment, and ensuring affordable health care in the states.

In all of these spheres, we must work together. We must strengthen public-private cooperation. We must reach across party divides and minor differences of opinion to focus on the big picture. Our commitment is not about short-term fixes, but about guiding our communities and our country toward a better world in the 21st century.

At a time when the Federal government remains as gridlocked as ever, we can be proud that we are shaping the policies that will truly benefit Americans. State and local governments are more effective, more accountable, and more in tune with the beliefs of the American people. We can be proud that we are the exemplars of representative government at work.

Because of this vantage point, and because of our principles, we will be key players in the struggle to make America an even greater nation.

Steve McDaniel

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ALEC National Chairman, Tennessee Representative

Mihael K Mong Michael Morgan

Private Enterprise Board Chairman

Duane Parde

ALEC Executive Director

A History of Principles, Policy, People and Action

How it Started

More than a quarter century ago, a small group of state legislators and conservative policy advocates met in Chicago to implement a vision: A bipartisan membership association for conservative state lawmakers who shared a common belief in limited government, free markets, federalism, and individual liberty. Their vision and initiative resulted in the creation of a voluntary membership association for people who believed that the government closest to the people was fundamentally more effective, more just, and a better guarantor of freedom than the distant, bloated federal government in Washington, D.C.

At that meeting in September 1973, state legislators, such as then Illinois State Representative Henry Hyde, and Lou Barnett, a veteran of then Governor Ronald Reagan's 1968 Presidential campaign, together with a handful of others, launched the American Legislative Exchange Council. Among those who were involved with ALEC in its formative years were: Robert Kasten and Tommy Thompson of Wisconsin; John Engler of Michigan; Terry Branstad of Iowa, and John Kasich of Ohio, all of whom moved on to become Governors or Members of Congress. Congressional members who were active during this same period included Senators James Buckley of New York and Jesse Helms of North Carolina, and Congressmen Phil Crane of Illinois and Jack Kemp of New York.

The Birth of ALEC Task Forces

The concept of ALEC Task Forces dates back to the early days of the first Reagan administration when, in 1981, the President formed a national Task Force on Federalism, which was headed by U.S. Senator Paul Laxalt of Nevada. Also on the President's Task Force was ALEC National Chairman Tom Stivers of Idaho.

The President's Task Force on Federalism would come to rely heavily upon members of ALEC for expert testimony. Then State Senator John Kasich of Ohio and Senate President Robert Monier of New Hampshire regularly met in front of the committee. As a result of the interaction between ALEC members and Reagan Administration officials, ALEC established seven first-generation Task Forces, then called Cabinet Task Forces, which worked directly with the administration on policy development issues.

Almost immediately, the impact of this interaction was evident: In 1981, ALEC published and distributed 10,000 copies of Reagan and the States, detailing methods for decentralizing government from the federal to the state level. In 1982, ALEC began developing its first health care initiatives. In 1983, ALEC responded to the Reagan Administration's landmark study, A Nation at Risk, with a two-part report on Education which laid the blame for the nation's educational decline squarely where it belonged—on centralization, declining values, and an increasingly liberal social agenda that had pervaded schools since the 1960s—and which offered such "radical" ideas as a voucher system, merit pay for teachers and higher academic and behavioral standards for students as possible solutions to the problems.

After much success with policy formation and education, in 1986, ALEC made a commitment to form formal internal Task Forces to develop policy covering virtually every responsibility of state government.

Within a year, nearly a dozen ALEC Task Forces had been formed, and they had quickly become policy powerhouses. By 1987, the newly-formed Civil Justice Task Force developed the first comprehensive response to the nation's frivolous litigation explosion; the Health Care Task Force had developed policies on medical savings accounts, a concerted strategy for reassessing mandated coverage, and a comprehensive response to the growing AIDS crisis. And the Telecommunications Task Force became second-to-none in the development of groundbreaking ideas in the face of rapid-fire technological advances and efforts to regulate them.

From Clearinghouses to Think Tanks

Following the end of the Reagan Administration, the Task Forces, under the leadership of Delaware State Senator Jim Neal, gradually began to shift from clearinghouses of ideas submitted by ALEC members into freestanding think tanks and model bill developers. They began to actively solicit more input from private sector members, seizing upon ALEC's long-time philosophy that the private sector should be an ally rather than an adversary in developing sound public policy.

To date, ALEC's Task Forces have considered, written and approved hundreds of model bills on a wide range of issues. ALEC's nine national Task Forces now hold a total of 20 to 30 meetings each year, with more than 1,000 members participating to develop the model legislation that will frame the debate today and far into the future.

The ALEC Formula for Success

For more than a quarter of a century, ALEC has been the ideal means of creating and delivering public policy ideas aimed at protecting and expanding our free society. Thanks to ALEC's membership, the duly elected leaders of their state legislatures, Jeffersonian principles advise and inform legislative action across the country. Literally hundreds of dedicated ALEC members have worked together to create, develop, introduce and guide to enactment many of the cutting-edge, conservative policies that have now become the law in the states. The strategic knowledge and training ALEC members have received over the years has been integral to these victories.

Since its founding, ALEC has amassed an unmatched record of achieving ground-breaking changes in public policy. Policies such as mandatory minimum sentencing for violent criminals, teacher competency testing, pension reform, and Enterprise Zones represent just a handful of ALEC's victories in the states.

ALEC's Most Valuable Assets: People and Ideas

ALEC's far-reaching national network of state legislators that crosses geographic and political boundaries, and affects all levels of government, is without equal. No other organization in America today can claim as many valuable assets—both people and ideas—that have influence on as many

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key decision-making centers.

Well over 100 ALEC members hold senior leadership positions in their state legislatures, while hundreds more hold important committee leadership positions. Seven sitting Governors, including Frank Keating (Okla.), John Engler (Mich.), and George Pataki (N.Y.), and several former governors, including Jim Edgar (Ill.) and Tommy Thompson (Wisc.), are alumni of ALEC.

More than 80 Members of Congress are former ALEC members. Included among this distinguished list in the House are Speaker J. Dennis Hastert (R-Ill.), House Majority Whip Tom Delay (R-Texas) and International Relations Committee Chairman Henry Hyde (R-Ill.). Assistant Majority Leader Don Nickles (R-Okla.) is ALEC's highest-ranking alumnus in the Senate, which includes U.S. Senators Jon Kyl (R-Ariz.), Richard Shelby (R-Ala.), and George Allen (R-Va.).



Conferences have proven to be one of the most effective tools ALEC uses to educate members on current issues, trends and policies. They are also outstanding networking opportunities, allowing legislators, policy experts and private sector representatives to develop one-on-one relationships.

The ALEC Annual Meeting

The ALEC Annual Meeting has grown to become one of the nation's most prestigious state level conferences, and has been described as the "largest gathering of conservatives held each year." More than 3,000 state legislators, business excutives, and public policy experts gather for four days to discuss issues and develop policy.

Each meeting features 35 to 40 issue workshops, plenary sessions and task force meetings, as well as numerous networking opportunities at social events.

2001 Annual Meeting New York, NY July 31–August 5, 2001

2002 Annual Meeting Orlando Florida August 7–11, 2002

States and Nation Policy Summit

The States and Nation Policy Summit introduces the ALEC agenda to 300-400 newly elected and freshman state legislators for a three-day conference of intensive educational sessions addressing issues that will be at

the top of the states' agenda the following year. The Summit is an ideal opportunity for the public and private sectors to work in unison to develop free market policies to promote economic growth, limited government, and federalism. Speakers include national leaders and renowned policy experts, as well as senior executives from the private sector.

Speakers at ALEC Conferences

ALEC conferences have a reputation for substantive sessions and are known for attracting serious activist legislators, and thus are able to draw leading decision makers and well-known policy experts as speakers and panelists. In the last nine years, some of the major national and state leaders who have addressed ALEC conferences include: President Ronald Reagan; President George H.W. Bush; Bill Bennett; Jack Kemp; Pete DuPont; Governors Tommy Thompson, John Engler, George Allen, Ben Nelson, and Frank Keating; Speaker Newt Gingrich; U.S. Senators Trent Lott, Bob Dole and John Ashcroft; and Congressmen John Kasich, Dick Armey, Billy Tauzin, Tim Penney and Charlie Stenholm.

In addition, many of the nation's top policy experts, grassroots activists and members of the media have contributed their knowledge and expertise to ALEC conference programs, including: Dr. John Berthoud, President, NTU; Dr. Walter Williams; Dr. William Niskaanen, CATO Institute; Dr. Arthur Laffer; Bob Woodson, National Center for Neighborhood Enterprise; Roy Innis, CORE; Star Parker, CURE; the late Warren Brookes, *Detroit News*, and John Fund, *The Wall Street Journal*.

The Thomas Jefferson Freedom Award

The highlight of the Annual Meeting is the presentation of the Thomas Jefferson Freedom Award. This nationally recognized award is presented to a public leader who has a record of extraordinary accomplishments in advancing the Jeffersonian principles of free markets, limited government, federalism and individual liberty. Past recipients of the Thomas Jefferson Freedom Award include:

1990 President Ronald Reagan
1991 Wisconsin Governor Tommy Thompson
1992 Honorable Jack Kemp
1993 President George H.W. Bush
Michigan Governor John Engler
1994 Honorable William J. Bennett
1995 Speaker Newt Gingrich
1996 Virginia Governor George Allen
1997 Utah Governor Michael Leavitt
1998 Nebraska Governor Ben Nelson
1999 U.S. Senator Paul Coverdell, Georgia
2000 Oklahoma Governor Frank Keating

The Warren Brookes Award for Excellence in Journalism

Few journalists are as well respected for their intellectual rigor, common sense and eloquence as was the late Detroit News columnist Warren Brookes. Shortly after he passed away, ALEC dedicated an award in his name to be given to a journalist whose work best carries on the high standards established by Warren Brookes throughout his career. The award is presented at the States & Nation Policy Summit.

The recipients of the Warren Brookes Award for Excellence in Journalism have been:

- Paul Craig Roberts, syndicated columnist
- John Fund, Editorial Writer, The Wall Street Journal
- Dr. Walter Williams, syndicated columnist
- Don Lambro, Chief Political Correspondent, The Washington Times
- James K. Glassman, syndicated columnist
- John Stossel, ABC News
- Tony Snow, Host, FOX News Sunday

Issue Briefings

Usually held in state capitols, Issue Briefings bring policy experts directly to lawmakers for a full or half-day briefing and discussion on a critical, current issue. ALEC task force advisors, who include some of the best and the brightest policy experts in the country, provide plain, free market, conservative alternatives for the critical issues of the day.

ALEC Academy

Initiated in 1999, the ALEC Academy is designed to provide enhanced educational and legislative training opportunities for state legislators. With state legislators facing increasing challenges of devolution and term limits, the ALEC Academy provides legislators with a unique opportunity to sharpen their intellectual insights, partake in leadership training programs, and develop policy strategies for the future. The goal of the Academy program is to equip ALEC members with the knowledge, policy solutions, and skills they need to be effective advocates of Jeffersonian principles.

Through the Academy, ALEC bridges the gap between political theory and real world practice. Seminars offer legislators a unique two-way learning experience as top policy analysts and experienced legislative leaders conduct workshops on the most critical issues of the day.

Academy seminars take the form of two-day mini conferences, with classes meeting for up to four hours each day, supplemented with meal session lectures. Throughout each seminar, participants are provided with ample time to meet and talk informally with faculty, guest lecturers, staff and each other. Faculty for Academy programs are comprised of leading policy experts from universities, policy think tanks, the business community, and government. The depth and diversity of the faculty is essential to providing the best educational experience possible for the legislator participants.











Highlights } 1 Oklahoma Governor Frank Keating, Thomas Jefferson Freedom Award recipient 2 National Chairman, Tennessee Representative $\textbf{Steve}\,\textbf{McDaniel}$ presents the Warren Brooks Award for Excellence in Journalism to Tony Snow, Host, FOX News Sunday 3 Victor Schwartz, Private Sector Chairman, ALEC Civil Justice Task Force 4 Workshop Meeting 5 Michael Morgan, Koch Industries, ALEC Private Enterprise Board Chairman, 6 Federal Trade Commissioner Orson Swindle 7 California Senator Ray Haynes, Immediate Past Chairman 8 Edwin Feulner, President of the Heritage Foundation and **Duane Parde**, ALEC Executive Director 9 Maryland Delegate Martha Klima 10 Star Parker, President of the Coalition for Urban Renewal and Education 11 Health & Human Services Secretary Tommy Thompson, Thomas Jefferson Freedom Award recipient 12 U.S. Senator George Allen, Thomas Jefferson Freedom Award recipient 13 Karen Rasmussen, Ryder System, Inc. 14 Oklahoma Lt. Governor Mary Fallin, ALEC Alumni 15 Wahn Yoon, Partnership for After School Education 16 U.S. Senator Bob Dole 17 ALEC members and staff 18 Nancy Wolf, WMTA, and Second Vice Chairman Louisiana Respresentative Donald Ray Kennard 19 U.S. Senator **Ben Nelson**, Thomas Jefferson Freedom Award recipient 20 Governor Jim Gilmore 21 James K. Glassman, Host, Tech Central Station, and Bob Grant, WOR 22 Steve McDaniel and Ray Haynes 23 Professor Jonathan Turley, George Washington University Law School (All photos: Reflections Photography)











ALEC Policy

While the development of model legislation is an important part of ALEC's work, in many ways it is just the beginning. Each year, ALEC develops and executes a number of major educational programs to build on the work of its Task Forces. The goal of these projects is to promote the ideals embodied in ALEC's model legislation. Through research papers, state issue briefings, witness testimony and conference workshops, ALEC's policy projects build national networks of informed, committed legislators who advocate change in their legislatures.

Major Policy Projects

Disorder in the Court: Litigating Public Policy

The widespread use of litigation by lifestyle activists and the plaintiff's bar to target specific companies is well documented. The costs these suits impose on our economy are also well-known and have led to a vigorous debate on ways to reform the civil justice system. Almost a decade ago, many legislatures, after careful deliberations, began to enact measures to reign in lawsuit abuse and runaway litigation. These efforts have been stymied in state after state, however, by judicial rulings throwing out even the most modest reforms. In the last decade, state courts have nullified 87 tort reform laws. This has been nothing less than a systematic stripping of the powers of the legislatures and the citizens' elected representatives.

Against this backdrop of judicial nullification, activists and the trial bar developed a new, broader tactic, using mass litigation to target not just companies, but entire industries. Increasingly, they are acting not

on behalf of allegedly wronged individuals, but on behalf of government.

The Disorder in the Court project is building a national network of state legislators to address this issue. Through conference workshops, research papers, an ALEC Academy seminar, and state Issue Briefings, the project will educate members on the threat posed by this litigation trend and devise legislative solutions. One of these, The Private Attorney Retention Sunshine Act, which restricts government's ability to enter into contingency fee contracts with private plaintiff attorneys, has already been adopted in three states: Kansas, Texas and North Dakota. During the 2000 legislative sessions, ALEC convened special issue briefings in Colorado, Ohio, Wisconsin, Kansas, Illinois and Florida. In addition, ALEC members in Missouri, Maryland, Iowa and Pennsylvania introduced the legislation as well. As a result of ALEC's work on this project, a number of states are addressing this issue in the 2001 legislative sessions.

Environmental Health: Putting Expert Testimony Under the Microscope

Proponents of government intervention in our lives most often defend these proposals on public health grounds. These arguments are usually based on research or studies claiming that unless a certain action is taken, a certain number of people will be injured. While these studies grab newspaper headlines, they often fall apart under scientific scrutiny. Judging which studies are based on "sound" science or "junk" science, however, is often a daunting task.

To address this, ALEC's Energy & Environment and Health and Human Services Task Forces have formed a new Environmental Health Working Group. The Group is working to develop tools to assist legislators in evaluating scientific testimony. With the assistance of experts in the scientific, academic, and legal communities, the project is devising a series of training video and audio tapes to help state legislators evaluate the scientific basis of claims made during legislative hearings. Through special state-level issue briefings and an ALEC Academy, this project will build a national network of legislators skilled at determining whether environmental health claims are based on science or are simply a component of special-interest advocacy.

The New Economy Project

The assertion that the "Internet changes everything" has become such a cliché that we often forget it is true. The ability to communicate and exchange information without limitations of time or distance will have a revolutionary impact on our economy and our lives. Even the smallest business will be able to market its products globally, without the need of expensive distribution and sales networks. Consumers will be able to tap into almost unlimited information on a product's price and quality.

Unfortunately for elected officials, the Internet's rapid expansion has, in some cases, outstripped their capacity to digest the information generated by it and formulate sound policy. Some politicians are rushing headlong into the breach to establish rules and regulations without a clear understanding of Internet issues. The Internet's ability to transcend boundaries makes it revolutionary tool, but it also makes it a target for hidebound government administrators who rightly see it as a threat to the status quo. Applying existing legal, tax, and regulatory structures of each of the 50 states to the on-line world are likely to fail. Trying to enforce them, however, could weaken or destroy the medium itself. On the other hand, rapid movement towards some kind of "uniform" governance of the Internet could leave in tatters our federalist system that divides power between the federal and state governments.

The New Economy project will coordinate an educational campaign to inform state legislators that

the Internet requires a rethinking of thousands of government statutes and regulations. The campaign will help legislators craft policies that are consistent with economic growth and personal liberty. A key goal for the project will be to identify trends and ideas before they become part of the mainstream consciousness. The project will combine practical information for current issues with a forum to address new concerns.

Public Pension Modernization: The Case for Defined Contribution Plans

Most public employees are currently enrolled in defined benefit plans. Defined benefit plans promise

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to pay a specified benefit upon retirement. Many problems exist with these plans, including large unfunded liabilities on future taxpayers and a lack of portability, the latter of which is having an impact on today's increasingly mobile workforce. Allowing workers to choose between traditional defined benefit plans and defined contribution plans will help solve these problems. This reform would not only increase the flexibility and choice of individuals in public retirement plans, but can serve as a model for reform of the federal Social Security System.

ALEC is releasing a Legislator Handbook on pension reform and has conducted educational training sessions through conference workshops and state Issue Briefings. Legislator members and policy experts also routinely testify before legislative committees. ALEC members nationwide have been at the forefront of these reform efforts. Of the 18 states that considered public pension reform last year, ALEC members led the effort in 17. In 2000, ALEC began building a National Action Team to support the work of ALEC's Commerce and Economic Development Task Force to promote reform. During the 2001 legislative sessions, ALEC will build on its considerable work on this issue and continue its efforts to put public employees in charge on their own retirement.

Privacy in the Digital World

One of the hottest public policy issues facing today's lawmakers is how to protect personally identifiable information. The breadth of this issue is expansive—it covers personal financial records, medical records, telecommunications, the Internet, telemarketing and even public records. When crafting policy in the individual privacy arena lawmakers are challenged to strike a balance between information sharing that is

necessary to efficiently and accurately complete business transactions against an individual's right to privacy. The primary goal of ALEC's project is to help legislators define consumer privacy and educate them about federal and state legislation already in place to protect consumer information. ALEC will also address consumer benefits derived from the exchange of information and the negative implications of certain restrictive policy initiatives for consumers and businesses.

To this end ALEC has launched its National Working Group on Consumer Information Sharing, composed of public and private sector ALEC members, that will oversee the implementation of this project. Educational activities include workshops at ALEC's two national meetings, Issue Briefings in state capitals around the country, ALEC Issue Analyses, special events at Task Force Summits, and a special privacy handbook for state legislators.

An ALEC Success Story: Reducing Crime Through Common-Sense Legislation

Throughout the 1970's and 80's, crime often dominated our nation's headlines and played a major role in campaigns at all levels of government. As policy leaders attempted to come to grips with how to mount an effective defense against rising crime in our cities and neighborhoods, ALEC was at the forefront of adopting model legislation that put swift and certain punishment back into our criminal justice system. ALEC developed model criminal justice policies that kept criminals off of our streets for longer periods of time and allowed private industry to use its expertise to help states meet their growing incarceration needs. Model bills like the Truth in Sentencing Act, which requires inmates to serve at least 85 percent of their sentence; and the Habitual Violent Offender Incarceration Act, or "three strikes" legislation ensured that violent criminals served more time behind bars. ALEC's Private Correctional Facilities Act allowed states to contract with private industry to house their growing criminal populations. ~ ALEC has been supporting common-sense solutions like these since the early 90's. A majority of states now have some type of "truth in sentencing" or "three strikes" laws on their books. Also, as of January 2000, 28 states have authorized the use of private prisons to house inmates. As more and more states have adopted "tough on crime" legislation, crime has steadily declined all across the nation. Our members have helped make America's streets a safer place.

ALEC's National Task Forces

ALEC's Nine National Task Forces serve as public policy laboratories where legislators develop model policies to use across the country. Task Forces also commission research, publish issue papers, convene workshops and issue briefings, and serve as clearinghouses of information on free market policies in the states.

Unique to ALEC Task Forces is their public-private partnership, a synergistic alliance that identifies issues and then responds with common sense, results-oriented policies. Legislators welcome their private sector counterparts to the table as equals, working in unison to solve the challenges facing the nation. The results are the policies that will define the American political landscape well into the 21st century.

Recently, the Task Forces have developed comprehensive educational projects designed to promote free market public policy at the state-level. While these projects produce and disseminate a wide range of research and informational material, the centerpiece is ALEC model legislation. To date, ALEC has considered, written and approved hundreds of model bills, resolutions and policy statements. During the 1999–2000 legislative cycle, ALEC legislators introduced more than 3,100 pieces of legislation based on these models and more than 450 of these were enacted.

2000 Legislative Highlights

In 2000, seven legislatures considered ALEC's Private Attorney Retention Sunshine Act including Colorado, Iowa, Maryland, Minnesota, Missouri, Pennsylvania and Kansas where it was enacted. This Act, part of ALEC's Disorder in the Court Project, requires that Attorneys General get prior legislative approval for contingency fee contracts with privacy attorneys. Kansas joined North Dakota and Texas, which passed the legislation in 1999.

Similarly, the Model Appeal Bond Waiver Act, also part of the Disorder in the Court Project, was introduced in Missouri and enacted in Florida, Georgia, Kentucky and Virginia.

ALEC's Portable Retirement Option Act (PRO Act), was introduced or carried over to the 2000 session in 15 states. It was enacted in Florida. South Carolina.



To date, ALEC has considered, written and approved hundreds of model bills, resolutions and policy statements.

Ohio, Utah and Washington. The PRO Act gives public employees the opportunity to participate in defined contribution pension plans, which are structured like 401(K) plans. This model legislation is the centerpiece of ALEC's Public Pension Modernization Project.

Four legislatures introduced ALEC's Model College Savings Account Act, which allows parents to invest their savings in tax-exempt accounts to pay future higher education expenses. This legislation, passed in Mississippi and Nebraska, was also considered in New Mexico and Ohio.

Also ALEC's Regulatory Responsibility Act, which is based upon several U.S. Supreme Court decisions upholding states' rights in the face of onerous regulation by federal agencies, was introduced in Arizona, Connecticut, Pennsylvania, Texas and Georgia. The Act limits the state's authority to implement any regulatory guidance from a federal agency that exceeds that agency's authority as delegated by Congress.

These examples highlight the enthusiasm of ALEC members and underscore ALEC's effectiveness as an organization in promoting and implementing free market public policy in the states.



Civil Justice Task Force

Members of the Civil Justice Task Force have been at the forefront of the efforts to restore fairness and predictability to the civil justice

system. The Task Force's work has resulted in a number of policy publications, state-level Issue Briefings, witness testimony and policy workshops during ALEC's Annual Meeting and States and Nation Policy Summit. Through these vehicles, ALEC members have become well versed in the importance of curbing runaway litigation. In the most recent legislative session, ALEC members have introduced over 100 bills to reform the civil justice system.

Recent model legislation adopted by the Task Force limits excessive fees paid by the state to plaintiffs' attorneys and opens up attorney general contracts with plaintiff's attorneys to legislative review. The Task Force has worked diligently to promote systematic fairness in the courts through bills to discourage frivolous lawsuits, to fairly balance judicial and legislative authority, to treat defendants in a consistent manner, and to require scientific scrutiny of expert testimony.

Major Issues:

- Class-Action Lawsuit Reform
- Punitive Damages Reform
- Joint and Several Liability
- Taxation and Regulation through Litigation
- Separation of Powers
- Prevention of Retroactive Judicial Lawmaking
- Judicial Taxation
- Product Liability

Key Model Bills:

- Fairness in Litigation Act
- Private Attorney Retention Sunshine Act
- Right to Choose Your Lawyer Act
- Common Sense Scientific and Technical Evidence Act
- Model Education Quality and Teacher Protection Act
- Model Appeal Bond Waiver Act
- Legal Consumer Bill of Rights Act



Commerce and Economic Development Task Force

Members of the Commerce and Economic Development Task Force believe that economic freedom is the

cornerstone of our prosperity and, even, our political freedom. The Task Force develops policies that enhance competitiveness, promote employment and economic prosperity, encourage innovation and increased efficiency, and limit the regulations that government imposes on businesses.

These policies include workers' compensation reform, labor deregulation, union reforms, and insurance and financial services policy. The Task Force develops model legislation to facilitate the implementation of these policies in the states, and educates ALEC members through Task Force meetings, issue papers, state-based issue briefings, and special workshops.

Recently, the Task Force has taken a leading role in reforming public employee pensions in the states. By promoting the switch from 'defined benefit' plans to 'defined contribution' plans, ALEC members are spearheading reforms to provide greater flexibility and individual choice in retirement savings plans. To date, ALEC members in 17 states have introduced this reform, winning enactment in five states. These reforms can serve as a blueprint for reform of the federal Social Security System. In the most recent legislative session, ALEC members have introduced nearly 150 bills supporting the policies promoted by the Task Force.

Major Issues:

- Public Pension Reform
- Banking and Financial Services
- Labor Market Reform
- Social Security Reform
- Job Training
- Wage Laws
- Workers' Compensation
- Employer Mandate Reduction
- Occupational Health and Safety

Key Model Bills:

- Public Employees' Portable Retirement Option Act
- Property/Casualty Insurance Modernization Act
- Right-to-Work Act
- Minimum Wage Repeal Act



Criminal Justice Task Force

The Criminal Justice Task Force is dedicated to developing model policies that reduce both violent and

property crimes in our cities and neighborhoods. The Task Force is accomplishing this by approving model bills that hold criminals accountable for their actions and provide swift and certain punishment for their crimes; without adding more governmental intrusions into law-abiding citizens lives. In recent years, the Task Force has dealt with issues such as prison privatization, child firearm safety, asset forfeiture reform, standards for bail enforcement agents and preventing violent youths from committing crimes in school. The Task Force will be focussing on the following issues during the 2001 and 2002 legislative sessions: identity theft and the use of personal information to commit crimes; drunk driving prevention measurers and penalties for repeat and hard-core offenders; and retail theft.

Major issues:

- Asset forfeiture Reform
- Bail Reform
- Court Reform
- Drunk Driving Prevention
- Federalization of Crime
- Identity Theft
- Juvenile Crime
- Prison Privatization
- Retail Theft
- The Right to Bear Arms
- Truth in Sentencing
- Victims' Rights
- Violence in Schools
- White Collar Crime and Fraud

Key Model Bills:

- Comprehensive Asset Forfeiture Act
- Consistency in Firearms Regulation Act
- Drunk Driving Prevention Act



Education Task Force

The mission of the Education Task Force is to help promote excellence in our country's educational system. The Task Force is helping to reach

that level of excellence by advocating strong accountability in public schools and advancing education reform policies, such as charter schools and vouchers that give parents and students the means to choose the schools that best meet their educational needs. Each year, the Task Force releases ALEC's annual Report Card on American Education. The Report Card is a comprehensive look at the state of public education all across our nation. It consistently shows that there is no statistically evident correlation between educational performance and teacher salaries or expenditures per pupil—clearly refuting the claims that more money equals better education. The Task Force will continue to focus on those policies that hold teachers accountable for the education they are providing as well as developing new ideas on how businesses can become partners in educating future generations of our children.

Major Issues:

- Accountability
- Alternative Teacher Certification
- Bilingual Education Reform
- Charter Schools
- Competitive Contracting of Management and Services
- Curriculum Reform
- Early Childhood Development
- Education Finance
- Higher Education
- Merit Pay
- School Choice
- Teacher Unions

Key Model Bills:

- Education Certificate Act
- The Alternative Teacher Certification Act
- College Funding Accountability Act
- College Savings Account Act
- School Board Freedom to Contract Act
- Student's Right to Learn Act



Energy, Environment, Natural Resources, and Agriculture Task Force

Free market environmentalism recognizes that a healthy economy and

a healthy environment are mutually dependent. It is the underlying principle of the Energy, Environment, Natural Resources, and Agriculture Task Force. The EENRA Task Force pursues government policies that take advantage of positive forces of consumers and producers in a free marketplace, to maximize positive choices, and to utilize the advantages afforded through evolving technologies. Model legislation developed by the Task Force has been enacted in many states to promote good environmental stewardship.

EENRA Task Force members have joined forces with members of the Health and Human Services Task Force to develop the Environmental Health Initiative for the purpose of examining science based solutions to those environmental problems which represent a genuine, measurable risk to human health and the environment. Members of this joint subcommittee seek to ensure that measures designed to protect the environment and promote citizens' health are based on sound science and balance alleged benefits with economic and individual cost

The EENRA Task Force adopts official positions as reflected through model resolutions, model statutes, and statements of principle. More importantly, the educational activities of the Task Force encompass seminars and presentations from academic and industry experts as well as exchanges of information on the legislative debates.

Major Issues:

- Urban Growth
- Property Rights
- Biotechnology
- Agriculture
- Environmental Health
- Local Jurisdiction Consent for National Monument Designation
- Water Quality
- Environmental Education
- Energy Infrastructure

Key Model Bills:

- State Protection of Air Quality Related Values Act
- State Regulatory Responsibility Act
- Common Sense Scientific and Technical Evidence Act
- Environmental Audit Privilege Act
- Environmental Rule Oversight Act



Health and Human Services Task Force

There is probably no part of our society where the hand of government is more evident than in health care.

Although the effort several years ago to nationalize the health care market failed, each year Congress and state legislatures consider proposals to further regulate health care, impose price controls, or mandate health insurance coverage. Against this backdrop, the Health and Human Services Task Force has emerged as a leader in efforts to promote free-market health care solutions and welfare reform in the states. As ALEC's largest Task Force, with over 170 public and private sector members, the Health and Human Services Task Force has successfully worked to promote market-oriented reform.

For example, several states enacted the Task Force's model KidCare proposal, a response to the federal children's health insurance block grant, which expanded the private insurance market for uninsured children as an alternative to expanded government programs. A few years ago, the Task Force convened a landmark Health Care Summit, which led to the enactment of Medical Savings Accounts in over 20 states. Other successes include the adoption of High Risk Insurance Pools, Welfare Reform, Mandated Benefits Review, and the defeat of Price Control Proposals.

Commitment to free-market reforms has also led the Task Force to develop privatization policies in the areas of adoption and foster care services and welfare-to-work programs and to begin examining ways to privatize the Medicaid system. Encouraging long term care and home health care through regulatory reforms and market incentives will be priority issues facing the Task Force. In the most recent legislative session, ALEC members have introduced nearly 100 bills supporting the policies promoted by the Task Force.

Major Issues:

- Prescription Drug Coverage
- The Uninsured
- Medical Records Privacy
- Defined Contribution Health Plans
- Health Care Issue Areas
- Free-Market Health Care Reform
- Welfare Reform
- Children' Health Insurance
- Welfare Privatization
- Pharmaceutical Issues
- Child Welfare Reform
- Privatization of Medicaid

Key Model Bills:

- Medical Savings Account Act
- Long Term Care Insurance Act
- Comprehensive Health Insurance Pool Act
- Mandated Benefits Review Act



Tax and Fiscal Policy Task Force

The Tax and Fiscal Policy Task Force develops policy to reduce excessive government spending and lower the

overall tax burden. Its legislative members have been at the forefront of developing sound, free-market tax and fiscal policy. The Task Force has developed budget reform policies, tax and expenditure limitations; supermajority requirements for tax increases, and dynamic revenue forecasting. The Task Force has published landmark studies on the economic effects of high excise taxes and issued a Report Card on states' tax and fiscal policies.

Recently, the Task Force has focused on multi-state taxation and curbing the authority of state revenue officials to expand taxation through regulatory fiat. The Task Force is also active in keeping the Internet free from burdensome taxation. Additionally, the Task Force has begun examining the negative effects of growth boundaries and the states' growing use of litigation as a means to collect revenue and regulate industries. The Task Force has worked diligently in the past to pass a federal Balanced Budget Amendment to the U.S. Constitution.

A recent survey of members indicated that tax policy was their top concern. In the most recent legislative cycle, over 650 bills to lower the tax burden and curb excessive government spending were introduced by ALEC members.

Major Issues:

- Tax and Spending Limitations
- Tax Reduction and Reform
- Service Taxes
- Utility Taxes
- Excise Taxes
- Multistate Taxation
- Department of Revenue Oversight
- Budget Process Reform
- Growth Boundaries
- Interstate Commerce Clause

Key Model Bills:

- Truth in Spending Act
- Death Tax Reform Act
- Tax and Expenditures Constitution Act
- Internet Taxation Resolution

Forces is their public-private partnership, a synergistic alliance that identifies issues and then responds with common sense, results-oriented policies. . . . The results are the policies that will define the American political landscape well into the 21st century.



Telecommunications and Information Technology Task Force

The new economy presents a complex set of policy problems that

defy uniform policy prescriptions. The Internet's capability, for example, to transcend boundaries makes it a revolutionary commercial tool, but forces policy makers to reconsider the laws they created in response to the old economy. States must be careful not to stunt the growth of e-commerce through excessive regulation and taxation. Economic and political assumptions that once guided policy makers in the past are not wholly applicable in the new economy. To guide policymakers through these uncharted waters, the Telecommunications and Information Technology Task Force brings together state legislators, industry representatives and economists to develop state public policy that will preserve free-market principles, uphold deregulation efforts and keep the communications and technology industries free from burdensome regulations.

Currently, the Task Force is examining a variety of issues including telecommunication tax standardization, protecting consumer privacy on-line, and e-governance, which is reshaping the relationship between government and the citizen.

Major Issues:

- Telecommunications Tax Reform
- Computer Lemon Laws
- Online Privacy
- Electronic Payment Applications
- Online Bidding
- Wireless Telephone Use and Driving
- Public Right of Way
- Public-Private Electronic Information Network Partnerships
- Rural Broadband Incentive

Key Model Bills:

- Personal and Commercial Computer Protection Act
- Distance Learning Commission Act
- Telecommunication Regulatory Reform Act
- Uniform Computer Information Transactions Act (UCITA)



Trade and Transportation Task Force

The Trade and Transportation Task Force seeks to improve America's competitiveness through innovative

free market trade and transportation policies. The Task Force studies ways to better use the private sector to more efficiently generate the necessary funds and flexibility to meet our transportation and infrastructure need. The Task Force is currently studying market-based highway maintenance, truck drivers hours of service, smoke testing of on-road diesel vehicles roadside inspections, model procurement code revision and fuel tax fraud. The Task Force promotes free trade by encouraging regional and international trade agreements that reduce or eliminate tariffs and quotas.

Major Issues:

- Highway Safety
- Procurement Standardization Code
- Transportation Funding and Federal Mandates
- Rural Air Transportation Services
- Public Safety Issues
- Driving Records Access
- Truck Driver's Hours of Service
- Free Trade
- Unilateral Trade Sanctions
- Public/Private Infrastructure Partnerships
- Fuel Taxes

Key Model Bills:

- Water/Waste Utility Public-Private Partnership Act
- Competitive Contracting of Public Services Act
- Urban Transit Administrative Act
- Common Port of Entry Act

ALEC: Strength in its Membership

With more than 2,400 members, ALEC is the nation's largest bipartisan, individual membership association of state legislators. One-third of all state legislators belong to ALEC. In addition, with more than 300 corporate and private foundation members, ALEC is one of America's most dynamic public-private partnerships. ALEC provides the private sector with a unique opportunity to have their voices heard, and perspectives appreciated. Through ALEC, legislators join with the private sector to write model legislation to effectively promote the organization's mission.

No other organization today has as many valuable assets in both people and ideas, nor as many members in key decision-making positions. Among the leadership of America's state legislatures, ALEC members are an impressive presence: 32 Speakers and Speaker Pro Tems; 22 Senate Presidents and Senate President Pro Tems; 22 Senate Majority and Minority Leaders; and 30 House majority and Minority Leaders. Individual legislators also contribute to advancing the ALEC agenda by serving on the Board of Directors, or as State Chairs, Task Force Chairs, and members of State Leadership Teams.

State Leadership Teams

Some of our nation's most prominent leaders began their careers as active members of ALEC, and to help better prepare for our next generation of leaders, ALEC has recently formed State Leadership Teams. Not only are the Teams designed to recruit and train tomorrow's leaders but they will enhance membership services and policy programs, and allow ALEC members to advocate free market-based solutions. Leadership Teams create a mechanism for recruiting, organizing, and training ALEC members to be future leaders in their states and nationwide; enhance ALEC's leadership infrastructure in the states; and maintain and increase public and private sector participation in the organization.

State Membership Events

Each year ALEC holds membership events in the individual states. The purposes of these activities are to allow ALEC's public and private sector members to interact in an event in their home state; recruit new members; set state-level priorities; and heighten ALEC's profile in that state.

ALEC Resources

Through ALEC's Resource Center, the policy staff provides research, policy analysis, scholarly articles, reference materials, legislative bill tracking, and expert testimony on a wide spectrum of issues.

Policy Publications

ALEC publishes a wide array of books, reports, and white papers on the issues and policies being debated in the states. Policy publications include:

The State Factor

In-depth white papers on the issues facing state legislatures.

Issue Analysis

Short analyses of topical issues that provide perfect preparation for talking points and media briefings.

Special Reports and State Report Cards

State-by-state analyses of critical issues, such as education and tax and fiscal policy.

Policy Digest

Short, easy-to-read white papers that present a single issue in a debate format, providing a context for the most efficient and effective free market, limited-government solutions.

ALEC Lecture Series

Reprints of important speeches from ALEC conferences and seminars.

Periodicals

In addition to policy publications, ALEC produces several periodicals to keep members informed on ALEC events and to provide in-depth policy information. These periodicals include:

ALEC Policy Forum

A journal for state and national policymakers containing in-depth articles on key issues.

Inside ALEC

The monthly newsletter for ALEC members, announcing ALEC activities, events, new publications, and model legislation.

Leadership Briefing

A newsletter giving "inside information" on activities and projects for the ALEC public and private leadership.

ALEC Website (www.alec.org)

Designed to provide members easy access to ALEC's extensive policy resources, the website contains complete copies of more than 400 pieces of model legislation and nearly 100 publications. Each Task Force has an individual home page, providing calendars, news items, and reports on activities. A link to every state capital's website, as well as state profiles, are just some of the many features of the website.

ALEC Listservs

Each of ALEC's nine policy Task Forces and the Office of Public Affairs has a listsery, which allows for moderated discussions via an email network of selected ALEC members, providing instantaneous dissemination and exchange of policy information and updates on activities.

ALEC 2000 Publications

Tax & Fiscal Policy

- America's Small Businesses on the Internet
- A Square Peg in a Round Hole: The Internet's Challenge to State Tax Systems—Part One
- First, Do No Harm
- The Politics of Budget Surpluses
- National Report on State Fiscal Policy

Education

- Report Card On American Education
- School Boards Freedom to Contract: Free Market Plan to Improve Public Schools
- You Can't Buy Higher Grades: 50-State Report Card on American Education
- The Politics of Class Size Reduction: Smaller Classes vs.
 Better Teachers

Environment

- Julian Simon and the Triumph of Energy Sustainability
- Environmental Health Survey: Is Junk Science Guiding Today's Policy?
- Urban Growth Volume I; Air Quality, Automotives & Suburban Development
- Another Round in the Battle Over EPA Regulatory Authority
- Reaping the Benefits of Bio-Technology

Criminal Justice

- Cities Sue the Gun Industry: A Bad Idea Gets Worse, Suits Threaten Authority of State Legislatures
- Identity Theft: Criminals Go High Tech in the Information Age
- Can Federalism Survive Good Intentions: The National Drunk Driving Standard
- Youth at Risk: The Importance of Positive Youth Development

Commerce

- Protecting Consumer Privacy: What Gramm-Leach-Bliley Means for Consumers and Businesses
- Seizing Control: Federalizing Monopoly Bargaining for Public Safety Employees
- Use Unemployment Trust Funds to Expand FMLA?
- Banning ATM Surcharges: Bad Economics and Bad Politics?
- Bringing Pensions into the 21st Century: How to Modernize Public Pensions
- Baby Unemployment Insurance: Another Fatally Flawed Federal Regulation
- OSHA's Ergonomics Rule: A Costly Unfunded Mandate for the States
- Safeguarding Privacy in the Information Age: An Overview of Current Protections
- Pension Reform in Florida: A Case Study
- Changing the Rules: Federal Pension Portability

Health

- Senior Century: Seniors' Needs and Long-Term Care:
 A Guide for Policymakers
- The Faux Pharmaceuticals Crisis: Market Incentives vs. Government Mandates
- States' Experiences on Privatization of Welfare-To-Work: Planning Successful Program Contracts

Telecommunications

- The Internet Revolution: The Evidence is In
- Cyber-Contracts in the Information Age Uniform Computer Information Transactions Act
- Another "E": E-Signing

Federalism

 Cyber Federalism: Can the Internet Reinvigorate Federalism

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ALEC National Staff

The Executive Director serves as the chief administrator and staff executive of ALEC, and directs all the activities of the organization according to policies established by the National Board of Directors. In addition, a management team, comprised of department directors, oversees the individual program functions of the organization.

Duane Parde

Executive Director

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Richard Gowdy

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Director of Programs

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Matt Lathrop

Director of the Commerce and Economic Development Task Force

Andrew LeFevere

Director of the Criminal Justice Task Force and the Education Task Force

Loretta Herrington

Director of the Trade and Transportation Task Force and the Telecommunications and Information Technology Task Force

Karen Czarnecki Miller

Director of the Health and Human Services Task Force and the Civil Justice Task Force

Morgan Long

Policy Coordinator

Kristin Armshaw

Legislative Assistant, Civil Justice Task Force

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Patrick Dougherty

Manager of Meetings and Conferences

Sebastian Filgueira

Assistant to the Manager of Meetings and Conferences

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David N. Wargin

Director of Public Affairs

Bob Adams

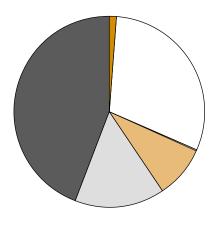
Director of Media Relations

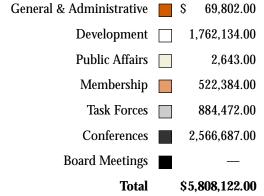
Joseph Rinzel

Public Affairs Coordinator

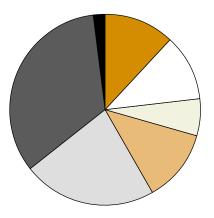
2000 Financial Summary

2000 Revenue Breakdown





2000 Expenses



General & Administrative	\$	671,788.00
Development		634,064.00
Public Affairs		353,351.00
Membership		693,931.00
Task Forces	1	,276,655.00
Conferences	1	,897,427.00
Board Meetings		112,417.00
Total	\$5	5.659.633.00

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