

ALEC

40TH
ALEC
ANNUAL MEETING

BOARD MEETING



BOARD/PEAC COMMITTEE MEETINGS

August 6, 2013

Finance Committee: 8:00 am – 10:00 am – Buckingham

Membership Committee: 8:00 am – 10:00 am – Price

Task Force Committee: 10:00 am – 12:00 pm – Buckingham

Public Affairs Committee: 10:00 am – 12:00 pm – Price

AGENDA ALEC Board Meeting August 6, 2013 Chicago, Illinois

ALEC's Mission

“To advance free markets, limited government and federalism”

Strategic Plan Overriding Objective

All key objectives and strategic initiatives of the strategic plan will be measured against one overriding objective:

“Support state legislators to be more effective in their role to advance public policy initiatives consistent ALEC's principles.”

- | | | | |
|------|--|------------------|---------|
| I. | Call to Order | Chairman Piscopo | 1:00 pm |
| II. | Changes to Agenda | | |
| III. | Chairs' Report | Chairman Piscopo | |
| | <ul style="list-style-type: none">• Additional conflict of interest disclosures per agenda items• Introduction of new Board members• Chairs items since last Board meeting | | |
| | | Chairman Seale | |
| | <ul style="list-style-type: none">• Introduction of new Board members• Chairs items since last Board meeting | | |
| IV. | Executive Director's Report | Ron Scheberle | |
| | <ul style="list-style-type: none">• ALEC update• Office move update• Governance update• Congressional hearing | | |

ACTION AGENDA

- | | | | |
|-------|---|---|---------|
| V. | Consent Agenda | Chairman Piscopo | 1:30 pm |
| | <ul style="list-style-type: none">• Approval of Minutes from May 3, 2013 Board Meeting | | |
| VI. | Finance Committee Report | Rep. Leah Vukmir
Lisa Bowen | 1:35 pm |
| | <ul style="list-style-type: none">• Approve the Financial Statements ending May/June 2013 | | |
| VII. | Strategic Plan Key Objective IV
Organizational Capacity - Initiative 3 | Rep. Dave Frizzell
Jeff Lambert | 2:10 pm |
| | <ul style="list-style-type: none">• Approve Bylaw Changes for State Chairs | | |
| VIII. | Strategic Plan Key Objective 1
Membership – Initiative 2 | Chairman Piscopo
Ron Scheberle
Michael Bowman | 2:30 pm |
| | <ul style="list-style-type: none">• Discussion and Approval of Jefferson Project Operating Procedures | | |

DISCUSSION AGENDA

- | | | | |
|-----|---|------------------------------------|---------|
| IX. | Strategic Plan Objective IV
Organizational Capacity - Initiatives 1 and 2 | Rep. Dave Frizzell
Jeff Lambert | 3:15 pm |
| | <ul style="list-style-type: none">• Job Descriptions for State Chairs | | |

INFORMATION AGENDA

- | | | | |
|-------|------------------------------------|----------------------------------|---------|
| X. | Public Affairs Committee Update | Rep. Phil King
Bill Meierling | 3:45 pm |
| XI. | Membership Committee Update | Dave Frizzell
Jeff Lambert | 4:15 pm |
| XII. | Task Force Committee/Policy Update | Rep. Jim Buck
Michael Bowman | 4:45 pm |
| XIII. | Other business | Chairman Piscopo | 5:00 pm |

**Next Board Meeting
December 4, 2013 - Washington DC**

Approval of Minutes from May 3, 2013 Board Meeting

Recommendation

That the Board of Directors approves the minutes from the May 3, 2013 ALEC Board of Directors meeting.

Background

Ron Scheberle and ALEC staff have reviewed and approved the minutes from the Board of Directors meeting on May 3, 2013. They are now before the Board of Directors for approval.

Fiscal Impact

There is no fiscal impact associated with approving the minutes.

Minutes
American Legislative Exchange Council
Joint Board of Directors and Private Enterprise Advisory Council Meeting
May 3, 2013
Oklahoma City, OK

In Attendance:

Board of Directors:
Representative Gary Banz
Representative Liston Barfield
Senator James Buck
Senator Barbara Cegavske
Representative David Frizzell
Senator Michael Lamoureux
Representative Ray Merrick
Representative Tim Moffitt
Senator Wayne Niederhauser
Representative John Piscopo
Senator William Seitz
Representative Thom Tillis
Representative Curry Todd
Senator Leah Vukmir
Senator Susan Wagle

Private Enterprise Advisory Council:

Mr. Jeffery Bond
Mr. Bill Carmichael
Mr. Kelly Mader
Mr. Michael Morgan
Mr. David Powers
Mr. Steve Seale
Mr. Daniel Smith
Mr. Russell Smoldon
Mr. Patrick Thomas
Mr. Bob Williams

Others:

Mr. Michael Bowman
Ms. Lisa Bowen
Mr. Jim Dunlap
Mr. Alan Dye
Mr. Jeff Lambert
Mr. Bill Meierling
Ms. Briana Mulder

Mr. Tom Nelson
Mr. Colin Rorrie
Mr. Ron Scheberle

- I. **Call to Order:** Chairman John Piscopo called the meeting to order at 9:30 AM CST.
- II. **Changes to Agenda:** There were no changes to the agenda.
- III. **Conflict of Interest Declaration:** There were no conflicts disclosed.
- IV. **Executive Director's Report:**
 - **New Staff Hires:** Executive Director Ron Scheberle reported on Executive Director Ron Scheberle introduced ALEC's new Senior Director of Public Affairs Bill Meierling and new Senior Director of Membership and Development Jeff Lambert.
 - **Office Move:** He also provided an overview of ALEC's office relocation from Washington, D.C. to Arlington, VA.
 - **Governance Changes Based on Legal Audit:** Ron Scheberle provided an update on the changes to ALEC bylaws previously approved by the ALEC Board of Directors via conference call.

ACTION AGENDA

- V. **Consent Agenda:**
 - **Approval of the minutes from the November 2012 Board Meeting:** The Board approved the minutes of the November 12th, 2012 Board meeting.
 - **Approval of the minutes from the March 2013 telephonic Board Meeting:** The Board approved the minutes of the March 13th telephonic Board meeting.
 - **Approval of the proposed changes in Task Force Operating Procedures:** The Board approved that only public sector task force members would be permitted to introduce proposed model legislation.
- VI. **Finance Committee Report:**
 - **Accept the Financial Statements ending February 2013:** Lisa Bowen presented on the financial statements. The Board accepted the Financial Statements ending February 2013.
 - **Approve 2013 Operating Budget:** Lisa Bowen presented on the 2013 Operating Budget. The Board approved the 2013 Operating Budget.
 - **Approval of Legislative Expense Reimbursement:** The Board delayed discussion of changes to the Legislative Expense Reimbursement until the 2013 Annual Meeting Board Meeting.

DISCUSSION AGENDA

- VII. **Strategic Plan Objective IV: Items 1&2 – Communication/Public Affairs:**

- **Framework and Components of an Effective Public Affairs Program:** Bill Meierling provided an update on the Public Affairs staff and strategy.

VIII. Strategic Plan Objective I: Item 1 – Membership:

- **Identify Gaps in Membership Areas and Discuss Strategies to Engage/Increase Private and Public Sector Membership:** Jeff Lambert gave an overview of the Membership Department strategies.

INFORMATION AGENDA

IX. Policy Report: Michael Bowman provided an update on the Policy Department activities.

X. Adjourn: The meeting adjourned.

Next Board Meeting August 2013, Chicago

Acceptance of Financial Report ending June 2013

Recommendation

That the Board of Directors accept the financial report for the period ending June 30, 2013.

Background

Finance Committee Chair Senator Leah Vukmir has reviewed the financial statements for the period ending June 30, 2013 They are now before the Board of Directors for acceptance.

Fiscal Impact

There is no fiscal impact associated with accepting the financial report for June 30, 2013.

**Financial Statements for the period ending June 2013 will be distributed at the August 6,
2013 ALEC Board Meeting.**

Approve Bylaw Changes for State Chairs

Recommendation

That the Board of Directors accept proposed changes to the bylaws for the State Chair job descriptions.

Background

The proposed changes to the Bylaws aim to bring clarity to the state chair position. They are now before the Board of Directors for acceptance.

Fiscal Impact

There is no fiscal impact associated with accepting the proposed changes to the Bylaws.

ARTICLE X
STATE CHAIRS AND STEERING COMMITTEE

Section 10.01 Appointment. A State Chair that accepts the terms of the office and training in roles and responsibilities shall be appointed by the national chairman. All State Chairs are appointed by the National Chair. When possible Co-Chairs shall be appointed representing with one Co-Chair from each chamber. All Private Sector State Chairs are appointed by the respective ALEC State Chair, and confirmed by the, the National Chair. Each respective ALEC State Chair shall appoint a Private Sector State Chair to serve concurrently with the respective State Chair.

Section 10.02 Term. State Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1st of an election year with the term beginning January 1st the following year. The State Chair may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner.

Section 10.03 Duties. Chair

Legislative State Chairs duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events, and working with the Private Sector State Chair.

The Private Sector State Chairs duties shall include recruiting new private sector members, planning an annual membership event, and assisting the Public Sector State Chair.

Section 10.04 Training. Training and orientation: The State Chair shall participate in a training program consisting of an orientation at the States and Nation Policy Summit in Washington, DC that will include a peer-to-peer orientation and overview of roles and responsibilities.

Section 10.05 State Chair Agreement. The State Chair Agreement will include a job description that will define roles and responsibilities. Roles and responsibilities will define duties related to membership recruitment, both public and private, and travel reimbursement fund responsibilities. For appointment consideration by the National Chair the State Chair must agree to the terms set forth in the State Chair Agreement. The National Chair and executive committee will perform an initial evaluation of the State Chair at 90 days and annually thereafter.

Section 10.06 Termination of Term. Should the terms of the State Chair Agreement not be met by the State Chair the National Chair can remove the State Chair at his or her discretion.

Section 10.07 Meetings. State Chairs shall meet at least three (3) times a year in conjunction with the scheduled meetings of the Legislative National Board of Directors as outlined in Article IV Section 4.

Section 10.08 Elections. The Chair of the State Chairs and the Private Sector Chair of the State Chairs shall meet at the ALEC Annual Meeting to separately elect a Chair of the State Chairs and a Private Sector -Chair of the State Chairs from their respective members whose duties shall be to preside at their State Chairs meetings. Pursuant to Article V, Section 5.02, the State Chairs shall nominate six members, one of whom shall be the Chair of the State Chairs, whose names shall be submitted to the ALEC Legislative Board of Directors Nominating Committee for consideration as ALEC Legislative Board of Directors. The duty of the Private Sector -Chair of the State Chairs is to assist the Chair of the State Chairs in fundraising and private/public sector recruitment and retention. The Chair of the State Chairs and the Private Sector Chair of the State Chairs may not serve more than two (2) consecutive two-(2) year terms. In addition, the State Chairs shall establish an Executive Committee composed of the following: the Chair of the State Chairs (who will Chair the Executive Committee) the Private Sector Chair of the State Chairs, the

three designated public sector State Chairs currently serving on the ALEC Legislative Board of Directors, and three Private Sector State Chairs selected by the Private Sector State Chair of the State Chairs. The Executive Committee shall meet at the States and Nation Policy Summit, and at the Annual Meeting.

Section 10.09 Steering Committee. State Steering Committees shall consist of a Legislative State Chair, a Vice Chair from the opposite party, if appropriate, Senate and House Membership Coordinators, and such other members as set forth in ALEC'S strategic plan.

Section 10.10 State Expense Reimbursement Funds . All funds for ALEC State Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing the accounts. Account expenses can be for ALEC only. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.

Establish Leadership and Rules for the Jeffersonian Project

Recommendation

The Board should adopt the following as operating rules for the Jeffersonian Project:

- All of the Jeffersonian Project's Board members will be chosen by ALEC's Board of Directors.
- No action can be taken by the Jeffersonian Project unless it is supported by a current ALEC policy.
- All ALEC Issue Alerts and testimony will be done by the Jeffersonian project.
- Any activity that could be done by ALEC may be done by Jeffersonian Project if legal counsel advises it would provide greater legal protection or lessen ethics concerns.

Background

Due to ever- changing state ethic rules a 501(c)(4) provides better legal protection for the parent ALEC organization, which is a 501(c)(3). Upon the recommendation from ALEC's legal counsel, ALEC's Board voted to establish a 501(c)(4). Today's vote is to approve the Jeffersonian Project's standard operating procedures as they relate to ALEC.

Fiscal Impact

The Jeffersonian Project will be a new revenue source for ALEC and will lead to increased funding.

THE JEFFERSONIAN PROJECT
ALEC's 501(c)(4)

Purpose:

- Due to ever- changing state ethics rules a §501(c)(4) organization provides better legal protection for the parent ALEC organization, which is a 501(c)(3).
- Allows ALEC to communicate a strong and consistent message to our members as we have since our founding.
- Removes questions of ethical violations made by our critics and state ethics boards and provides further legal protection.

Benefits:

- Increases ALEC's funding by providing a new revenue source.
- All ALEC Policy Briefs can be sent out as Issue Alerts by the Jeffersonian Project, which can include legislative bill numbers and Support or Oppose positions.
- ALEC can again freely provide testimony on pending legislation.
- Lessens restrictions on our Public Affairs Department by allowing increased communications to the public.
- Allows ALEC to aggressively and effectively respond to false and misleading attacks.
- Allows ALEC to defend our members who are under attack, both public and private, by organizing grassroots support.

Protections:

- Jeffersonian Project is created and controlled by ALEC as an organization
- All of the Jeffersonian Project's Board members will be chosen by ALEC's Board of Directors.
- All of the Jeffersonian Project's staff will also be ALEC staff.

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MEMORANDUM

TO: American Legislative Exchange Council
FROM: Alan P. Dye
RE: Jeffersonian Project
DATE: June 4, 2013

The Jeffersonian Project, Inc., has been established as an organization exempt from tax under section 501(c)(4) of the Internal Revenue Code. As such, its activities must be primarily devoted to the promotion of social welfare. This includes educational activity such as that carried on by ALEC, but it also includes activity that the Internal Revenue Service would consider to be direct or grassroots lobbying.

As I understand it, the Project is intended to fulfill three needs.

First, there are states which use a definition of lobbying for purposes of their lobbying registration statutes that is far broader than the definition used by the IRS. In those states, some communications that would not be considered lobbying by the IRS are considered lobbying for purposes of state law and require registration of the lobbyist with the state. ALEC does not wish to be perceived as a lobbying organization and therefore does not wish to register as a lobbyist in any state. The Jeffersonian Project can be used to distribute communications in states that have broad lobbying definitions. The Project would be required to register as a lobbyist in some of these states, but ALEC would not.

Secondly, it is possible that at some point the Internal Revenue Service will audit ALEC. Though we do not believe that any activity carried on by ALEC is lobbying, the IRS could disagree. If that is the case, it would be possible to resolve any such issue with the IRS by agreeing to transfer the activity in question from ALEC to the Jeffersonian Project.

There are also gray areas in the IRS definitions, and, when a proposed ALEC communication approaches such a gray area, it could be placed in the Jeffersonian Project to avoid any argument that ALEC has engaged in lobbying.

Third, ALEC has been approached by donors who are willing to make sizable donations, but insist that the donations go to a section 501(c)(4) organization. Jeffersonian Project would provide a vehicle to accept such contributions.

- No action can be taken by the Jeffersonian Project unless it is supported by a current ALEC policy.
- ALEC will not lobby, but will communicate its positions like we did in the past, which may result in registering a few employees as lobbyists, because of the over expansive definitions of “lobbying” in some states.

Perception

Many conservative nonprofit organizations have 501(c)(4)'s

- Heritage Foundation/*Heritage Action*
- Americans For Prosperity Foundation/*Americans for Prosperity*
- Americans for Tax Reform Foundation/*Americans for Tax Reform*
- American Builders Contractors --Trimmer Education Foundation/*Free Enterprise Alliance*

Opposition

A number of our left-wing opponents use 501(c)(4)'s

- Color of Change 501(c)(4)
- Common Cause 501 (c)(4)
- Sierra Club Foundation 501(c)(3)/Sierra Club 501(c)(4)

The Jeffersonian Project is indirectly controlled by ALEC through a provision in its bylaws requiring that its board of directors be appointed (or removed) by ALEC. Though under District of Columbia law, the Board of Directors of the Jeffersonian Project manages its activities, the ability to remove and reappoint directors should give ALEC confidence that no future Jeffersonian Project board will cause the Jeffersonian Project to diverge from ALEC's principles.

In order to ensure the Project's alignment with ALEC's principles, the board of directors of the Jeffersonian Project could adopt a resolution allowing it to take a position on an issue or legislation only if the position taken is consistent with ALEC model legislation or policies that have undergone ALEC's rigorous adoption procedures.

Approval of Job Descriptions for State Chairs

Recommendation

The Board should approve the following job descriptions for State Chairs.

Background

ALEC's State Chair program is one of the best membership recruitment and retention tools. The following job description and agreement form has been developed to improve State Chair training and accountability.

Fiscal Impact

There is no fiscal impact to approving job descriptions for State Chairs.

The American Legislative Exchange Council (ALEC) State Chair Job Description and Agreement

Adopted [INSERT DATE]

Position Title: State Chair

As a State Chair of ALEC I, [ENTER NAME], understand that my duties and responsibilities include the following:

Time Required:

- Attend State Chair meeting at ALEC Annual Meeting
- Attend ALEC State Chair Training at States and Nation Policy Summit
- Attend all ALEC in state events
- Serve two year term(s) as State Chair
- As time permits, attend monthly State Chair meetings conducted via conference call

General Description: As a State Chair of ALEC I shall attend all monthly meetings, serve an active role in all discussions concerning the organization, and represent my state at all national and local events.

Specific Responsibilities:

- Support ALEC's membership by efforts to increase my state delegation by at least ten percent a year.
- Attend all ALEC State Chair and membership events.
- Chair the ALEC Delegation. The chair is the primary POC for all ALEC members in the state. The chair coordinates all in-state events focused on legislative membership, state development support and the development of the annual ALEC state strategic plan.
- The Private Sector Chair, along with the Public Sector Chair monitors both contributions and expenditures from State Reimbursement Fund Account. The purpose of the State Reimbursement Fund Account is to provide funding for state lawmakers to attend ALEC conferences, state focus events, and membership events. In those states which allow the establishment of a State Reimbursement Fund Account, it will be administered by ALEC in Arlington, VA. All expenditures from the fund – where applicable – must be approved by the State Chair. No expenditures shall be approved for State Reimbursement Fund Accounts with negative balances. Likewise, no expenditures shall be approved if such will result in the State Reimbursement Fund Account having a negative balance. No disbursement will be approved if it violates any applicable law, including but not limited to, ethics rules.
- Membership Events. The Public Sector Chair has the duty to plan, fund, and conduct a state Public and Private Sector Membership Event. As permitted by law, the Chair can use State Travel Reimbursement Account funds for this purpose. This event can be held in conjunction with Private Sector membership drives, as permitted by law. Its purpose is to attract and recruit new ALEC members. Each state should have at least one event a year. The chair should send a list of new candidates to the Senior Director of Membership and Development for follow-up.
- Membership Recruitment. The key to developing the public-private sector partnership is the recruitment of members from both sectors. The Public Sector Chair should work with the Private Sector Chair to recruit members, with particular focus on legislative members.
- Meeting Attendance. Key to membership retention is meeting attendance. Members who attend meetings and are involved in Task Forces continue their membership. The Public Sector Chair should work with the Private Sector Chair and ALEC staff to encourage legislative member attendance and private sector member attendance. Significant gaps in meeting attendance, that are not financially related, may result in removal as State Chair.

- Task Force Appointments. The Public Sector Chair is responsible for appointing legislative members in their state to the nine Task Forces. Appointments occur every two years in January of years following national elections. Be informed about the organization's mission, services, policies and programs
- Term. Shall be appointed/reappointed by December 1st of a national election year with the term beginning January 1st the following year.
- Public Sector State Chairs duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events and working with the Private Sector State Chair.
- The Private Sector State Chairs duties shall include working with ALEC staff to recruit new private sector members, planning an annual membership event and assisting the Public Sector State Chair.
- The State Chair shall participate in a training program consisting of an orientation at States and Nation Policy Summit in Washington, DC., that will include a peer-to-peer orientation and overview of roles and responsibilities.
- Report quarterly to the ALEC regional representatives the progress of the duties that have been assigned.
- Give a report to ALEC membership at the Annual Meeting regarding the progress of the state's goals.
- I am morally responsible for the health and well-being of this organization. As a State Chair, I have pledged myself to help realize the mission, which is: **To advance free markets, limited government, and federalism.**
- I understand if I am absent without excuse from regularly scheduled national meetings, I will be asked to resign as State Chair.
- I will act with care and loyalty and put the interests of the organization first.
- Comply with all applicable laws, including ethics laws, and seek relevant opinions where necessary.
- I promise to preserve the investment of time and money made over years by all the volunteers who created this organization and brought it to this point. Every State Chair is making a statement of faith to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval and support of all.
- Legislators must inform ALEC of any public records/FOIA requests that include ALEC documents.

In its turn, ALEC is responsible to me in a number of ways:

- I will be sent from my regional representative, without request, monthly membership and travel reimbursement reports that allow me to review my state's current position.
- The Coordinator of Corporate and Nonprofit Affairs maintains the State Reimbursement Fund account and issues monthly reports of State Reimbursement Fund activity to the regional representatives at ALEC.
- I can call on ALEC staff to discuss program and policy goals and objectives.
- Staff will provide public sector and private sector membership packets, a list of public and private sector members in your state and a list of potential private sector members (if available).
- The Membership Department will work with the State Chairs to have a representative from ALEC at a membership event. A Membership Department staff person will primarily represent ALEC at these events. However, ALEC's Executive Director, National Chair, or Private Enterprise Advisory Council Chair may be available as well.
- Staff will respond in a straightforward and thorough fashion to any questions I have that I feel are necessary to carry out my responsibilities to this organization.
- ALEC will provide legal assistance on an as needed basis.

Qualifications:

- Has been nominated to serve and duly appointed by the National Chair.
- An active member of ALEC

Signature of State Chair

Date [ENTER YEAR]

For State Chair term beginning January 1st of [ENTER YEAR] and ending January 1st of [ENTER YEAR]

Signature of National Chair

Date [ENTER YEAR]

2014 MEMBERSHIP GOAL for [Click here to enter text.](#) STATE

Tell us about your membership plan for 2014.
(Please fill in the information in the gray boxes)

1. What is your estimate for 2013 membership retention?

Your total membership on December 31, 2013

[Click here to enter text.](#)

What is your anticipated retention rate for 2014?

[xClick here to enter text.](#)

Total number of renewals anticipated for 2014

[=Click here to enter text.](#)

2. How many new members will you recruit in 2014?

Anticipated new members to be recruited monthly
(Always include National & Chapter-Only members.)

[Click here to enter text.](#)

x12 months

Total new members anticipated for 2014 =

[Click here to enter text.](#)

3. Complete your 2014 Membership Goal (Include all members)

Total Renewals from section one:

[Click here to enter text.](#)

Total New Members from section two:

[Click here to enter text.](#)



***YOUR 2014 Membership Goal**

***We always encourage you to establish goals of at least 10% growth for the year.
If possible, provide a number greater than your 2013 end of year number.**

Please e-mail this report to jlambert@alec.org or fax it to (703) 373-0927 on or before January 31, 2014.

Thank you!

State Chair Initials: [Click here to enter text.](#)

Senior Membership Dir. Initials: [Click here to enter text.](#)

American Legislative Exchange Council
Joint Board of Directors Meeting
August 6, 2013

Public Affairs Update

The American Legislative Exchange Council Strategic Plan calls for robust engagement and support of state legislators to empower their effectiveness. Key objective three also calls for an aggressive public affairs and communications program to effectively promote the organization and its policies. During the first half of 2013, American Legislative Exchange Council members and staff have engaged in an aggressive, proactive media campaign to promote research and issue-based communication as well as correct inaccuracies in the media.

The American Legislative Exchange Council has a defined, leadership position as the largest voluntary membership organization of state elected officials in the country. While this leadership position made the organization a target for big-government and activist groups, it also created an opportunity to grow and elevate the profile of the membership.

As members and staff continue communication and earned media outreach on issues, research and model policy, the organization is increasingly recognized as a conservative, free-market think tank, rather than a “corporate bill mill that secretly manipulates thousands of legislators.” Members of the media and third party groups are increasingly contacting public affairs staff for comment and inclusion in the story. **Whereas one year ago stories about the organization contained little factual information, today the media and public are more interested in the facts.**

Coordinated outreach across all external channels provided lift to the organization and developed opportunities to cultivate understanding and develop credibility. Report releases and proactive media and member outreach led to record-setting earned media, third-party support, online/social conversations and website traffic throughout May and June.

While the *State of Florida vs. George Zimmerman* verdict presented an opportunity for opposition groups to cast ALEC in a negative light based on model policies no longer endorsed by the organization, public affairs staff successfully redirected the discussion and remained largely out of the story.

The following report clearly illustrates coordinated outreach regarding issues that matter to the membership and public created the opportunity for the media and coalition partners to focus

attention on the positive elements of the organization and the value provided to society by the American Legislative Exchange Council.

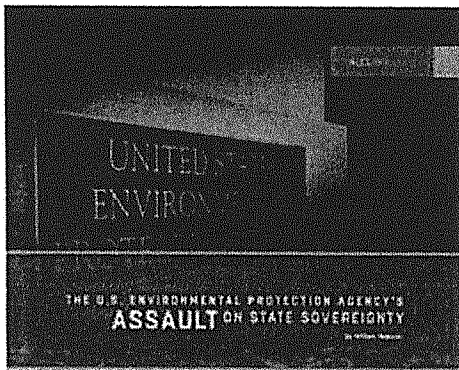
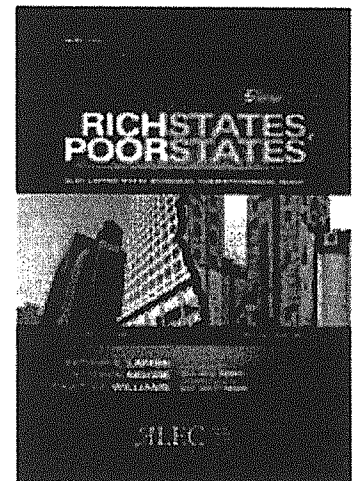
During Q2 and Q3 (partial) 2013, public affairs staff worked closely with task force staff, leadership and membership to promote the organization through:

1. Report releases
2. Proactive media engagement
3. Member relations and support
4. Online community management
5. Coalition and third-party outreach

1. Report Releases

On May 23, 2013, the release of the sixth edition of *Rich States, Poor States* garnered more than 100 positive articles, nearly 12,000 webpage visits, and more than 17,000 downloads from ALEC and partner websites.

Media mentions include broadcast and feature articles in print and online from sources including *Investor's Business Daily*, *USA Today*, *The Dallas Morning News*, *The Washington Examiner*, and *The Washington Times*, among others. Top website referrals came from Facebook (2,144), *Investor's Business Daily* (1,693), Twitter (1,335), PRNewswire, PolicyMic and ArsTechnica.com.



On June 26, 2013, the third report on Environmental Protection Agency over-regulation was released and garnered more than two dozen positive articles including coverage from *The Washington Times*, *Investor's Business Daily*, and the *Daily Caller*.

In both cases, traffic and attention was driven by a coordinated outreach approach which included cross platform promotion of the reports via the website, social media and blog posts. In addition, advance work was conducted with media, and coalition calls, Capitol Hill briefings and third-party roundtables were hosted to continue report promotion.

2. Proactive Media Engagement

Proactive media engagement has continued to increase. Staff members are being positioned as policy experts and are becoming a resource for media rather than a target of media. Issues-based communication is at the forefront of media engagement. Successful media outreach activities include:

- **Earned Media**

- *Investor's Business Daily* (5/23/13) - Texas, Red States Beat Blue States on Jobs, Growth
- *Washington Examiner* (5/23/13) - Report: Texas leads nation in growth and job creation, Michigan dead last
- *Washington Times* (5/23/13) - Red states hold the edge in growth
- Fox Nation (5/23/13) - Report: Texas Leads Nation in Growth and Job Creation, Michigan Dead Last
- Breitbart (5/23/13) - California ranks 47th in Economic Opportunity
- *The Dallas Morning News* (5/23/13) - Texas ranks 12th in competitiveness, conservative group's report says
- *The Dallas Morning News* (5/23/13) - ALEC report: Why Texas ranks 12th in state competitiveness
- *Salt Lake Tribune* (5/23/13) - Utah is tops for 2013 economic outlook, ALEC says
- *Deseret News* (5/23/13) - Utah ranks No. 1 for economic outlook 6th year in a row
- *The Waterbury Republican* (5/23/13) - Time to open Connecticut for Business
- Fox 13 News Salt Lake City (5/23/13) - Utah ranks #1 for economic outlook
- *Chicago Business Journal* (5/23/13) - What a new report has to say about Illinois' economic outlook
- *Sunshine State News* (5/23/13) - ALEC Economists: Florida in Top 10 for Economic Outlook
- *Orlando Business Journal* (5/23/13) - Florida ranks high in economic outlook
- *Tampa Bay Business Journal* (5/23/13) - Florida ranks high in economic outlook
- *The Washington Times* (6/26/13) - Obama administration pumps unprecedented power into EPA.
- *The Daily Caller* (6/26/13) - Report: Obama's EPA power balloons
- Science and Public Policy Institute (6/26/13) - ALEC Report: The U.S. Environmental Protection Agency's Assault on State Sovereignty.
- Georgia Public Policy Foundation (6/26/13) - New Report Highlights How EPA's Stepping on State Toes.
- *Investor's Business Daily* (6/25/13) - Obama's Climate Change Plans Include a War on Coal.

- *Hawaii Reporter* (6/28) - Report: Hawaii Worst State in the Country to do Business
- *Washington Post* (7/1) - Business Interests Influencing Education Laws in Virginia, Report Says, Lindsay Russell
- *The American Spectator* (7/5) - EPA Growth Knows No Limits, Todd Wynn
- KGAB AM Cheyenne News (7/16) - Wyoming a Top Five State for Business
- *YourWestValley* (7/21) - Ariz's Low Spending, Taxes Get High Marks on National Economic Ranking
- **Op-ed Campaign**
 - *The Clarion Ledger* (4/26/13) - Exchanging ideas produces positive results for Mississippi - C. Steve Seale
 - *Rapid City Journal* (5/4/13) - FORUM: Membership in legislative group helps me make better decisions - Rep. Hal Wick, SD
 - *The Capital Journal* (5/6/13) - Attacks on lawmaker participation in educational group shows closed-mindedness - Rep. Hal Wick, SD
 - *The Argus Leader* (5/7/2013) - My Voice: Attacks on lawmaker group unjust -Rep. Hal Wick, SD
 - *News and Observer* (5/9/13) - ALEC chief: Group provides lawmakers a chance to share, learn and grow - Ron Scheberle
 - *Deseret News* (5/28/13) - My view: Utah's economic advantage continues, Sen. Wayne Niederhauser, UT and Jonathan Williams
 - *Kansas City Star* (6/25/13) - Kansas tax reform is a good model for Missouri, Rep. Tim Jones, MO
 - *Real Clear Politics* (7/30/13) – California's Non-Comeback, Ben Wilterdink

3. Member Relations and Support

Member engagement in public affairs and communications activities has increased dramatically. With an increase in regular communication and an eye toward issue tracking, rapid response to member inquiries and process development, the American Legislative Exchange Council is poised to better engage and support both public and private members.

Regular communications with membership include:

- **Daily trend report** – identifies trends relevant to public policy in specific task force areas
- **Weekly news highlights report** – provides reporting on feature stories and threats
- **Weekly newsletter** – provides a weekly update on events, membership activities, blog posts and other important membership information

- **Monthly strategy email** – shares information with leadership on accomplishments from the past month and strategy for the month ahead
- **Bimonthly *Inside ALEC* magazine** – shares public policy trends and issues related to state policy

4. Online Community Management

A welcome increase in followers and supporters has come from robust engagement in the online community as well as a redesign of the organization's online presence. **Year to date, website traffic has increased by more than 30%, Facebook "likes" have increased by 13.2% and Twitter follows have increased by 39.6%. Each online property continues to grow at a rate of between one and five percent per week.**

5. Coalition and Third-party Outreach

Outreach to third-party organizations is beginning to generate increased understanding about the American Legislative Exchange Council. Q2/3 has welcomed a dramatic increase in third party engagement by the American Legislative Exchange Council with both supportive and opposition organizations.

To-date, outreach and meetings have been conducted with:

- American Majority
- Competitive Enterprise Institute
- Common Cause
- Empowerment Temple AME Church
- The Franklin Center for Government and Public Integrity
- The Heritage Foundation
- The Joint Center for Political and Economic Studies
- National Association of Latino Elected Officials
- National Black Fellowship of the Assemblies of God
- National Republican Campaign Committee
- Univision Communications, Inc.

Membership
Committee
Packet

2013 AM

ALEC

American
Legislative
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Council

Agenda,
Documentation
and Resources

<u>Time</u>	<u>Subject</u>	<u>Resources</u>
8:00 a.m. – 8:05 a.m.	Welcome: Objectives for 2014 <i>Rep. Dave Frizzell, Chair</i>	
8:05 a.m. – 8:15 a.m.	Bylaws Changes: Bylaws overview <i>Rep. Dave Frizzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	1. Bylaws changes
8:15 a.m. – 8:25 a.m.	Fundraising: Program Overview and objectives <ul style="list-style-type: none"> ✗ Planned Giving ✗ Alumni Program ✗ State Dinners ✗ Major Donors 	2. Major donor sheet
8:25 a.m. – 8:30 a.m.	Regional Map and State Chair Contacts: Overview of the new regions and philosophy behind the new structure. <i>Rep. Dave Frizzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	3. Region map
8:30 a.m. – 8:40 a.m.	State Chair Job Description: Review proposed operating procedures and logistics. <i>Rep. Dave Frizzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i> <ul style="list-style-type: none"> • Engaging the state chair in BOTH public and private member recruitment • Membership drives? • Contests? • Feedback from committee? 	4. Job description and agreement
8:40 a.m. – 8:50 a.m.	✗ Prospect List: The group will review the current prospect list and provide key contacts to staff. <i>Jeff Lambert, Senior Director of Membership and Development</i>	5. Prospect list
8:50 a.m. – 9:00 a.m.	Break	
9:00 a.m. – 9:10 a.m.	Prodigal Son Project: The group will review the former members and provide key contacts to staff. <i>Rep. Dave Frizzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	6. Former members
9:10 a.m. – 9:40 a.m.	State Reimbursement Funds: The group will review the proposed templates, propose a time frame and approve the final documents. <i>Lisa Bowen, Senior Director of Finance and Jeff Lambert, Senior Director of Membership and Development</i> <ul style="list-style-type: none"> • Template Letter • Template Invoice • Who signs? Public or private? Both? • Time frame? • Amendment to job descriptions 	7. Template letter 8. Template invoice 9. Template reimbursement form 10. Job description and agreement
9:40 a.m. – 9:50 a.m.	Wrap-up/Questions and Answers: Comments from Rep. Dave Frizzell, Chair	
9:50 a.m.	Adjourn	

2013 AM Membership Committee Packet

Agenda	1
Bylaws	2-3
Major donor sheet	4
Region map	5
Job description and agreement	6-8
Prospect list.....	9
Former members	10
Template letter	11
Template invoice.....	12
Template reimbursement form	13

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**ARTICLE X
STATE CHAIRS AND STEERING COMMITTEE**

Section 10.01 Appointment. A State Chair that accepts the terms of the office and training in roles and responsibilities shall be appointed by the national chairman. All State Chairs are appointed by the National Chair. When possible Co-Chairs shall be appointed representing with one Co-Chair from each chamber. All Private Sector State Chairs are appointed by the respective ALEC State Chair, and confirmed by the, the National Chair. Each respective ALEC State Chair shall appoint a Private Sector State Chair to serve concurrently with the respective State Chair.

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Section 10.02 Term. State Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1st of an election year with the term beginning January 1st the following year. The State Chair and may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner.

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Section 10.03 Duties. Chair

Legislative State Chairs duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events, and working with the Private Sector State Chair.

The Private Sector State Chairs duties shall include recruiting new private sector members, planning an annual membership event, and assisting the Public Sector State Chair.

Section 10.04 Training. Training and orientation: The State Chair shall participate in a training program consisting of an orientation at the States and Nation Policy Summit in Washington, DC that will include a peer-to-peer orientation and overview of roles and responsibilities.

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Section 10.05 State Chair Agreement. The State Chair Agreement will include a job description that will define roles and responsibilities. Roles and responsibilities will define duties related to membership recruitment, both public and private, and travel reimbursement fund responsibilities. For appointment consideration by the National Chair the State Chair must agree to the terms set forth in the State Chair Agreement. The National Chair and executive committee will perform an initial evaluation of the State Chair at 90 days and annually thereafter.

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Section 10.06 Termination of Term. Should the terms of the State Chair Agreement not be met by the State Chair the National Chair can remove the State Chair at his or her discretion.

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Section 10.074 Meetings. State Chairs shall meet at least three (3) times a year in conjunction with the scheduled meetings of the Legislative National Board of Directors as outlined in Article IV Section 4.

Section 10.085 Elections. The Chair of the State Chairs and the Private Sector Chair of the State Chairs shall meet at the ALEC Annual Meeting to separately elect a Chair of the State Chairs and a Private Sector -Chair of the State Chairs from their respective members whose duties shall be to preside at their State Chairs meetings. Pursuant to Article V, Section 5.02, the State Chairs shall nominate six members, one of whom shall be the Chair of the State Chairs, whose names shall be submitted to the ALEC Legislative Board of Directors Nominating Committee for consideration as ALEC Legislative Board of Directors. The duty of the Private Sector -Chair of the State Chairs is to assist the Chair of the State Chairs in fundraising and private/public sector recruitment and retention. The Chair of the State Chairs and the Private Sector Chair of the State Chairs may not serve more than two (2) consecutive two- (2) year terms. In addition, the State Chairs shall establish an Executive Committee composed of the following: the Chair of the State Chairs (who will Chair the Executive Committee) the Private Sector Chair of the State Chairs, the

three designated public sector State Chairs currently serving on the ALEC Legislative Board of Directors, and three Private Sector State Chairs selected by the Private Sector State Chair of the State Chairs. The Executive Committee shall meet at the States and Nation Policy Summit, and at the Annual Meeting.

Section 10.096 Steering Committee. State Steering Committees shall consist of a Legislative State Chair, a Vice Chair from the opposite party, if appropriate, Senate and House Membership Coordinators, and such other members as set forth in ALEC'S strategic plan.

Section 10.1007 State Expense Reimbursement Funds . All funds for ALEC State Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing the accounts. Account expenses can be for ALEC only. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws. ~~All funds for ALEC State Expense Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing any other such accounts for ALEC purposes. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.~~

Major Donor Program - Membership Board Committee

Identify 3 or more major individual contributors per state

- Arizona (Smoldon)
- Arkansas (Lamoureux, Faris, Hogue)
- Nevada (Cegavske)
- Oklahoma (Banz, Dunlap)
- Indiana (Frizzell, Buck)
- Texas (King, Craddick, Blocker,)
- Kansas (Wagle, Merrick, Morgan)
- Iowa (Upmeyer, Mertz)
- South Carolina (Barfield)
- Louisiana (Harrison, Ellington)
- Wisconsin (Vukmir)
- North Carolina (Tillis, Moffitt, Brubaker)
- Virginia (Howell, Smith)
- Utah (Niederhauser)
- Tennessee (McDaniel, Todd)
- North Dakota (Thoreson)
- Ohio (Seitz)
- Connecticut (Piscopo)
- Colorado (Cadman)

2013 Prospects

1. HP (dropped)
2. Boeing
3. Home Depot
4. Allstate
5. BGR Group
6. Eric Group
7. Cassidy & Associates
8. The Duberstein Group
9. Akin Gump
10. Holland & Knight
11. Slade Gorton, LLC
12. Law Offices of Frederick H, Graefe
13. Williams & Jensen
14. Lugar Hellmann Group
15. Hogan & Lovells
16. Fierce, Isakowitz & Blalock
17. DowLohnes Government Strategies
18. Federal Policy Group
19. Brownstein Hyatt Farber Schreck, LLP (member)
20. Peck, Madigan, Jones & Stewart
21. Dutko Grayling
22. Navigators Global
23. Quinn, Gillespie & Associates
24. Business Roundtable
25. Aircraft Owners and Pilots Association
26. Information Technology Industry Council
27. Association of American Railroads
28. National Association of Home Builders
29. America's Health Insurance Plans
30. Federation of American Hospitals
31. USTelecom
32. Independent Insurance Agents and Brokers of America
33. Portland Cement Association
34. Consumer Electronics Association
35. Natural Products Association
36. Financial Services Roundtable
37. National Association of Wholesaler-Distributors
38. Advanced Correctional Healthcare
39. NADCP (Nat'l Assoc of Drug Court Professionals)
40. National Association of Surety Bond Producers
41. Institute for Legal Reform (Chamber)
42. Motorola
43. Energi
44. BNSF Rail
45. TIA (Transporation Intermedaries Alliance)
46. Surety Financial Association of America
47. American Trucking Association
48. Alliance of Auto Manufacturers
49. International Sign Association
50. Academic Partnerships
51. Altair Management Inc. (IQity)
52. American Association of Community Colleges
53. American Public Education, Inc.
54. Amplify Insight
55. Canvas (Online learning)
56. Capella Education Co.
57. Career Education Corporation
58. Center for Education Reform
59. DeVry
60. Edison Learning
61. Education Management Corporation
62. Microsoft
63. Pearson Higher Education
64. White Hat Management
65. Business Higher Education Forum
66. John Wiley & Sons, Inc.
67. Texas Instruments
68. American Council of Trustees & Alumni
69. JWP Civitas
70. Manhattan Institute
71. Federalist Society
72. Washington Legal Foundation
73. National Restaurant Association
74. Canadian Pacific
75. CSX
76. Watco
77. Union Pacific
78. Motion Pictures Association of America
79. Comcast
80. Consumer Energy Alliance
81. Association for Unmanned Vehicle Systems International
82. National Association of Manufacturers
83. Windstream Communications
84. Frontier Communications
85. Uni-Vision
86. Sprint
87. Trac-Phone
88. Dish Network
89. Apple
90. NTCA - The Rural Broadband Association
91. Expedia
92. Orbitz
93. Airbnb
94. Uber
95. Enbridge
96. Retail Industry Leaders Association
97. Devon Energy
98. Organization for International Investment
99. ConocoPhillips
100. Jim Clark
101. CenterPoint Energy
102. UTC

Prodical Son Project

Company	Key Contract	Staff Contact	Task Force	Action Items	Follow-up/Result
Coca-Cola Company					
Pepsi					
Kraft					
Intuit					
McDonald's					
Wendy's					
Mars					
Arizona Public Service					
American Traffic					
Blue Cross Blue Shield					
YUM! Brands					
Procter & Gamble					
Kaplan					
Scantron Corporation					
Amazon.com					
Medtronic					
Wal-Mart					
Johnson & Johnson					
Dell Computers					
John Deere & Company					
CVS Caremark					
MillerCoors					
Hewlett-Packard (HP)					
Best Buy					
Express Scripts/Medco					
Walgreens					
Amgene					
General Electric (GE)					
Western Union					
Entergy					
Wells Fargo					
Merck]					
Sanof					
Bank of America					
WellPoint					
Bristol-Myers Squibb					
Brown-Forman Company					
Publix Super Markets					
GlaxoSmithKline					
Unilever]					
ConocoPhillips					

ALEC

American
Legislative
Exchange
Council

Date:

Dear,

I am writing to ask for your support of the State Reimbursement Fund of the American Legislative Exchange Council (ALEC). ALEC is the nation's largest nonpartisan, individual membership association of state legislators, with over 2,000 members. In addition, with over 200 corporate, non-profit, and private foundation members, ALEC is one of America's most dynamic public-private partnerships.

We have consistent participation by legislators in ALEC. Members participate in one of the eight Task Forces ranging from: Energy, Environment and Agriculture to International Relations to Tax and Fiscal Policy to Communications and Technology. These Task Forces commission research, publish issue papers, convene workshops, and serve as clearinghouses of information on free market policies in the states. The Task Forces identify issues and then respond with common sense policies.

I believe participation in this helps legislators understand the impact that state and national policies have on our businesses. Given the tough competitive environment that businesses operate in, the legislative membership needs this knowledge more than ever.

Your support of the State Reimbursement Fund is critical, enabling legislators to join and attend the annual meetings. Please note that 100% of the raised funds are tax-deductible and are for ALEC expenses directly related to education efforts for legislators.

Your generous contribution of \$500, \$1,000 or \$2,000 is much appreciated. As a member of the business community, we hope you support these common goals to enhance a common vision of sound state policies, highlight our region's interests and flourishing economy, and promote the free flowing exchange of ideas between the public and private sectors. Please fill out and fax the attached form to ALEC at (703) 373-0927. For more information about ALEC membership, please contact the Membership Department at (571) 482-5051 or you can contact me at {Phone/Email}.

Sincerely,

{INSERT PUBLIC SECTOR STATE CHAIR}
{INSERT TITLE}

CC:
American Legislative Exchange Council
Attn: Brendan Barber
2900 Crystal Drive, Suite 600
Arlington, VA 22202
bbarber@alec.org
Office: (571) 482-5013
Fax: (703) 373-0927

ALEC - Membership Statistics

	<i>Private</i>	<i>Public</i>	<i>Total</i>	
Overall				Retention Rate
2009	224	1,661	1,885	77%
2010	228	1,760	1,988	75%
2011	280	2,200	2,480	71%
2012	241	2,010	2,251	85%
2013	214	1,810	2,032	75%

Dropped/Term				Attrition Rate
2009	45	94	139	23%
2010	31	232	263	25%
2011	20	76	96	29%
2012	68	173	241	15%
2013	38	482	521	25%

New				Growth Rate
2009	25	262	287	n/a
2010	35	199	234	5%
2011	72	516	588	17%
2012	29	88	117	-3%
2013	15	264	275	-9%

New Members					
#	Company	Join Date	Task Force 1	Task Force 2	Notes
1	Academy of General Dentistry	1/16/2013	HHS		2 Year Membership
2	SPI: The Plastics Industry Trade Association	1/28/2013	EEA		
3	Tower Loan	2/20/2013	CIED		
4	Brubaker and Associates	2/26/2013	HHS		
5	Greater Oklahoma City Chamber	4/12/2013			
6	Express Personell	4/12/2013			
7	Cheniere Energy, Inc.	5/22/2013	EEA		
8	NJOY	6/5/2013	CIED	Tax	
9	Energy Solutions	6/12/2013	EEA		
10	Yelp	6/28/2013	CJ		
11	Northrup Grumman	7/1/2013			
12	Ideal Imlage Development	7/3/2013	CIED		
13	U.S. Chamber of Commerce - International Div.	7/3/2013	IR		
14	Thomas Fordham Institution	7/12/2013	ED		
15	Small Business Association of Michigan	7/17/2013			

LAPSED Members					
#	Company	Termination Date	Task Force 1	Task Force 2	Notes
1	American Council of Trustees & Alumni	1/14/2013	Education		
2	Express Scripts	1/14/2013	HHS		Dropped b/c of PBM issue; merged with Express
3	Freeport-McMoRan Copper & Gold Inc.	1/14/2013			
4	JWP Civitas Institute	1/14/2013	PSE		want to change membership to Education
5	Progress Energy	1/14/2013	EEA		merged with Duke; new contacts
6	Roche Diagnostics Corporation	1/14/2013			
7	Ryan	1/14/2013	Tax		
8	SICPA Product Security LLC	1/14/2013	PSE		waiting to see what issues emerge in JPP; cigarette
9	Solar Energy Industries Association	1/14/2013	EEA		left because their bill did not pass the task force
10	TASER International	1/14/2013	PSE	CJ	
11	The Home Depot, Inc.	1/14/2013	Tax		
12	AGL Resources Inc.	1/18/2013 0:00	EEA		Did not want to renew
36	Associated Builders and Contractors	1/24/2013 0:00	CIED		
39	James Madison Institute	2/13/2013 0:00	Education	Tax	Former SPN members- SPN did not renew membership
13	Medco Health Solutions, Inc.	2/25/2013 0:00	HHS		merged with Express Scripts
14	Academic Partnerships	3/18/2013	Education		
15	Commonwealth Foundation	3/9/2013 0:00	Tax	EEA	Former SPN members - would like to join again if can fit in budget
16	Pioneer Institute	3/18/2013 0:00	Education	HHS	Kicked out of ALEC (?) because of education issue
17	Macquarie Capital USA	3/17/2013 0:00	CIED		
18	Center for Competitive Politics	3/19/2013 0:00	PSE		JPP no longer works on issue
19	LoanMax	3/19/2013 0:00	CIED		told us they do not want to renew
20	McKenna Long & Aldridge	3/19/2013 0:00			
21	Blue Cross Blue Shield	4/4/2013	HHS		left after losing on exchanges workshop
22	Coventry Health Care	4/4/2013 0:00	CIED	HHS	joined for single issue
23	Citizens Against Government Waste	4/12/2013 0:00	CAT	Tax	
24	AARP	4/15/2013			
25	Bill of Rights Institute	4/16/2013 0:00	Education		
26	Bridgepoint Education	4/16/2013 0:00	Education		
27	Cintra US	4/16/2013 0:00	CIED		will not renew
28	National Center for Policy Analysis	4/16/2013 0:00	EEA	HHS	Budget cutbacks
29	Doctor-Patient Medical Association	4/22/2013 0:00	HHS		Unable to reach contact; history of being late on payments
30	Dr Pepper Snapple Group	4/22/2013 0:00			
31	Duke Energy Corporation	4/22/2013 0:00	EEA		Merged with Progress Energy, new contacts
32	EMD Serono	4/22/2013 0:00	HHS		"budget cuts"
33	Lowe's Companies, Inc.	4/22/2013 0:00	Tax		
34	Novo Nordisk Pharmaceuticals	4/22/2013 0:00	HHS		Contact difficult to get a hold of; possibly did not renew because only interested in diabetes related issue
35	U.S. Chamber Campaign for Free Enterprise	4/22/2013 0:00	Education		
36	UnitedHealth Group	4/22/2013 0:00	HHS		Left along with BCBS
37	WellPoint, Inc.	4/22/2013 0:00	HHS		Considering giving funds outside of membership
38	John Locke Foundation	5/11/2013 0:00	Tax	Education	Former SPN members - would like to join again if can fit in budget

ALEC Membership Totals and Percentages

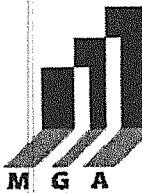
Lost Over 40%

State	# of Legislators	# of ALEC Members	% of ALEC Membership in Legislature
AK	60	9	15%
AL	140	21	15%
AR	135	51	38%
AZ	90	44	49%
CA	120	11	9%
CO	100	25	25%
DE	62	2	3%
FL	160	29	18%
GA	236	90	38%
IA	150	150	100%
ID	105	21	20%
IL	177	31	18%
KS	165	69	42%
LA	144	42	29%
MA	200	4	2%
MD	188	22	12%
ME	186	8	4%
MI	148	30	20%
MO	197	57	29%
MS	174	51	29%
MT	150	36	24%
ND	147	45	31%
NE	49	17	35%
NH	424	24	6%
NJ	120	2	2%
NM	112	39	35%
NV	63	14	22%
NY	212	2	1%
OK	149	70	47%
OR	90	17	19%
PA	253	31	12%
RI	113	12	11%
SC	170	65	38%
SD	105	105	100%
TN	132	38	29%
TX	181	81	45%
UT	104	34	33%
VA	140	31	22%
VT	180	7	4%
WA	147	32	22%
WI	132	43	33%
WV	134	13	10%
WY	90	32	36%
Total:	7388	Total: 1810	Total: 24%

2013 Foundation Support

BUDGET				
Organization	Date	Amount Granted	Purpose	Status
Gleason Family Foundation	Apr. 2013	\$45,000	Education Reform	Pending
Searle Freedom Trust	May 2013	\$175,000	<i>Rich States Poor States</i>	Pending
Koch/Claude Lamb	June 2013	\$150,000	<i>Rich States Poor States</i>	Pending
Lynde and Harry Bradley Foundation	July 2013	\$75,000	Center for State Fiscal Reform	Pending
Alleghany	July 2013	\$45,000	Education Reform	Pending
New Prospects		\$75,000	General	Pending
	GOAL	\$565,000		
GRANTS RECEIVED				
Organization	Date	Amount Granted	Purpose	Status
Donor Capitol Fund	February 2013	\$25,500	General Support	Received
	A/R	\$25,500		
PROPOSALS MAILED				
Organization	Date	Requested	Purpose	Status
Donor Capitol Fund	February 2013	\$25,500	General Support	Received
Sunmark Foundation	Mar. 2013	\$12,500	General Operations	Denied
Jacquelin Hume Foundation	Mar. 2013	\$50,000	Education Reform	Denied - Immigration
Adolph Coors Foundation	Mar. 2013	\$100,000	Center for State Fiscal Reform	Pending
Gleason Family Foundation	Apr. 2013	\$75,000	Education Reform	Pending
Searle Freedom Trust	May 2013	\$135,000	<i>Rich States Poor States</i>	Pending
Searle Freedom Trust	May 2013	\$100,000	Center for State Fiscal Reform	Pending
Vernon K. Kriebel Foundation	May 2013	\$20,000	<i>Affordable Energy Under Attack</i>	Pending
W. David Stedman and Sarah White Stedman Foundation	May 2013	\$10,000	General Operations	Pending
Dickson Foundation	May 2013	\$10,000	General Operations	Pending
Edward A. and Catherine L. Lozick Foundation	May 2013	\$5,000	General Operations	Pending
Anschutz Foundation	May 2013	\$25,000	General Operations	Pending
Armstrong Foundation	May 2013	\$10,000	General Operations	Pending
Lynde and Harry Bradley Foundation	July 2013	\$125,000	Center for State Fiscal Reform	Pending
Koch/Claude Lamb	June 2013	\$200,000	<i>Rich States Poor States</i>	Pending
Alleghany	July 2013	\$50,000	Education Reform	
	TOTAL	\$953,000		

CASE STUDY

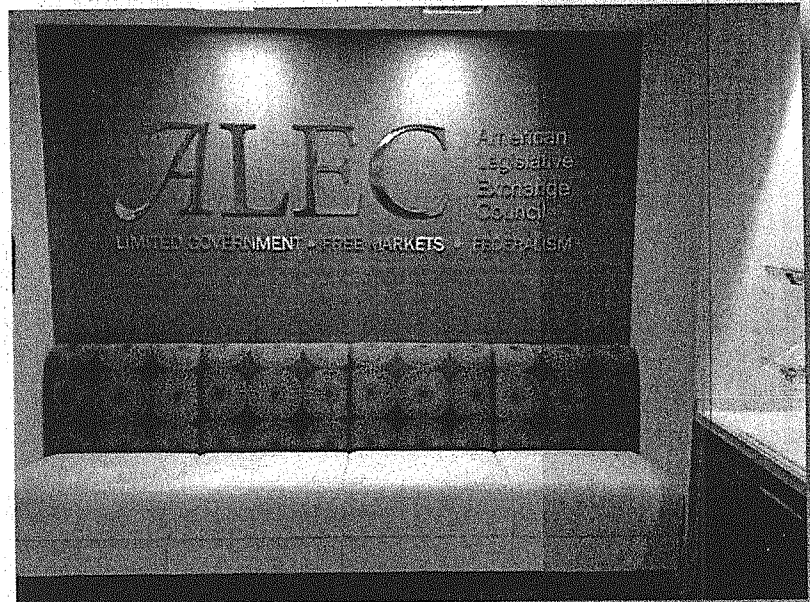


ALEC Office Space Case Study

ALEC was occupying 14,206 square feet of space at 1101 Vermont Avenue in the heart of Washington, DC. The ALEC board determined the office space did not meet the design and functionality needs of the organization.

PROCESS

ALEC successfully secured a subtenant, IMPAQ International, headquartered in Columbia, Maryland. IMPAQ is a public policy firm that applies state-of-the-art quantitative and qualitative research methods to evaluate and research the effectiveness of domestic and international programs and policies.



The sublease with IMPAQ runs through the remainder of the original prime lease term of December 31, 2017.

RELOCATION PROCESS

ALEC initiated the search for new office space in December of 2012 and after evaluating multiple search criteria, ALEC determined 2900 Crystal Drive (Crystal City) as the best possible relocation alternative to meet all its requirements.

After extensive negotiations with the ownership of 2900 Crystal Drive, ALEC secured a per square foot rate of \$32.00. Simultaneously, ALEC worked closely with its architect in planning the new space design and configuration. ALEC was able to obtain a 16% reduction in total space occupied through the implementation of an efficient and creative design process. Financially, the terms negotiated have allowed the organization to successfully reduce the annual occupancy expense by more than 21% for the remaining lease term through December 31, 2017 at Vermont Avenue. Thereafter, the overall reduction in occupancy expense will increase to more than 48% for the life of the new lease at 2900 Crystal Drive.

The total concession package negotiated was far more than \$1 million. Concessions included 10 months of free rent valued at approximately \$320,000 along with a tenant improvement allowance of approximately \$850,000. This allowance enabled ALEC to fully construct/build new space as well as purchase new furniture for the entire staff.

ALEC was also able to reduce square footage by designing and laying out space specifically to meet the organization's needs. ALEC is very proud of its new home and its ability to maximize space efficiencies increasing space utilization and dramatically minimizing overall occupancy cost.

**American Legislative Exchange Council
Statement of Financial Position
As of June 30, 2013**

	<u>2013</u>
ASSETS	
Cash and cash equivalents	\$ 2,276,144.40
Contributions receivable, net	1,622,756.32
Other receivables	8.80
Prepaid expenses	187,685.98
Deposits	31,810.67
Property and equipment, net	<u>1,106,311.50</u>
TOTAL ASSETS	<u><u>\$ 5,224,717.67</u></u>
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts payable and accrued expenses	\$ 346,829.79
Deferred program revenue	96,109.09
Deferred member dues/registrations	79,315.07
Deferred Legacy dues	174,984.84
Capital lease obligations	46,990.30
Deposit - sublease	44,985.66
Deferred rent liability and improvement allowance	<u>1,478,583.43</u>
TOTAL LIABILITIES	\$ 2,267,798.18
NET ASSETS	
Unrestricted	\$ 2,447,267.85
State Reimbursement Accounts	996,420.68
Change in Net Assets	<u>(486,769.04)</u>
TOTAL NET ASSETS	\$ 2,956,919.49
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,224,717.67</u></u>

**American Legislative Exchange Council
Statement of Activities
For the Six Months Ending June 30, 2013**

	YTD 06/30/13	June 2013 Budget	Actual vs. Budget Variance	2013 Annual Budget	YTD 06/30/12	
Revenue, Gains and Other Support						
Conference sponsorship	\$ 402,500.00	\$ 950,000.00	\$ (547,500.00)	\$ 1,725,000.00	\$ 827,502.00	(1)
Conference registrations	438,065.00	479,725.00	(41,660.00)	996,454.00	505,029.00	(2)
Conference exhibitors	41,900.00	77,000.00	(35,100.00)	102,000.00	58,135.00	(3)
Conference advertising	-	-	-	-	3,300.00	
Future conferences	-	-	-	200,000.00	-	
General support	642,208.00	1,083,000.00	(440,792.00)	1,855,000.00	1,161,920.00	(4)
Online Contributions	563.00	5,000.00	(4,437.00)	10,000.00	7,985.00	
Direct Mail	54,994.00	63,000.00	(8,006.00)	125,000.00	102,841.00	
Legislative Dues	24,759.46	42,000.00	(17,240.54)	85,000.00	43,221.90	(5)
Legacy revenue	-	-	-	5,000.00	1,657.16	
Future general support	7,000.00	7,000.00	-	443,000.00	14,000.00	
Task Forces	532,261.67	827,100.00	(294,838.33)	1,685,100.00	769,623.31	(6)
Task force summit	336,775.00	305,000.00	31,775.00	305,000.00	379,000.00	(7)
Future Task Forces	3,000.00	-	3,000.00	130,000.00	8,500.00	
State Contributions	224,578.32	-	224,578.32	-	-	(8)
Special projects	2,500.00	-	2,500.00	-	-	
Advertising	-	9,900.00	(9,900.00)	15,000.00	4,300.00	(9)
Interest	1,182.15	3,300.00	(2,117.85)	6,600.00	2,255.97	
Miscellaneous revenue	11,295.03	-	11,295.03	-	97.97	(10)
Rental Income	79,458.54	83,000.00	(3,541.46)	332,000.00	-	
Publications	343.00	1,260.00	(917.00)	2,500.00	1,635.00	
Total revenue, gains, and other support	\$ 2,803,383.17	\$ 3,936,285.00	\$ (1,132,901.83)	\$ 7,922,654.00	\$ 3,891,003.31	
LESS Revenue moved to 2012	\$ (247,000.00)	\$ -	\$ (247,000.00)	\$ -	\$ -	
Total Revenue	\$ 2,556,383.17	\$ 3,936,285.00	\$ (1,379,901.83)	\$ 7,922,654.00	\$ 3,891,003.31	
Expenses						
Salaries	\$ 1,044,674.20	\$ 1,166,858.31	\$ (122,184.11)	\$ 2,456,576.58	\$ 1,144,074.80	(11)
FICA Employer	83,503.62	85,632.83	(2,129.21)	171,231.48	82,298.04	
DC Unemployment taxes	5,985.74	5,346.00	639.74	5,346.00	5,298.91	
Employee benefits	7,431.04	8,400.00	(968.96)	67,800.00	6,088.06	
Group insurance	108,338.14	121,650.00	(13,311.86)	243,500.00	106,167.25	(11)
Consultant fees	316,010.18	322,000.00	(5,989.82)	584,000.00	657,334.07	(12)
Temporary Services	-	-	-	-	3,376.80	
Artwork graphics	45,105.61	45,850.00	(744.39)	54,450.00	34,222.65	
Computer services	141,640.17	45,880.00	95,760.17	107,205.00	51,502.37	(13)
Conference fees	6,182.49	15,000.00	(8,817.51)	120,500.00	20,730.94	
Dues & Memberships	18,254.69	20,165.00	(1,910.31)	41,110.00	13,724.24	
Honoria & writers fee	1,500.00	13,000.00	(11,500.00)	38,000.00	1,500.00	(14)
Postage	43,798.44	79,000.00	(35,201.56)	129,750.00	113,761.12	(15)
Printing & publications	120,257.26	151,900.00	(31,642.74)	237,800.00	151,505.65	(16)
Public relations, advertising	2,318.00	5,150.00	(2,832.00)	5,150.00	-	
Security	-	1,300.00	(1,300.00)	1,300.00	3,207.20	
Subscriptions & research data	36,840.04	30,535.00	6,305.04	58,285.00	14,053.21	
Travel	87,643.36	169,510.00	(81,866.64)	366,650.00	173,918.54	(17)
Delivery costs	10,442.99	9,855.00	587.99	20,735.00	10,920.53	
Telephone	43,504.50	41,740.00	1,764.50	121,870.00	35,775.23	
Equipment lease/rentals	2,659.03	2,639.00	20.03	9,720.00	3,081.84	
Equipment maintenance	9,722.79	8,380.00	1,342.79	16,760.00	8,686.56	
Maintenance & repairs	644.70	2,370.00	(1,725.30)	4,750.00	3,739.15	
Office supplies & expense	66,604.42	35,950.00	30,654.42	84,800.00	32,307.26	(18)
Entertainment	-	-	-	15,000.00	-	
Meals & Lodging	153,068.75	236,940.00	(83,871.25)	1,237,470.00	265,238.27	(17)
Auto & bus rental	1,630.77	-	1,630.77	13,000.00	1,776.00	
Awards	328.87	-	328.87	16,000.00	19.46	
Audio visual rental	19,219.24	24,100.00	(4,880.76)	256,600.00	27,992.33	
Accounting fees	33,661.89	41,925.00	(8,263.11)	53,610.00	36,899.66	
Liability & property insurance	13,246.11	13,260.00	(13.89)	26,500.00	13,197.24	
Legal fees	122,135.13	75,000.00	47,135.13	150,000.00	105,131.37	(19)
Rent	363,129.79	507,460.00	(144,330.21)	1,014,960.00	325,264.58	(20)

Depreciation expense	56,169.92	59,490.00	(3,320.08)	119,000.00	59,955.63
Interest	2,951.32	2,420.00	531.32	4,850.00	3,033.56
Credit card discounts	24,185.01	27,500.00	(3,314.99)	57,500.00	34,095.79
Bank service charges	5,878.03	1,500.00	4,378.03	3,800.00	1,613.94
Staff Development	-	1,000.00	(1,000.00)	1,500.00	398.00
Gain/loss on disposal of equipment	10,126.97	-	10,126.97		
Total Expenses	\$ 3,008,793.21	\$ 3,378,726.14	\$ (369,932.93)	\$ 7,917,079.06	\$ 3,551,890.25
PLUS Expenses Outstanding					
Amex	\$ 8,100.00	\$ 8,100.00			
Amex - June	26,109.00	-	26,109.00	26,109.00	26,109.00
Total Expenses	\$ 3,043,002.21	\$ 3,378,726.14	\$ (335,723.93)	\$ 7,917,079.06	\$ 3,551,890.25
Net Profit/(Loss)	\$ (486,619.04)	\$ 557,558.86	\$ (1,044,177.90)	\$ 5,574.94	\$ 339,113.06

(1) Conference sponsorship -

Total Annual Meeting sponsorships raised/invoiced for 2013 is \$402,500 + \$167,000 FY = \$569,500. As of June 2012, Total Annual Meeting sponsorship raised/invoiced was \$777,502 + \$387,500 FY = \$1,164,502. Total SNPS Sponsorship raised/invoiced for 2012 was \$25,000.

(2) Conference registrations -

Registrations ONE week prior to meeting:

2013 Chicago - 1,356
2012 Salt Lake - 1,224
2011 New Orleans - 1,854
2010 San Diego - 1,418
2009 Georgia - 1,371

(3) Conference Exhibitors-

Total exhibitors 2013 - 42
Total exhibitors 2012 - 44

(4) General support-

	Budget as of 6/30/13	Actual as of 6/30/13	Variance	Actuals as of 6/30/12
Renewals (less attrition)	79	55	-24	82
Non-Profit Renewals	18	13	-5	18
Board	5	4	-1	5
New Members	31	8	-23	24

Total members up/(down) (53)

Attrition as of June 30, 2013 = 36 vs. 25 in 2012.

(5) Legislative Dues -

Legislative Renewals were slow to renew the first two months of the year as renewal notices were not mailed timely. Notices were mailed in May and are currently being followed up on by staff. Total Legislative members as of 8/2/2013 were approximately 1,810.

(6) Task forces -

Programming -

Total Budgeted for Task Force prog thru June = \$169,600
Total received = 142,261.67

Membership -

Total Budgeted thru June = \$657,500
Total received = 390,000

Net calculation of attrition leads to a total loss of approx \$144,500

(7) Task Force Summit -

Total revenue raised for Spring Task Force 2013 - \$311,000 (50,500 transferred to OK State Reimb Acct) vs. \$225,000
Total registration \$101,275 vs. Budget of \$100,000

Total revenue raised for Spring Task Force 2012 - \$315,000
Total registration \$149,150 vs. Budget of \$80,000

Registration -

2013: 529
2012: 613
2011: 515
2010: 300

(8) Scholarship contributions -

Not a budgeted item.

(9) Advertising -

Lack of development department has caused sales to be low.

(10) Miscellaneous revenue -

Includes Salary reimb for CFK Assoc program and \$5k toward Open House

(11) Salaries -

Turnover in Development department. Positions filled in April/May 2013. Total of 12 new hires in 2013.

(12) Consultant fees -

Admin/Board - \$19,383.21
Conferences - \$63,224.74
Fundraising - \$62,945.43
Grants - \$20,080.31
Programming - \$32,376.49
Public Affairs - \$118,000

(13) Computer services -

Transition to new database (60k for licenses for the year plus 15k to do the transition)

(14) Honoraria & writers fees

ALEC continues to look for ways to reduce costs.

(15) Postage -

Timing. Multiple projects have also fallen below budget.

(16) Printing & publications -

Timing. Multiple projects are in process and have not yet been completed.

(17) Travel/Meals and Lodging -

Did not attend as many membership events as anticipated during the first part of the year due to insufficient staffing. Also did not have Education Academy as projected (76k). Remainder is Timing.

(18) Office Supplies & expense-

Timing. Includes 12,500 contribution to Donor's Trust, 5k Contribution to COSC and 28k Moving expenses.

(19) Legal fees -

Need to reallocate Jefferson Project. Multiple states have had issues within the states that have required extra attention (WI, MI, MN)

(20) Rent -

Budget was prepared with rent allocated for whole year to both spaces. Should have only been for part of year.

Tribal Affairs

Issue Areas:

State-Tribal relations and cooperation

Groups that work on: NCSL

Pros: 33 states have Native American tribes and a majority of states have standing committees and commissions on Indian affairs.

Cons: There may be little to no private sector funding for this issue. In addition there has been scandal in the past with individuals like Jack Abramoff who lobbied on behalf of Indian Tribes.

Ways to Startup: This could easily be added as an issue area to International Relations Task Force.

Potential Members:

Individual Native American Tribes

Science, Technology, Education, & Mathematics (STEM)

Issue Areas:

- Education Reform
- Public-Private Partnerships
- Advancing the United States economy by creating science, technology, engineering, and mathematics jobs

Groups that work on: AAES, CGI America, StemEd Coalition, STEMx

Pros:

- This Task Force would have a strong potential for new membership opportunities and stakeholders, including legislators and education leaders
- This Task Force would expand the bandwidth of ALEC's work on education policy and create a greater sagacity for entrepreneurial and innovative model legislation
- ALEC membership is already comprised of public and private members who are involved and/or already doing work on STEM
- Would create discussion between the public sector, private sector, and state legislators to meet the needs of the people and the businesses who will employ them

Cons:

- ALEC might face challenges drafting model legislation that is appealing to both schools and students

Ways to Startup: This project will be run through the Education Task Force and may start as a subcommittee as there are many interested current and prospective ALEC members.

Potential Members:

- **Energy**
 - Exxon*
 - BP*
 - Dow AgroSciences*
 - Shell Oil Company*
 - Devon Energy Corporation*
 - American Chemical Society
- **Technology**
 - Microsoft*
 - Texas Instruments
- **Education**
 - Business Higher Education Forum
 - John Wiley & Sons, Inc.
 - Afterschool Alliance

**Denotes current ALEC member*

Hospitality & Tourism

Issue Areas:

- Hotel taxes and wage & labor laws
- Cruise line laws and regulations
- State and local tourism promotion
- Passenger rail and Bus issues

Groups that work on: ALEC had a Trade & Tourism Task Force from 1999-2004.

Pros: The travel and tourism industry in the United States generated nearly \$1.4 trillion in economic output in 2011. This activity supported 7.5 million U.S. jobs, and accounted for 7 percent of all U.S. exports. One out of every 18 Americans works, either directly or indirectly, in a travel or tourism-related industry. In 2010, revenues from U.S. travel and tourism represented 2.6 percent of gross domestic product.

Cons: Individual companies that join will be very susceptible to dropping ALEC if there is public pressure. Also many of these groups have little or no history with ALEC.

Ways to Startup: Either startup as a separate initiative or task force. It could be added to International Relations Task Force. The Commerce Task Force currently has too many separate initiatives to add a new one.

Potential Members:

Expedia

Hospitality trade associations

American Hotel & Lodging Association (AH&LA)

Council of Hotel and Restaurant Trainers (CHART)

Hospitality Financial & Technology Professionals (HFTP)

Hospitality Sales and Marketing Association International (HSMAI)

International Society of Hospitality Purchasers (ISHP)

National Tourism Association

Individual hotel companies, Hyatt

Airlines and their trade association

Individual cruise lines and their trade association

Rail and Bus Companies

Financial Services

Issue Areas:

- Banks and Credit Unions
- Credit Card laws
- Payday Lending

Groups that work on: NCSL, CSG

Pros: The Securities and Financial Markets Association is for example one of the largest trade associations in the nation and is not a member of ALEC. Many states have finance committees that deal with banking and loan issues.

Cons: Many of these companies failed to renew at ALEC due to controversy. Removing financial services may also threaten the funding of the CIED task force. Finally, these groups are a threat to leave if we have another financial recession.

Ways to Startup: The CIED Task Force currently has a Financial Services subcommittee, which could be expanded into a Task Force.

Potential Members:

Current Financial subcommittee members: Visa, American Bankers Association, CUNA, Mortgage Bankers Association, CFSA

New members: American Express, MasterCard, SFMA, Bank of America, Wells Fargo

Gaming

Issue Areas:

- Online gambling
- Sports Betting
- Gambling addiction programs
- State gaming and casino laws

Groups that work on: CSG, NCSL, Competitive Enterprise Institute, Rstreet,

Pros: In 2012 gaming revenue exceeded \$37 billion. This industry is very large and regulated by the states. We believe they would have a strong interest in ALEC. In addition, a number of groups including CSG and NSCL currently work on this issue.

Cons: According to Opensecrets.org, the gaming industry contributed directly over \$64 million in the 2012 elections and \$32 million in lobbying expenses. Casinos spent over \$87 million in Maryland last year on a gambling ballot amendment. This industry could potentially out fund other industries at ALEC. Also for many people this will appear like a social issue, which ALEC has in the past avoided.

Ways to Startup: This could be made a separate task force or initiative. It could also be started in a limited way by allowing a task force like Communications and Technology to work on Internet gambling.

Potential Members:

Casinos

Las Vegas Sands, MGM, Caesars, Penn National Gaming, Wynn Resorts.

Trade Association

American Gaming Association

National Indian Gaming Association

Horseracing Industry

Current Transportation subcommittee members are Macquarie Capital, UPS, FedEx, Reason Foundation, National Association of Water Companies

Members that could rejoin: American Trucking Association, BNSF Rail, American Rail Association, Aircraft Owners and Pilot Association, Cintra, Transurban, and International Air Transport Association.

New members: The American Road and Transportation Building Association, American Petroleum Institute and individual airline and rail companies.

Commercial, Residential, Industrial Development and Transportation

Issue Areas:

- Landuse and Environmental Law
- Zoning
- Real estate laws
- Transportation Funding
- Rail Issues
- Infrastructure
- Aviation Issues
- Public Private Partnerships

Groups that work on: CSG, NCSL, Heritage Foundation

Pros:

- Many liberal policies like smart growth are harming the housing industry. ALEC previously had a task force in the mid-1990's that focused in part on real estate.
- Many of their issues align ideologically with ALEC.
- ALEC previously had a Trade and Transportation Task Force and currently has several transportation members. Future member growth may be dependent on ALEC investing more time and resources on this issue.

Cons:

- Many zoning and land-use decisions are decided locally and not by state governments
- The housing industry is still recovering from the recession and may not have money to join ALEC.
- ALEC does not currently have a great deal of transportation members.

Ways to Startup: This could be added to either the EEA Task Force which does land use issues or the CIED Task Force which handles economic development.

Potential Members:

National Realtors Association, National Association of Homebuilders, American Builders and Contractors, large national home builders like Ryan homes, Beezer, Centex, and Buzzuto, and commercial development companies. Halliburton, Southern Companies, Zachry, Skanska, Miller and Long, Starcon, Cianbro, and Bovis Lend Lease.

Agriculture, Forestry and Land Use Task Force

Issue Areas:

- Farming
- Livestock
- Forestry
- Land use

Groups that work on: NCSL, CSG

Pros:

- A lot of our public sector members are from rural districts and work in agriculture
- A lot of our public sector members would like to see more agriculture work done at ALEC
- A larger more focused task force could draw more agriculture private sector members to participate
- This Task Force would seem to have a good chance to be financially successful

Cons:

- ALEC shies away from animal welfare issues due to PR reasons. This means a huge untapped private sector prospect base is untapped and will remain so.
- Agriculture is often not free market oriented and is dependent on subsidies and the Farm Bill. This makes advancing policy difficult. Not impossible but difficult.

Ways to Startup: The EEA Task Force currently works on agriculture issues. This could be split into a new Task Force. The current EEA Task Force Director could manage both for the time being.

Potential Members:

Current Members: JR Simplot, BIO, CropLife America, DowAgro Sciences, Forestry Related members, American Forest and Paper Association, and International Paper

New members: Farming equipment companies, Fertilizer Companies, Pesticide Companies, Meat producers like Tyson Chicken, National Milk Producers Federation, and American Feed Industry.