

Winning the Debate in the States



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American Legislative Exchange Council
1992 Annual Report
July, 1993

The American Legislative Exchange Council (ALEC) is the nation's largest bipartisan, voluntary membership organization of state legislators, with 2,400 members nationwide. ALEC is dedicated to developing and advancing policies which expand free markets, promote free enterprise, encourage economic growth, limit government and preserve individual liberty.

ALEC is governed by a 21 member Board of Directors of state legislators, which is advised by a 21 member Private Enterprise Board representing major corporate and foundation sponsors. ALEC is classified by the Internal Revenue service as a 501(c)(3) organization. Individuals, philanthropic foundations, corporations, companies, and associations, are eligible to support ALEC's work through tax-deductible gifts.

The American Legislative Exchange Council

*Bringing the States and the Nation Together
for America's Future*

1992 Annual Report

The American Legislative Exchange Council (ALEC) was founded in 1973 by a small group of Democratic and Republican state legislators who shared a common commitment to the *Jeffersonian principles of free markets, free enterprise, limited government and individual liberty.*

Today, ALEC has grown to become the nation's largest bipartisan, individual membership organization of state legislators with 2,400 members, nearly one-third of whom hold leadership positions in their legislatures. Approximately 63 million Americans are represented by the citizen legislators of ALEC.

ALEC's goal is to ensure that our legislative members are fully armed with the information, research and ideas they need to win in the legislative arena. Our publications keep members up-to-date on emerging trends and provide in-depth analyses of issues at the state level. Our conferences and meetings promote colleague to colleague communication by linking like minded legislators together. Our Legislative Task Forces provide a forum in which legislators and the private sector discuss issues, develop policies and write model legislation.

Unlike other state legislative organizations, ALEC's credo is that business should be an ally, not an adversary, of state legislators. ALEC provides the private sector with an unparalleled opportunity to have their voices heard, their perspectives appreciated, and their interests put before the more than 2,400 pro-free enterprise state legislators of ALEC. Through ALEC, legislators and the private sector work in a dynamic partnership to develop public policies that harness the immense power of free markets and free enterprise to encourage economic growth, increase the nation's competitiveness, and improve the quality of life for all Americans.

Winning the Debate in the States
Ideas, Action and Results

Samuel A. Brunelli
Executive Director



WINNING. This single word sums up the essence of the American experience. Since the birth of our nation, Americans have been dedicated to succeeding. By carving a new nation out of a wilderness, and rising to create the world's only superpower today, Americans have shown what free men and women can accomplish if given the opportunity to fully use their talents, courage, creativity and initiative.

AMERICANS created the first true representative democracy, and started the movement of democratic capitalism that is sweeping the world today.

AMERICAN free enterprise is the model for the world, proving that free markets, individual liberty, and limited government is the most productive and compassionate economic system possible.

THE principles that the power of government is a grant from the people, and that the individual is superior to the government, are the fundamental principles that have turned the American Experiment into the American Dream.

FREE markets. Free enterprise. Limited government. Individual liberty. These are the fundamental principles of America. These are also the fundamental principles of ALEC, and the principles we are fighting for.

ALEC has led the fight to open markets in health care, transportation, telecommunications, banking, real estate, and, perhaps most importantly, education.

ALEC has promoted free enterprise by fighting excessive government regulation, developing pro-growth tax and fiscal policies, and giving the private sector a voice in the development of national and state policies.

ALEC has battled the expansion of big government, leading the charge for a Balanced Budget Amendment, battling Congress' attempts to place unfunded federal mandates on the states, revealing the excessive costs of public employee compensation, and making the case for low taxes and reduced government spending.

ALEC is fighting to empower all individuals so that each will have the opportunity and means to succeed — to leave a life of dependency and build a life in which each is a self-sufficient, contributing member of society.

AND we will win these battles because ALEC is America's leading grassroots force for change. ALEC is citizen legislators, living in their neighborhoods, working for their communities, and serving their states. ALEC is the voice of those who seek to break the bonds of dependency. ALEC is the protector of those suffering from the destructiveness of unfair and excessive taxation. ALEC is the champion of the entrepreneurs seeking an opportunity to succeed. ALEC is, above all, the guardian of the children of today, fighting for their right to a good education, a world free from crime and despair, and a future filled with economic opportunity, not debt and limited horizons.

ALEC is the nation's leading grassroots force for change because it is fighting for people, families and the future. ALEC has proven that government can and should be for people, not government. And that ideas, not politicians, govern America. ALEC's record of success proves that *ideas* combined with *action* produces *results*.

IDEAS, based on fundamental American principles. *Action*, from the efforts of 2,500 pro-free enterprise state legislators, representing more than 63 million Americans, working with hundreds of private sector partners. *Results* in the form of hundreds of model bills introduced and enacted into law in every state in the nation. That is the essence of ALEC. That is our formula for winning. ALEC - the last, best hope for the renewal of the American Dream.

Reaching New Heights

Representative Fred C. Noye
 Pennsylvania
 1992 National Chairman



THE theme of ALEC's 19th Annual Meeting was "Reaching New Heights," and I doubt there is any better way to describe ALEC's accomplishments in 1992.

IN 1992 we held the best meetings in our history.

IN 1992 we published the finest issues papers and studies in our history.

IN 1992 we launched a bold initiative to reform health care based on free market principles.

ALEC'S 19th Annual Meeting in Colorado Springs was a rousing success. ALEC was the only state organization addressed by President Bush, and with five members of his cabinet in attendance ALEC's growing prestige could be judged not only by how much we influenced others, but by who was trying to influence us. Add the CEOs of Chevron, United Parcel Service, and Syntex Corporation, and it is clear that ALEC has the most dynamic public-private partnership in the nation. The presentation of the *Thomas Jefferson Freedom Award* to Jack Kemp capped the most exhilarating Annual Meeting in ALEC's history.

WE held our *National Leadership Summit on Tax and Fiscal Policy* in San Francisco in May. More than 200 legislators participated in a series of workshops on policies to control excessive spending and create legislative mechanisms to instill fiscal responsibility in the budget process. The *Washington Briefing* and the *National Orientation Conference* had the highest attendance levels to date and included line-ups of speakers of national political leaders and renowned public policy experts.

WITH the release of *America's Protected Class: Why Excessive Public Employee Compensation is Bankrupting the States*, ALEC started a firestorm of controversy by proving that state and local public employee compensation had risen dramatically faster than in the private sector. ALEC received coverage in media across the nation and editorial endorsements from the Wall Street Journal, Detroit News, Rocky Mountain News, and Washington Times among others. No study in ALEC's history received as much public attention as *America's Protected Class*, thrusting ALEC's work to the forefront of budget debates across the nation.

ALEC'S Health Care Task Force, under the leadership of Task Force Chair Representative Tom Wilder (GA) and Private Sector Chair Spencer Hathaway of Syntex Corporation, developed *Keeping the Promise: A Comprehensive Health Care Plan for the States*. The plan was eagerly accepted by legislators across the country, and by the end of the year hundreds of the model bills in the plan were introduced with a significant number of enactments. *Keeping the Promise* proved once again that the states are the "laboratories of democracy" where the innovative public policy solutions of the future are being developed in the states today.

AND in 1992 it was ALEC members in Missouri, Alabama and Michigan which led to the ratification of the "Madison Pay Delay" amendment; the first amendment to the U.S. Constitution to be ratified in nearly 20 years. The Amendment, originally proposed by James Madison, requires that Members of Congress not receive any increase in compensation until an intervening election has occurred. The movement to ratify the Amendment grew out of a workshop at ALEC's 18th Annual Meeting in Seattle, promoted in *FYI*, and then pushed by key ALEC members in the states. The ratification of the 27th Amendment confirmed that ALEC's presence is not only felt in every state capital, but inside the nation's capital as well.

IT has been an honor to have been ALEC's National Chairman during 1992, and I am grateful for the support that the membership gave me and ALEC during the year.

*ALEC's 20th Anniversary:
A Time to Look Forward*

Senator William J. Raggio
Nevada
1993 National Chairman



AS ALEC's 1993 National Chairman I will have the honor and pleasure of serving during ALEC's 20th Anniversary. Those who founded ALEC in 1973 probably did not imagine that in just 20 short years ALEC would grow to become the most influential state level organization in the country.

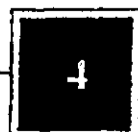
THOUGH we will be celebrating ALEC's 20th Anniversary at this year's Annual Meeting in Traverse City, Mich., our focus should be on the future rather than the past for two very important reasons.

FIRST, the states are now *the* cutting edge of innovative public policy, and only ALEC has the intellectual resources, political will, and dynamic public-private partnership needed to develop and advance a pro-free enterprise, pro-growth, limited government agenda.

SECOND, and more importantly, the nation needs ALEC. The nation needs our strength, determination and courage as we face the potential of perhaps the greatest expansion in government intrusion into the economy and the lives of every American. In every area of government policy - from health care to the environment to the regulation of the economy - the forces of big government are flexing their muscles in order to advance their agenda. ALEC, with its bipartisan network of like minded legislators, cadre of nationally renowned public policy experts, and a dynamic partnership with the private sector, can and will make the critical difference in the major political and policy battle looming on the horizon.

AT ALEC we have an obligation to help set America back on course towards a world of limitless opportunity. It is a challenge I am confident that we can meet.

IN 1993 I look forward to working with all of the members of the ALEC as we continue to win the debate in the states and throughout the nation.



*ALEC's Public Private Partnership.
A Jewel in the Nation's Crown*

Ronald F. Scheberle
GTF

Chairman of ALEC's Private Enterprise Board



IN order for America to succeed a simple truth must be recognized: free enterprise is the source of our freedom and wealth.

SADLY, this truth is often forgotten in the development of public policy. Our nation's private sector is often viewed simply as a source of funds for the expansion of government programs or the cause of all that ails society.

THE only public policy organization that views the private sector as an ally rather than an adversary is ALEC. The members of ALEC recognize the purpose of government should be to foster a healthy environment for the continued expansion of the private sector rather than the expansion of government. ALEC's pro-growth, low taxation, limited government agenda recognizes that it is individuals, released from the bounds of excessive government interference into their lives, which produce wealth. And it is only a society in which individuals are allowed to fully use their creativity, talent, initiative and determination to their own benefit, is truly free.

IN 1992 ALEC made significant contributions to the cause of freedom and free enterprise by proposing a free market health care plan for the states, exposing excessive state and local public employee compensation, fighting excessive environmental regulation, and challenging the Congress to act responsibly by pushing for a federal Balanced Budget Amendment and the elimination of unfunded federal mandates on the states. ALEC success in these efforts is due in large part to ALEC's public private partnership.

ALEC'S public-private partnership is a shining example of how both sectors can work in unison to serve the public purpose. It is a partnership that has been successful in winning the debate in the states across the America. It is a dynamic partnership that stands as a jewel in the nation's crown.

AS Chairman of ALEC's Private Enterprise Board I would like to thank the private sector members of ALEC for their unwavering and generous support. An investment in ALEC is a sound investment. It is a safe investment. It is an important investment. And it is an investment that will pay dividends for America far into the future.

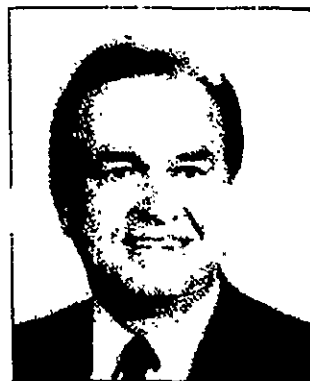
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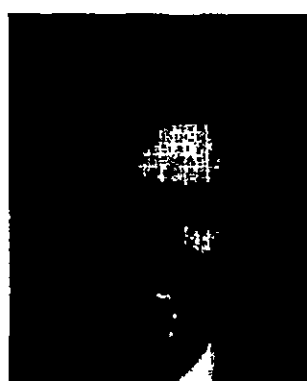
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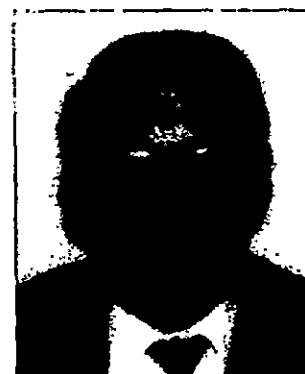
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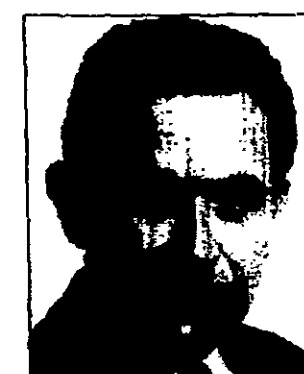
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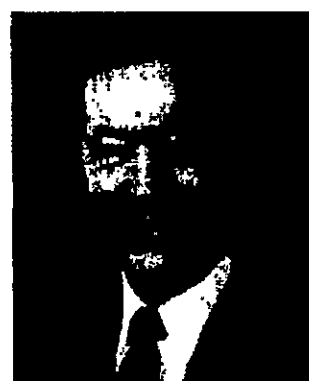
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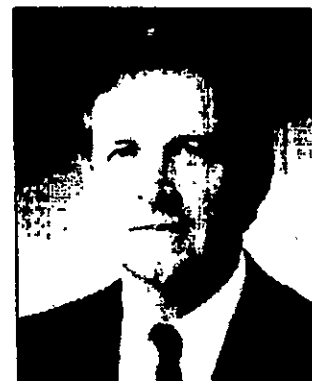
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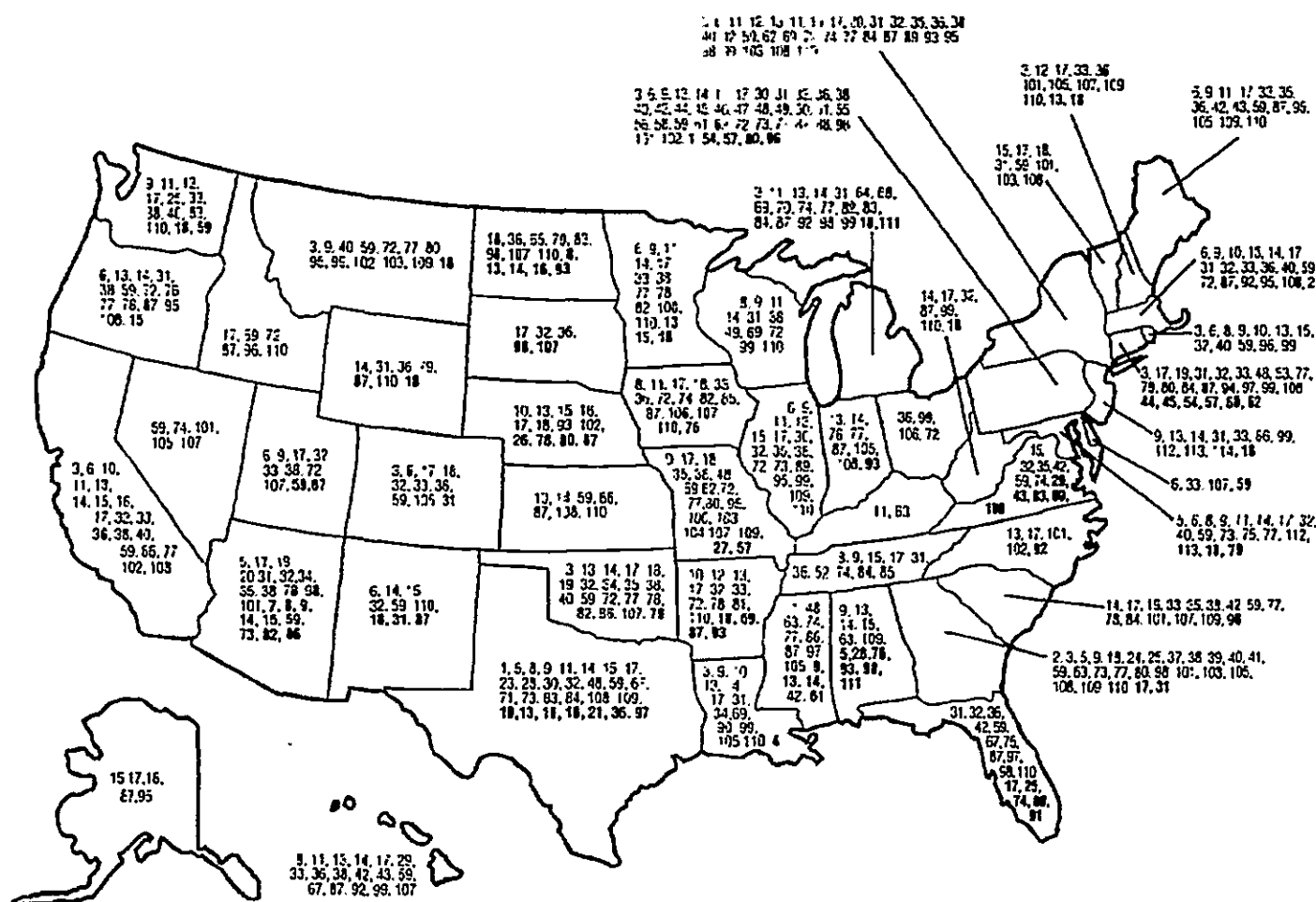
Mr. Samuel A. Brunelli
*Executive Director
Ex-Officio Member*



Mr. Ed G. Powers
Kmart Corporation

A TRADITION OF WINNING

ALEC's 1992-93 Legislative Scorecard



The key to advancing the ALEC agenda is to set the terms of the debate in state legislatures across the country. In 1992-93 a total of 693 ALEC model bills were introduced and 99 were enacted. Compared to the prior year, this is a 25% increase in introductions and a 46% increase in enacted bills for an overall 50% increase in the passage rate of ALEC model legislation.

ALEC's 1993-94 Source Book of American State Legislation provides an updated and expanded version of the ALEC agenda ready for action.

Model Legislation	Introduced	Enacted	Model Legislation	Introduced	Enacted
AGRICULTURE					
1. Groundwater Protection Act	MS, TX	PA	15. Statute of Limitations	AK, AL, CA, IL, NE, NM, NY, PA, RI, TN, TX, VA, VT	AZ, MN, OR
BUSINESS & LABOR					
2. Mandate Benefits Review	GA		16. Statute of Repose	NE	ND, TX
3. Right to Work	CA, CO, CT, GA, LA, MI, MT, NH, OK, PA, RI		17. Volunteer Immunity	AK, AR, AZ, CA, CO, CT, HI, IA, ID, IL, LA, MA, MD, ME, MN, MO, NC, NE, NH, NY, OK, PA, SC, SD, TN, TX, UT, VT, WA, WV	FL, GA
4. Workers' Compensation Exclusive Remedy	LA		CRIMINAL JUSTICE/SUBSTANCE ABUSE		
CIVIL JUSTICE					
5. Assumption of Risk	AZ, GA, MD, NY, TX	AL	18. Anti-Stalking Act	AK, CO, GA, IA, MO, NE, ND, OK, VT, NH, NJ, NM, TX, WA, WV, WY	AR, MD, MI, MN, MT
6. Award Attorneys Fees	CA, CO, DE, IL, MA, MD, ME, MN, NM, NY, OR, PA, RI, UT		19. Drug-Affected Infants Act	AZ, CT, OK, SC	
7. Collateral Source Rule	IA, MD, RI, TN, TX, WI	AZ	20. Drug-Free Housing Project Act	AZ, NY	
8. Comparative Fault	AL, GA, HI, IL, LA, MA, MD, ME, MN, MO, MT, NJ, PA, RI, TN, TX, UT, WA, WI	AZ, ND	21. Drug-Free Schools Act		TX
9. Joint & Several Liability Act	AR, CA, KS, LA, MA, NE, RI, CA, HI, IA, IL, KY, MD, ME, MI, MN, NY, TX, WA, WI	AZ, MS	22. Minimum, Mandatory Sentencing Act	MA	
10. Multi-Door Court	AR, CA, KS, LA, MA, NE, RI	TX	23. Money Laundering Act	TX	
11. Noneconomic Damages	CA, HI, IA, IL, KY, MD, ME, MI, MN, NY, TX, WA, WI		24. Prison Work Opportunities Act	GA	
12. Prejudgment Interest	NH, NY, WA		25. Private Correctional Facilities Act	GA, WA	FL
13. Product Liability	AL, AR, CA, HI, IL, IN, LA, MA, MI, NC, NE, NJ, NY, OK, OR, PA, RI	MN, MS, ND, NH, TX	26. Shock Incarceration Act	NE	
14. Punitive Damages	AL, CA, HI, IN, KS, LA, MA, MD, MI, MN, NJ, NM, NY, OK, OR, PA, SC, TX, WI, WV, WY	AZ, MS, ND	27. State Employee Drug-Free Workplace Act	MO	
			28. Suspension of Driving Privileges	TX	AL
			29. Victim Impact Statement Act	HI	VA
			30. Workplace Drug Testing Act	IL, PA, TX	

EDUCATION		
Model Legislation	Introduced	Enacted
31. Charter Schools Act	AZ,CT,FL,LA,MA,MI,NJ, NY,OR,PA,TN,VT,WI,WY	CO,GA,NM
32. Model Certificate Act	AR,AZ,CA,CO,CT,FL,IL,MA,MD, NM,NY,OK,RI,SD,TX,UT,VA,WV	
33. Open Enrollment Act	AR,CA,CO,CT,DE,HI,IA,MA,ME MN,NH,NJ,PA,SC,UT,WA	

EMPOWERMENT		
Model Legislation	Introduced	Enacted
34. Acknowledgement of Paternity Act	AZ,LA,OK	
35. AFDC Limits on Benefits on Additional Children Act	AZ,IL,ME,MO,NY,OK,SC,VA	
36. AFDC Applicant Job Search Program	CA,CO,FL,HI,IA,MA,ME,ND,NH, NY,OH,PA,SD,TN,WY	TX
37. Earned Income Tax Credit for Parents	GA	
38. Learnfare Act	AZ,CA,GA,HI,IL,MN,MO,NY,OK, OR,PA,SC,UT,WA,WI	
39. Minors on Welfare Residency Act	GA	
40. Residency Requirements for AFDC Benefits Act	CA,GA,MA,MD,MT,NY,OK, PA,RI,WA	
41. Tenant Management Act	GA	
42. The Full Employment Act	FL,HI,ME,NY,PA,SC,VA	MS
43. Welfare Eligibility Reform Act	HI,ME	VA

ENERGY, ENVIRONMENT & NATURAL RESOURCES		
Model Legislation	Introduced	Enacted
44. Alternative Fuel Policy Statement	PA	CT
45. Asbestos in Public Building	PA	CT
46. Clean Coal Technical Development	PA	
47. Container & Coding	PA	
48. Economic Impact Statement	CT,MS,MO,PA,TX	
49. Endangered Species Resolution	PA,WI	
50. Energy Conservation Resolution	PA	
51. Environmental Service Public/Private Partnerships Act	PA	
52. Federal Source Separation Requirement	TN	
53. Food Safety Protection Act	CT	
54. Liability for Person Responding to Oil Spills		CT,PA
55. Nuclear Energy Resolution	PA	
56. Once-Stop Licensing Act	PA	
57. Pollution Prevention		CT,MO,PA
58. Private Application Review	PA	
59. Private Property Protection Act	CA,CO,FL,GA,HI,ID,KS,MA, ME,MD,MO,MT,NM,NY,NV, OK,OR,PA,RI,SC,TX,VT,VA	AZ,DE,UT,WA
60. State Municipal Waste, Planning, Recycling & Waste Reduction Act		CT,PA
61. Waste Tire Abatement Act	PA	MS
62. Wetland Mapping & Protection Act	MO,NY,PA	CT

HEALTH CARE		
Model Legislation	Introduced	Enacted
63. Access to Medicaid Act	AL,GA,KY,MS	
64. Awards of Attorney's Fees to Prevailing Parties Act	MI	
65. Consumer Awareness Act on Long-Term Care Inflation Protection	ND	
66. Drug Utilization Board Act	CA,KS,NJ	
67. Elimination of Double Recoveries Act	FL,HI,TX	
68. Emergency Care Immunity Act	MI	
69. Emergency Services Personnel Act	LA,MI,NY,WI	AR
70. Expert Testimony Provisions Act	MI	
71. Good Samaritan Drug Donation Act	TX	
72. Health Care Tax Relief & Equity Act	AR,IA,ID,IL,MA,MO,MT,NY, OK,OR,PA,UT,WI	OH
73. Health Insurance Reform Act for Small Business Coverage	GA,IL,MD,PA,TX	AZ

74. HIV Assault Act	IA,MI,MS,NY,NV,TN,VA	FL
75. HIV Partner Notification Act	FL,MD	
76. HIV Prison Testing Act	IN,OR	AL,IA
77. Individual Medical Account Act	CA,CT,GA,IN,MD,MI,MN,MS, MO,MT,NY,OK,OR,PA,SC	
78. Insurance Pool Act	AZ,AR,MN,OK,OR,SC	NE
79. Long-Term Care Insurance Model Act	CT,ND,WY	MD,OK
80. Mandated Benefits Review Act	CT,GA,MO,MT	NE
81. Medical School Loan Repayment Act	AR	
82. Noneconomic Damages Awards Act	IA,MI,MN,OK	AZ
83. Resolution Urging Congress to Enact Federal Income Tax Credits for Health Insurance	MI,ND,TX,WA	VA
84. Small Business Health Care Act	CT,MI,NY,SC,TN,TX	
85. Statute of Limitations Reduction Act	IA,TN	
86. Uncompensated Care Liability Act	MS,OK	AZ
87. Victim's of Sexual Offenses Protection Act	AK,CT,FL,HI,IA,ID,IN,KS,MA, ME,MI,MS,NY,OR,PA,WV,WY	AR,NE,NM,UT
88. Whistle Blower Immunity Act	PA	

INSURANCE		
Model Legislation	Introduced	Enacted
89. Automobile Theft Prevention Act	IL,NY	FL,VA
90. Consumer Choice Motor Vehicle Insurance Act	LA	

REAL ESTATE & BANKING		
Model Legislation	Introduced	Enacted
91. Housing Affordability Impact Statement Act	FL	
92. Interstate Banking Act	HI,MA,MI	NC
93. Rent Control Preemption Act	NE,NY	AL,AR,IN,ND
94. Resolution to Oppose Measures Designed to Impose Ceilings on Credit Card Rates	CT	

TAX AND FISCAL POLICY		
Model Legislation	Introduced	Enacted
95. Budget Reserve Account Act	AK,IL,ME,MA,MO,MT,NY,OR	
96. Commission on Economy & Productivity Act	ID,RI	PA
97. Competitive Contracting of Public Services Act	CT,FL,MS	TX
98. Congressional Delegation Mandate Consultation Act	AZ,FL,GA,MI,NY,ND,PA	AL,SD
99. Federal Balanced Budget Amendment Resolution	CT,HI,IL,LA,MI,MT,NJ, NY,OH,RI,WV,WI	
100. Federal Grant Review Act	MO	
101. Fiscal Note Act	AZ,GA,NV,NH,NC,PA,SC,VT	
102. Government Services Privatization Act	CA,MT,NE,NC,PA	
103. Improving Revenue Forecasting	GA,MO,MT,NY,VT	
104. Income Tax Indexing	MO	
105. Item-Reduction Veto Act	CO,GA,IN,LA,ME,MS,NV,NH	
106. Public Pay Equity	IA,OH	
107. Resolution for a Limited Convention on Unfunded Federal Mandates	DE,HI,IA,MO,NV,NH,ND, OK,SC,UT	SD
108. State Payment for State Mandates Act	CA,CT,GA,IN,KS,MA,MN, NY,OR,TX,VT	VA
109. Super Majority Act	AL,GA,IL,ME,MO,MT,NH,SC,TX	
110. Tax and Expenditures Limitations Act	AR,FL,GA,ID,IL,IA,KS,LA,ME, MN,NH,NM,NY,ND,WA,WV,WI,WY	

TELECOMMUNICATIONS		
Model Legislation	Introduced	Enacted
111. A Concurrent Resolution: Creating a Special Joint Committee to Develop a Comprehensive Telecommunications Plan for the State		AL,MI
112. Alternative Certification for Distance Learning Instructors Act	MD,NJ	
113. Distance Learning Act	MD,NJ	
114. Wiring the Public Schools Act	NJ	

ADVANCING THE AGENDA

ALEC'S 1992 Victories and Accomplishments

The American Legislative Exchange Council, according to both conservatives and liberals, is having more and more impact on the lives of American taxpayers and voters.

San Francisco Examiner, May, 1992

Keeping the Promise: A Comprehensive Health Care Plan for the States

Few issues in 1992 were as high on the states' agenda as health care reform. Responding to the problem of skyrocketing health care costs and the plight of the uninsured, ALEC's Health Care Task Force, chaired by **Representative Tom Wilder (GA)** and **Spencer Hathaway of Syntex Corporation**, approved a Comprehensive Health Care Plan.



The plan was the result of a yearlong effort by the Task Force's legislative and private sector members to craft free market reforms for the nation's health care system. The plan contains 35 model bills that provide reforms in the areas of health insurance, Medicaid, long-term care, medical liability, and rural health care.

The Plan was released in book form in January 1993. *Keeping the Promise: A Comprehensive Health Care Plan for the States*, has now been

widely distributed throughout the country, stirring health care reform in almost every state capital.

I have been involved with health policy for a number of years, and have never seen a comprehensive package of useful model legislation produced in such a relatively short time. ALEC is to be congratulated for having a defined agenda and especially for seriously pursuing it efficiently and effectively.

*-Mr. George Sherman
LTC Inc.*

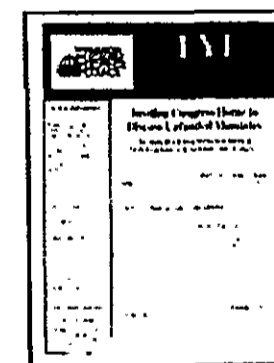
ALEC Members Take on Congress Over Unfunded Federal Mandates on the States

In an historic effort to halt the proliferation of unfunded federal mandates, led by **Representative Michael Nye (MI)**, ALEC members in 27 states have introduced, and Colorado and South Dakota have enacted, calls for a limited Constitutional Convention to write an amendment that would require Congress to include funding for federal mandates on the states. Unfunded mandates, which may cost as much \$500 billion to the states, are de facto tax increases which throw state budgets into chaos and violate the Constitutional principles of federalism.

In another initiative to raise Congress' consciousness on the issue of unfunded federal mandates, **ALEC Alabama State Chairman Representative Perry Hooper Jr.**, introduced ALEC's model *Congressional Delegation Mandate Consultation Act*, which required the state's Senators and Congressmen to meet with the state legislature to discuss the issue of unfunded federal mandates. With enthusiastic bipartisan support, the law was passed and signed into law. "If the principle of federalism still has any meaning in this country, then it is most appropriate that members of the national legislature meet with the state legislature to discuss issues of common interest," said Hooper after the law's enactment.



Hooper



Following the example of Representative Hooper, the South Dakota legislature also enacted the act, and it was introduced in Arizona, Delaware, Georgia and Florida. "This was a ground breaking resolution in righting the imbalance between the states and the Congress," commented ALEC Executive Director

Samuel A. Brunelli, "and we expect that in the not too distant future regular consultations between the Congress and the states will be the norm rather than the exception."

*America's Protected Class
Exposes the Widening
Public-Private Pay Gap*

America's Protected Class, (Feb. '92) and *America's Protected Class II* (Feb. '93) documented the widening public—private pay gap. The studies showed that from 1980 through 1990, average state and local public employee compensation increased \$6.32 for every \$1.00 increase in the private sector. If compensation for state and local employees had risen at the same rate as the private sector from 1980-'90, total compensation costs would have been \$47.3 billion less (\$514 per household) in 1990 alone. This "public pay premium" is one of the costs driving state and local tax increases; from 1980-90, states increased taxes by \$29.9 billion, which is \$17.3 billion less than the public pay premium. In other words, if state and local public employee compensation had just risen at the same rate as the private sector, these tax increases would not have been needed.

However, as Samuel A. Brunelli, ALEC Executive Director, co-author of the studies along with Wendell Cox, ALEC's Director of State Policy and Legislation, said when releasing *America's Protected Class II*, "The fundamental issue is fairness. Is it fair that the compensation for



Brunelli



Cox

public servants rises at a faster rate than that of the public's? We can argue forever about how much a teacher or a policeman should be paid for the work they do. What shouldn't be arguable is that as a group of people, public employees should not see their compensation rise at a faster rate than the group of people who are paying their salaries -- the American taxpayer."

ALEC's recommendation to solve this escalating problem is enactment of a *Public Pay Equity* law. The law would require that total

compensation of state and local public employees not rise faster than the average increase in compensation for employees in the private sector. ALEC State Chairmen and National Directors Representatives Roger Halvorson (IA) and Dale Van Vyven (OH) introduced



Halvorson



Van Vyven

Public Pay Equity laws this session, and other ALEC members plan to in the '94 legislative session.

**EDITORIAL SUPPORT FOR
AMERICA'S PROTECTED CLASS**

"ALEC's findings go a long way towards explaining why 31 states raised taxes a total of \$29 billion in fiscal years 1991 and 1992. With wages and benefits making up 60% of state and local budgets, the explosion in public compensation makes tax increases inevitable."

Wall Street Journal

"The study by the council is titled "America's Protected Class." In Michigan, public employees have truly been privileged. What these figures mean is that Michigan, which is no longer a wealthy state, still has a very well-paid governing class. But the well-being even of insulated government employees ultimately depends on the economic health of the private sector."

The Detroit News

"Now we know where all the greed was during the "Greed Decade." It was in the public sector."

Syndicated Columnist Paul Craig Roberts

"Bloated bureaucracies, protected from market forces by an endless stream of tax dollars, are bankrupting the states. The numbers cited above expose last year's record tax increase for what it was — a hijacking of private wealth from residents and businesses that served only to prolong the worst economic downturn in 60 years."

Pittsburgh Business Times

"As many people have suspected, excessive pay raises for state and local workers in the past decade have driven up taxes and budgets, at least according to a study by the American Legislative Exchange Council. So, no more of this public sector whining about pay parity — unless, of course, the intention is to buck for a pay cut."

Rocky Mountain News

The *America's Protected Class* papers have received wide-spread media coverage, from the *Wall Street Journal* to the *San Francisco Chronicle*, and almost unanimous support on the editorial pages of newspapers from coast to coast. The data in *America's Protected Class II* has also been cited in public employee compensation contract negotiations across the nation, including Minnesota, Philadelphia, and San Jose.

The Council's study entitled "America's Protected Class" arrived on my desk in the midst of a corporate downsizing and reorganization, and the timing of its arrival resulted in an even more significant impact upon me than would otherwise have been the case. The study adroitly displays facts and figures which some of us have indirectly sensed, in a disorganized way, for many years. One can only ask the question: How can the situation begin to reverse itself so that the relationship between the "protected class" and the "unprotected class" once again fall in a more historical and healthy equilibrium.

-Mr. Phillip J. Franks
Boehringer Ingelheim
Corporation

Further analysis, indicates that "America's Protected Class" has cost the nation an additional \$280 billion in economic growth in 1990 alone. Based on the analysis of **Dr. Richard Vedder's** (an advisor to ALEC's Tax & Fiscal Policy Task Force) work in the "Economic Impact of Government Spending," published by the National Center

for Policy Analysis, the total cost to the nation of excess spending by state and local governments was more than \$353 billion by 1990 -- an average loss of more than \$1,400 for every man, woman and child in the U.S. Of this, \$280 billion is attributable to the "public pay premium." No other studies in the history of ALEC have received the acclaim or exposure of the *America's Protected Class* papers, and no issue has put ALEC larger on the map.

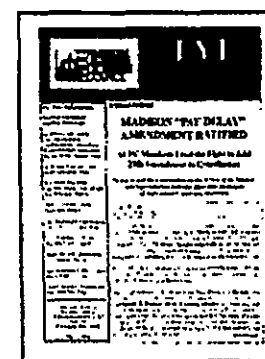
ALEC Leads the Charge
to Ratify the Madison
Pay Delay Amendment

*No law varying the
compensation for the services of
the Senators and
Representatives shall take
effect, until an election of
Representative shall have
intervened.*

When James Madison wrote his proposed one-sentence, 24-word constitutional amendment on congressional pay in 1789, he probably did not suspect that it would take 203 years for it to be ratified. Yet on May 7th, the Michigan legislature, led by ALEC member **Senator John Kelly**, became the 38th state to ratify the "pay delay" amendment, winning a race with legislators in New Jersey who were attempting to become the state that put the amendment over.

The amendment was one of the set of 12 amendments which were sent to the states for ratification immediately after the Constitution was adopted; ten were ratified, becoming the Bill of Rights.

The imminent ratification of the amendment became apparent when Alabama and Missouri acted on May 5th. "It was an honor to be able to reach across 203 years of history and shake hands with one of our Founding Fathers, James Madison, and help his vision come true," said **Representative Perry Hooper Jr.**, ALEC Alabama State Chairman, who, along with **Representative Bob Mckee**, pushed the amendment on to the floor where it quickly passed 65-0. In Jefferson City, MO, ALEC member **Senator Pat Danner** ushered the amendment through the ratification process, setting the stage for Michigan's historic vote.



ALEC began pushing the Madison Amendment in October, 1991 when it published a front page story in *FYI*, titled "James Madison's Recipe for Curbing the Appetite of Congress." The story was inspired by a discussion at ALEC's Annual Meeting in Seattle, during a workshop on Article V of the Constitution, which sets forth the process by which state legislatures amend the Constitution. **Congressman John Boehner (R-OH)**, a former ALEC member and the leader of a group of freshman Congressmen pushing for the amendment, later authored a guest commentary in the February 3rd edition of *FYI*, encouraging state legislators to vote for ratification.

ALEC'S MEETING AND CONFERENCES

Bringing Leaders Together

Washington Briefing
February 20-21, 1992

The annual *Washington Briefing* provides ALEC legislative and private sector leaders an unparalleled opportunity to meet with key Members of Congress, Administration officials, and Cabinet Officers, to discuss the issues facing the nation.

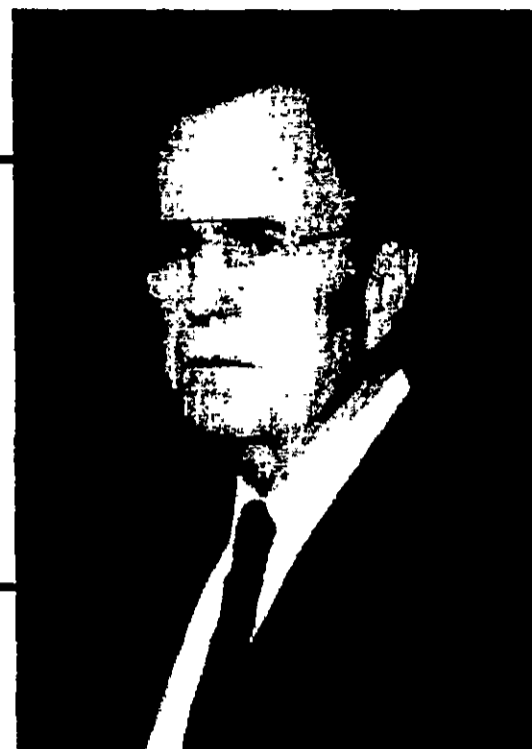
As important as it is for ALEC members to hear from leaders in Washington, it is equally important for them to hear from the people who represent the grassroots political power in America - ALEC members.

The 1992 *Washington Briefing* included a session at the White House in which **President Bush**, **HUD Secretary Jack Kemp**, **White House Chief of Staff Samuel K. Skinner**, and **Chairman Boskin of the Council of Economic Advisors**, briefed the attendees.

Other sessions included remarks by **HHS Secretary Louis Sullivan**, **Labor Secretary Lynn Martin**, and **Federal Reserve Board Governor Lawrence Lindsay**.

The states are being innovative in many areas -- such as welfare reform with programs like Workfare and Learnfare. And ALEC shows how to get things done.

-President Bush



Housing and Urban Development Secretary Jack Kemp briefing ALEC members at the White House

Health and Human Services Secretary Louis Sullivan discussing health care reform



Labor Secretary Lynn Martin giving an agency briefing



Mr. William Vititoe, President and CEO of ANR Pipeline Company, addressing ALEC on "Why the States Need an Energy Policy"

National Leadership
Summit on
Tax and Fiscal Policy

*Saving the States
A Blueprint for
Budget Reform*

San Francisco
May 14-16, 1992

For two and a half days nearly 200 state legislative leaders, public policy experts and government officials gathered at the Fairmont Hotel in San Francisco to discuss the budget crisis in the states. ALEC's National Leadership Summit on Tax and Fiscal Policy, entitled *Saving the States: A Blueprint for Budget Reform*, offered innovative strategies to bring excessive state spending under control.

The final product of the Summit is a collection of the papers presented. *The Crisis in America's State Budgets: A Blueprint for Budget Reform*, which was released at ALEC's 20th Annual Meeting.

The forgotten man of the tax and spend debate is the taxpayer. One of the accomplishments of this meeting was that we were able to develop policies that place the taxpayer - the men, women and families who foot the bill - at the center of the debate. They have been forgotten for far too long.

*-Representative Joe Petrilli
Delaware
Summit Chairman*

Budget reform has become an economic and moral imperative. It is an economic imperative because the record tax increases of the last two years, which now total more than \$29 billion, are strangling our economy. It is a moral imperative because we are irresponsibly spending future generations into a life of oppressive taxation, poverty and economic decline.

*-Representative Fred C. Noye, Pennsylvania
1992 National Chairman*



AMERICAN
LEGISLATIVE
EXCHANGE
COUNCIL

Higher taxes crowd out productive private sector activity and reduce the spirit of enterprise. To cite one statistic...the 10 states that lowered their taxes the most in the 1980s had a per capita real income growth of over 21 percent...the 10 states that raised their taxes the most had real growth of less than nine percent.

-Dr. Richard Vedder, Ohio University



AMERICAN
LEGISLATIVE
EXCHANGE

In contrast to the federal government, the state governments have constitutional and statutory rules that constrain their fiscal decisions. In the past these fiscal rules have significantly constrained the growth of state government. However, over the last decade these state fiscal rules have been eroded. State governments have expanded at a rapid rate in spite of these fiscal rules. As a result citizens also view state government as too big, too expensive, and too intrusive in our daily lives.

*-Dr. Barry Poulson
University of Colorado*



19th Annual Meeting*Reaching New Heights***Colorado Springs
August 5-9, 1992**

ALEC's premier event, the *Annual Meeting* brings together each year nearly 2,000 state legislators, senior corporate executives, government officials, public policy experts, and legislative staff from all 50 states.

ALEC's *19th Annual Meeting* in Colorado Springs was the largest

national gathering of state legislators in 1992 and more than lived-up to the theme of "Reaching New Heights."

ALEC's *19th Annual Meeting* included an unrivaled line-up of speakers, including: **President Bush; Interior Secretary Manuel Lujan; Education Secretary Lamar Alexander; HHS Secretary Louis Sullivan; Transportation Secretary Andrew Card; Chevron Chairman and CEO Kenneth T. Derr; United Parcel Service Chairman and CEO Kent C. Nelson; and Syntex Corporation Chairman and CEO Paul Freiman.**

In addition to the *Meeting's* ten major addresses, there were 22 issue seminars and workshops, covering topics such as medicaid and health insurance reform, educational choice, long-distance learning, technologies, welfare reform, excise taxes, public employee compensation, global warming, solid waste disposal, tort reform, and the privatization of public services.

ALEC proudly awarded its highest honor, the *Thomas Jefferson Freedom Award*, to **Housing and Urban Development Secretary Jack Kemp**, at the end of the greatest *Annual Meeting* in ALEC's history



President Bush is given a warm welcome by ALEC members at the opening session of the 1992 Annual Meeting in Colorado Springs. Joining the President at the headtable were Ambassador Holly Coors, Senator Ray Powers (CO), Mr. Allen Auger of Coors Brewing Co., Incoming National Chairman Senator William J. Raggio (NV), ALEC Executive Director Samuel A. Brunelli, 1992 National Chairman Representative Fred C. Noye (PA), President Bush, Representative Tom Ratterree (CO), ALEC Private Enterprise Board Chairman Mr. Ronald F. Scheberle of GTE, Dr. James Dobson of Focus on the Family, Mr. Bill Cameron of US West, Mr. Gerold Mossinghoff, President of the Pharmaceutical Manufacturers Association, and Colorado Springs Mayor Bob Issac.

Twenty years ago, when ALEC started, you were a lone voice in the conservative wilderness...But your energy and your ideas and your enthusiasm helped lead the ideological transformation of America. So it's an honor to be standing here as you guest.

-President George Bush



You have been stalwarts in the fight to maintain free-market principles in our nation's health care system...

*-HHS Secretary
Louis Sullivan*

Our country did not become the single greatest power on earth by some freak accident of history. We got to where we are today because we have a system that values individual rights and individual freedom. Our economy has become the largest in the world, larger than the second and third combined, because it has been allowed to grow naturally, in relative freedom from government interference.

-Interior Secretary Manuel Lujan



United Parcel Service Chairman and CEO
Kent C. Nelson with Transportation
Secretary Andrew Card



The fact is pharmaceutical research is a crapshoot. We start with 6,000 new chemical compounds that we've discovered and we winnow these down to six exciting prospects. It takes us ten to twelve years to bring each of those six

products to the market at a cost of \$230 million each.

Ultimately, only one of those six reaches the marketplace.

We can't continue to expend the

efforts we are in research, and not receive recognition of the value of what we're doing and the cost of performing the job well. We should not allow the goose that lays the golden eggs of good health to be killed.

-Syntex Chairman and CEO Paul Freiman



ALEC's Incoming National Chairman Senator William J. Raggio (Nevada) and Executive Director Samuel A. Brunelli celebrate the success of the 1992 Annual Meeting by signifying ALEC's standing as the premier state public policy organization in the nation.



The idea in America of giving middle- and low-income families more of the same choices of all schools that families with money already have as a way of changing the schools — and then giving them the dollars that make those changes — now, that's a compelling idea. It's hard to be against that in this country.

-Education Secretary Lamar Alexander

The Bible says, "What propheteth a man to gain the world and lose his soul?" Ladies and gentlemen, what would it propheteth America to gain the world for freedom and lose our soul at home?

The soul of America is in our families. The soul of America is in our inner cities. The soul of America is in how we treat the poor. The soul of America is in how we treat people who have been left out of this private property-based system.

ALEC is bringing to America a chance to regain and recapture the soul of America, to allow every single American man or woman, irrespective of their ethnic background, irrespective of their color, a chance to be a part of the greatest democracy, the greatest freedom, the greatest system on the face of the earth. And you, in helping make it happen are the ones who deserve the Thomas Jefferson award.



**AMERICAN
LEGISLATIVE
EXCHANGE
COUNCIL**

*the Honorable Jack Kemp
Thomas Jefferson Award
1992*

**National Orientation
Conference**

*Democrats and Republicans
United for Prosperity*

Washington, D.C.
December 10-12, 1992

The annual *National Orientation Conference*, unique to ALEC, provides newly elected state legislators with briefings on the issues challenging the states today. *The National Orientation Conference* also provides a unique opportunity for ALEC's private sector members to build relationships with new legislators that will last their entire career. Nearly 400 newly elected state legislators from around the nation attended the 1992 conference.

The 1992 Conference provided attendees with the insights and opinions of national leaders on a wide range of topics. The major speakers at the Conference included Secretary of Housing and Urban Development **Jack Kemp**, Education Secretary **Lamar Alexander**, Congressmen **Charles Stenholm (D-TX)**, **Richard Armey (R-TX)**, **Tom DeLay (R-TX)**, Federal Reserve Board Governor **Lawrence Lindsay**, Mr. **Arthur Hill**, Chairman and CEO of **Coldwell Banker**, and Mr. **Gerry Mossinghoff**, President of the **Pharmaceutical Manufacturers Association**.

ALEC also awarded **Dr. Paul Craig Roberts**, a nationally syndicated columnist and renowned economist, with the first *Warren Brookes Award for Journalistic Excellence*, named after the late *Detroit News* columnist.

ALEC's 1993 National Chairman Senator **William J. Raggio (Nevada)** and AELC Executive Director **Samuel A. Brunelli** flank the Honorable **Paul Craig Roberts**, the first recipient of ALEC's *Warren Brookes Award for Journalistic Excellence*.



...the children today are not the people in our community on behalf of whom the schools are administered. We must come to terms with our realization of that fact. The schools today are administered on behalf of the educators, and that's not right.

-Congressman Richard Armey



The only reason that I have come to be the major proponent of the BBA, and have worked as hard as I have, is the belief that it is the only remaining tool to be tried to bring some common fiscal sense to our national government -- at both ends of Pennsylvania Avenue.

-Congressman Charles Stenholm



When the government forces business to divert resources in ways they wouldn't otherwise, we are levying a tax upon those businesses as surely as if they had collected the money by the Treasury.

-Congressman Tom DeLay



ALEC PUBLICATIONS

Setting the Terms of the Debate

ALEC's publications are the voice of its membership to fellow legislators, government officials, the private sector, public policy experts and the media. Perhaps most importantly, through its publications ALEC disseminates its policy proposals, influencing the terms of the debate on the critical issues facing the states and the nation.

ALEC greatly expanded its publications in the last few years, releasing books, issue papers and model legislation on the cutting edge of the public policy debate.

Setting the terms of the debate in legislatures across the nation in 1992 were ALEC's issue papers *America's Protected Class*, *The Untold Story*, *Insuring America*, *Voting with Their Feet*, *Pesticides and Food Safety*, and *Reforming the Worker's Compensation System*.

ALEC also premiered *Legislative Issue Briefs*, a compendium of valuable resource data and concise discussions of the solutions to the problems facing the states today.

With the publication of *Keeping the Promise: A Comprehensive Health Care Plan for the States*, ALEC positioned itself as the leader in health care reform in the states.

Taken together, ALEC's unique mix of publications offers its members an unparalleled source of timely information, original research, and trenchant commentaries on the critical issues facing state legislators today.

The Source Book of American State Legislation 1993-94



The Source Book is among the most important documents produced in America today.

- Iowa Governor
Terry Branstad

The key to advancing ALEC's legislative agenda, this six volume compendium offers in-depth analysis and more than 150 pieces of model legislation on a wide-range of public policy issues.

Volume I
Restoring the American Dream: Education and Empowerment Policy

Volume II
A Prescription for Change: A State Health Care Policy Agenda

Volume III
A Question of Discipline: A Guide to Fiscal Responsibility

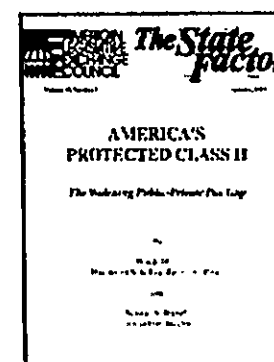
Volume IV
A Natural Resources Agenda for a Prosperous World

Volume V
Equal Justice Under Law

Volume VI
A Pro-Growth Economic Policy

The State Factor

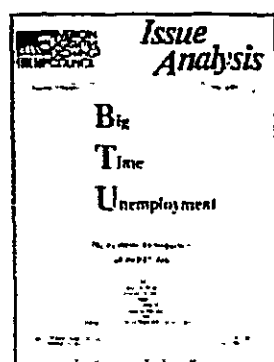
Each edition of the State Factor features an in-depth analysis of a specific public policy issue of interest to state legislators. Recent State Factors have examined: state and local public employee compensation; welfare reform; using competitive incentives to control the demand for taxes; reforming long-term health care; the economic consequences of excise taxes; and a study of spending by cities in the 1980s.



The State Factor is an invaluable office resource and should be mandatory reading for all state representatives. It has become an essential tool for me as I seek to develop responsible, fiscally conservative solutions to some of New York's most pressing problems.

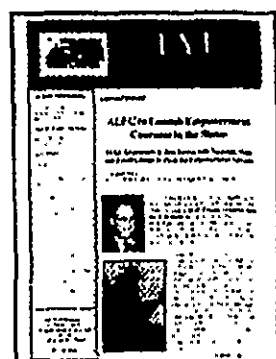
- New York State Senator
Joseph P. Holland

Issue Analysis



This series of policy analyses focuses on topical issues of immediate concern to legislators and policy makers. Recent editions of Issue Analysis have discussed: the proposed BTU tax; the relationship between excess public employ compensation and economic growth; and the limited Constitutional Convention.

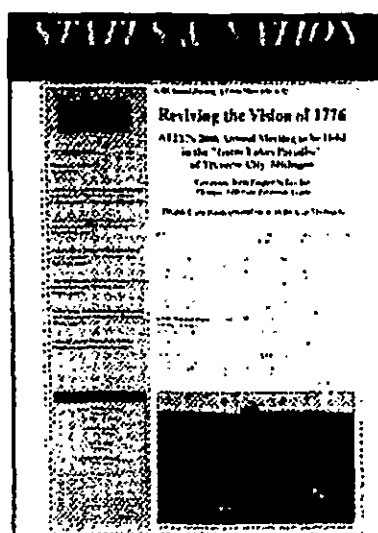
FYI



Published 16 times a year, *FYI* is a newsletter providing sharp, concise coverage of contemporary state legislative issues. *FYI* is distributed to state legislators, corporate executives, public policy experts, government officials and the media. In the last year *FYI* has published exclusive interviews with Jack Kemp, William J. Bennett and Gerald Mossinghoff, and editorials by U.S. Senator Connie Mack (R-FL) on a new proposal to cut federal spending, and U.S. Senators Strom Thurmond (R-SC) and Paul Simon (D-Ill.) on the need for a Balanced Budget Amendment. *FYI* also publishes special editions that

contain the major speeches made at ALEC meetings, and election year specials that provide ALEC members with unique insights into state politics.

States & Nation



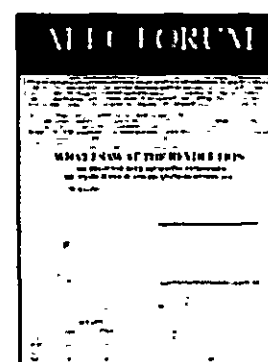
States & Nation is a quarterly newsletter devoted to keeping members abreast of ALEC's activities. Each issue contains reports on major ALEC events, new publications and model legislation, ALEC members, and commentaries on the major issues of the day.

ALEC is the most important organization in the country in terms of reminding state legislators of the free-enterprise principles upon which our Nation was founded.

It has a tremendous impact on the National agenda.

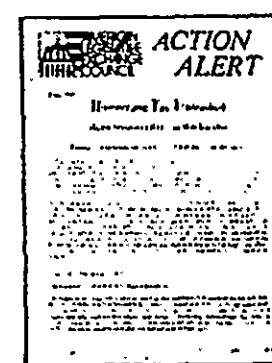
-Florida Representative Tom Feeney

ALEC Forum



The remarks and articles of senior corporate executives and leading public policy experts are reprinted in *ALEC Forum*. Some of the renowned private sector leaders who have appeared in *ALEC Forum* include: Texaco President and CEO James Kinnear; Chevron Chairman and CEO Kenneth T. Derr; UPS CEO and Chairman Kent C. Nelson; Syntex Corporation Chairman and CEO Paul E. Freiman; ANR Pipeline Company President and CEO William P. Vititoe; Coldwell Banker CEO and Chairman Arthur Hill; and Distilled Spirits Council of the U.S. CEO Fred Meister. Also appearing in *ALEC Forum* have been: economist Paul Craig Roberts; Institute for Research on the Economics of Taxation President Dr. Norman Ture; and CATO Institute Chairman William Niskanen.

ALEC Alert



Issued as needed, *ALEC Alert* provides members with advance notice of critical pending legislative action at the state or federal level. Recent *ALEC Alerts* have reported on the BTU tax, empowerment policy and reforming the small group health insurance market.

Specialized Publications _____

ALEC publishes a variety of books, special studies, monographs and booklets on topics of current interest to state legislators. In 1992-93 ALEC published:

Legislative Issue Briefs _____

Containing concise, two to three page discussions of major issues facing state legislators, *Legislative Issue Briefs* is offered on a limited distribution basis. The first edition was distributed at ALEC's 1992 National Orientation Conference to newly elected state legislators, and the greatly expanded second edition, containing over 100 briefs and extensive background information, will be given to attendees of ALEC's 20th Anniversary Annual Meeting.

**Keeping the Promise:
A Comprehensive Health
Care Plan for the States** _____

Written by ALEC's Health Care Task Force, *Keeping the Promise* is a set of free market reforms for America's ailing health care system. *Keeping the Promise* contains 35 pieces of model legislation

to reform state health care based on free market principles. The five major areas of reform covered are: health insurance; Medicaid; medical liability; long-term care; and rural health care.

**Environmental Partners:
A State Legislator's Guide to
Public Private Partnerships
(Volumes I and II)** _____

Few challenges are more difficult, or expensive, than developing the infrastructure needed to protect the health and safety of our communities. *Environmental Partners* contains step-by-step instructions on how to design public-private partnerships for the delivery of environmental services. *Environmental Partners* offers state legislators the tools they need to develop programs to meet environmental challenges in the most cost effective fashion available.

**The Crisis in America's State
Budgets: A Blueprint for
Budget Reform** _____

The Crisis in America's State Budgets contains the papers presented at ALEC's 1992 National Leader-

ship Summit on Tax and Fiscal Policy. The papers presented covered the impact of state taxes on economic growth; tax and expenditure limitations; the impact of federal mandates and grants-in-aid; state revenue forecasting; public employee compensation; and the privatization of public services. Edited by John Berthoud, Ph.D., ALEC Director of Tax and Fiscal Policy, and Samuel A. Brunelli, ALEC Executive Director, the authors are Dr. Richard Vedder of Ohio University; Dr. Barry Poulson of the University of Colorado; Dr. Bernard Weinstein and Dr. Harold Gross of the University of North Texas; Dr. William Styring of the Indiana Chamber of Commerce; Wendell Cox and Samuel A. Brunelli of ALEC; and Mr. Robert W. Poole, Jr., President of the Reason Foundation.

"No other group can compare to the policy and philosophical impact ALEC has on the legislative debate at the state level."

-Senator Mike Gunn, Miss.

Publications Catalog _____

Containing a complete listing of all available issue papers, books, and periodicals, ALEC's Publications Catalog is a detailed guide to ALEC's legislative and policy agenda. ALEC members receive all publications free of charge, while members of the public are required to pay a nominal fee.

ALEC'S STATE AND TASK FORCE CHAIRS

A Winning Team in the States

LEGISLATIVE STATE CHAIRS



**Representative
Gail Phillips
Alaska**



**Representative
Debby P. Sanderson
Florida**



**Senator
Lana Oleen
Kansas**



**Representative
Perry Hooper, Jr.
Alabama**



**Representative
Kathy B. Ashe
Georgia**



**Representative
Tom Riner
Kentucky**



**Representative
Bobby L. Hogue
Arkansas**



**Representative
David Stegmaier
Hawaii**



**Representative
Richard L. Roeding
Kentucky**



**Representative
Brenda Burns
Arizona**



**Representative
Roger Halvorson
Iowa**



**Representative
Hunt Downer
Louisiana**



**Senator
Bill Leonard
California**



**Representative
Donna M. Jones
Idaho**



**Representative
Edward B. Teague
Massachusetts**



**Representative
Tom Ratterree
Colorado**



**Representative
Bernie E. Pederson
Illinois**



**Delegate
Martha Klima
Maryland**



**Senator
George L. Gunther
Connecticut**



**Representative
Samuel R. Turpin
Indiana**



**Representative
Peggy A. Pendleton
Maine**



**Representative
Joseph R. Petrilli
Delaware**



**Senator
Thomas J. Wyss
Indiana**



**Representative
James M. Middaugh
Michigan**



**Representative
Gregory M. Davids
Minnesota**



**Assemblywoman
Clare M. Farragher
New Jersey**



**Senator
Brad Gorham
Rhode Island**



**Representative
Bonnie Sue Cooper
Missouri**



**Representative
Jerry Lee Alwin
New Mexico**



**Representative
Ronald C. Fulmer
South Carolina**



**Representative
Ted Foster
Mississippi**



**Senator
Dean A. Rhodes
Nevada**



**Representative
Charles E. Allen
Tennessee**



**Senator
Lorents Grosfield
Montana**



**Assemblyman
Robert A. Straniere
New York**



**Representative
Jim Tallas
Texas**



**Representative
Theresa H. Esposito
North Carolina**



**Representative
Lynn R. Wachtmann
Ohio**



**Delegate
Steve H. Martin
Virginia**



**Representative
Francis J. Wald
North Dakota**



**Representative
Mary Fallin
Oklahoma**



**Representative
Joan A. Conant
Vermont**



**Senator
Rex S. Haberman
Nebraska**



**Representative
Carolyn Oakley
Oregon**



**Representative
Mike Padden
Washington**



**Senator
Eleanor P. Podles
New Hampshire**



**Representative
James R. Merry
Pennsylvania**



**Senator
Joseph Manchin, III
West Virginia**

State Chairs and Co-Chairs Not Pictured: Assemblyman Raymond N. Haynes, California; Representative Bob Haukoos, Minnesota; Representative Edward A. Warner, North Carolina; Representative Robert J. Flick, Pennsylvania; Senator Robert Robbins, Pennsylvania; Representative Rafael Caro Tirado, Puerto Rico; Representative Della M. Wishard, South Dakota; Representative Christine Fox, Utah; Representative Scott R. Jensen, Wisconsin; Senator George Petak, Wisconsin; Representative Rick Tempest, Wyoming.

THE WINNING EDGE: Private Sector State Chairs



Mr. Joe Bell
*Friday, Eldridge
and Clark*
Arkansas



**Mr. Robert
Fowler**
*Indiana Chamber
of Commerce*
Indiana



**Mr. John
Spinnanger**
New Jersey Bell
New Jersey



Mr. Pat McKlveen
*United Parcel
Service*
Tennessee



**Mr. Russell
Smolden**
Salt River Project
Arizona



Mr. Ron Hein
Hein, Ebert, Weir
Kansas



Mr. Larry Bennett
*Southern Pacific
Transportation
Company*
Nevada



**Mr. Worrick
Robinson**
*South Central Bell
Telephone Co.*
Tennessee



**Mr. Mike
O'Meara**
Syntex Labs, Inc.
California



Ms. Julie Hein
Hein, Ebert, Weir
Kansas



**Mr. Samuel
McMullen**
*McMullen
Strategic Group*
Nevada



**Mr. Ray
Snokhous**
*Houston Industries
Inc.*
Texas



Mr. Allan Auger
*Coors Brewing
Company*
Colorado



**Ms. Roberta
Dillow**
*Baltimore Gas &
Electric Co.*
Maryland



Mr. Robert Luria
Glaxo Inc.
New York



Mr. Dennis Wood
US West
Utah



Mr. Edward Munster
Pfizer, Inc.
Connecticut



Mr. August Alegi
GEICO
Maryland



Mr. Scott Fisher
Phillip Morris USA
Ohio



**Mr. Frederick
Cook**
NFIB Vermont
Vermont



Mr. Henry Vinson
Tampa Electric
Florida



Mr. Jim Roberts
Minnesota Power
Minnesota



Mr. Jim Gardner
*Gardner &
Cosgrove*
Oregon



Mr. Jay Poole
Phillip Morris
Virginia



**Mr. George
Mason**
*Pacific Business
News*
Hawaii



Mr. Charles Irby
*Irby Construction
Company*
Mississippi



Mr. Frank Dillow
*GTE Northwest,
Inc.*
Oregon



Mr. Thomas Paine
*Washington Water
Power Company*
Washington



**Mrs. Jane
Tatibouet**
*ASTON Hotels and
Resorts*
Hawaii



Mr. John Bowdish
*Burroughs
Wellcome
Company*
North Carolina



Mr. Joseph Benish
*Pennsylvania
Electric Company*
Pennsylvania



Mr. Rex Reed
ANR Pipeline
Wisconsin



Mr. Walter Klein
*Sears Mortgage
Co.*
Illinois



**Mr. Melvin
Kambeitz**
US West
North Dakota



Mr. Lester Juon
*Midwest Power
Systems*
Iowa



**Mr. Joseph
Gonzales**
*N.J. Business &
Industry Assoc.*
New Jersey

Private Sector Chairmen Not Pictured: Kathryn Thomas, ARCTECH Services, Alaska; John Crawford, Waste Management of Alabama, Ala.; Michael Wright, Syntex Labs, Ark.; Pam Inman, Philip Morris USA, Colo.; David Press, Texaco, USA, Del.; Tom Provost, United Parcel Service, Ga.; Karl Shurtliff, GTE Northwest, Idaho; Charles Hiltunen, Sagamore-Bainbridge Ind., Ind.; George Sutton, South Central Bell, La.; Norman Saari, Consumers Power Co., Mich.; Marion Suitt, GLAXO, Inc., N.C.; Thomas Usiadek, United Telephone Co., Penna.; Dan Jones, Laidlaw Environmental Services, S.C.; Greg Schaeffer, Thuder Basin Coal Company, Wyo.

THE POWER OF IDEAS: Legislative Task Force Chairs

AGRICULTURE



Senator
Walter A. Graham
Mississippi

BUSINESS AND LABOR



Representative
Terry Parke
Illinois

CIVIL JUSTICE



Representative
Phil Bandstra
Michigan

Not pictured: Private Sector Chair Victor Schwartz, Esq.,
Crowell & Moring

CRIMINAL JUSTICE



Representative
Jerry Lee Alwin
New Mexico



Dr. Gerald Monks
*American Bail
Research Institute*

EDUCATION



Representative
Tom Feeney
Florida



Mr. J. Patrick Rooney
*Golden Rule
Insurance Co.*

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Wisconsin

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Pennsylvania



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Chevron Corporation

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Pat Blake
Arizona



Mr. Spencer Hathaway
Syntex Corporation

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Representative
David Owen
Colorado



Mr. Alan Bronson Smith
*Nationwide Insurance
Company*

REAL ESTATE, BANKING AND FINANCIAL SERVICES



Representative
Harold J. Brubaker
North Carolina

Not pictured: Private Sector Chair Ms. Sue Johnson, *Coldwell
Banker Real Estate Group*

TAX AND FISCAL POLICY



Representative
Joseph Petrilli
Delaware

Not pictured: Private Sector Chair Mr. Derek Crawford,
Philip Morris

TELECOMMUNICATIONS



Senator
Phil Hoffman
Michigan



Mr. Pete Poynter
BellSouth

TRADE, TRAVEL & TOURISM



Representative
William "Noopie" Cosby
Alabama

TRANSPORTATION



Senator
J. Doyle Corman
Pennsylvania



Mr. R.C. Back
Ryder Truck Rental

ALEC'S 1992 FINANCIAL REPORT

Winning Support from Around the Nation

ALEC's mission is to win the public policy debate in every state capital and across the nation. ALEC can only achieve its mission if it has the necessary financial resources and support. In that regard, 1992 was a banner year!

Today, ALEC has achieved a level of financial security that was unimaginable just a few years ago. We ended 1992 with a positive fund balance of \$585,000, with total assets exceeding \$1.1 million.

In the last five years ALEC has experienced phenomenal growth during a period when many other public policy organizations have seen a decline in their support. Annual revenues more than doubled between 1988 and 1992, growing from just under \$1.5 million to \$3.9 million. Our staff has expanded from a half-dozen to more than 30 full- and part-time employees, and our publications, issue papers, and model legislation have grown in both quantity and quality.

Our success this year has been due in large part to the generous contributions and active support of the corporations, businesses, and foundations who joined us to advance policies which promote free markets, economic growth, and individual liberty.

One of the reasons ALEC has garnered such overwhelming support is that we have carefully targeted our resources to our most important activities. With total expenses of \$3.8 million, a total of \$3 million, or 78 percent, was spent on our meetings, task force activities, and publications, which form the heart of our policy and legislative operations. We have proven that an investment in ALEC produces high returns. No other organization in the nation can match ALEC's combination of innovative ideas and legislative activity at the state level.

A measure of ALEC's increasing influence is the dramatic growth of our membership. Since 1988,

ALEC's legislative membership has doubled, now totalling nearly 2,500. During the same period, private sector membership has grown by a third, now topping 250 businesses, corporations and foundations actively supporting ALEC's efforts in the states.

The ALEC Foundation is a new institution dedicated to developing and supporting our efforts in the states. The ALEC Foundation received approval of its tax-exempt status early in 1992, and promises to be a powerful resource to advance the ALEC agenda into the next century.

Though we are proud of our accomplishments and the level of success we achieved in 1992, we believe that ALEC's best times lie ahead. As we look forward to the 21st century our vision remains clear: 50 prospering states and a nation leading the world towards a future of free enterprise, democracy, economic growth, and individual freedom.

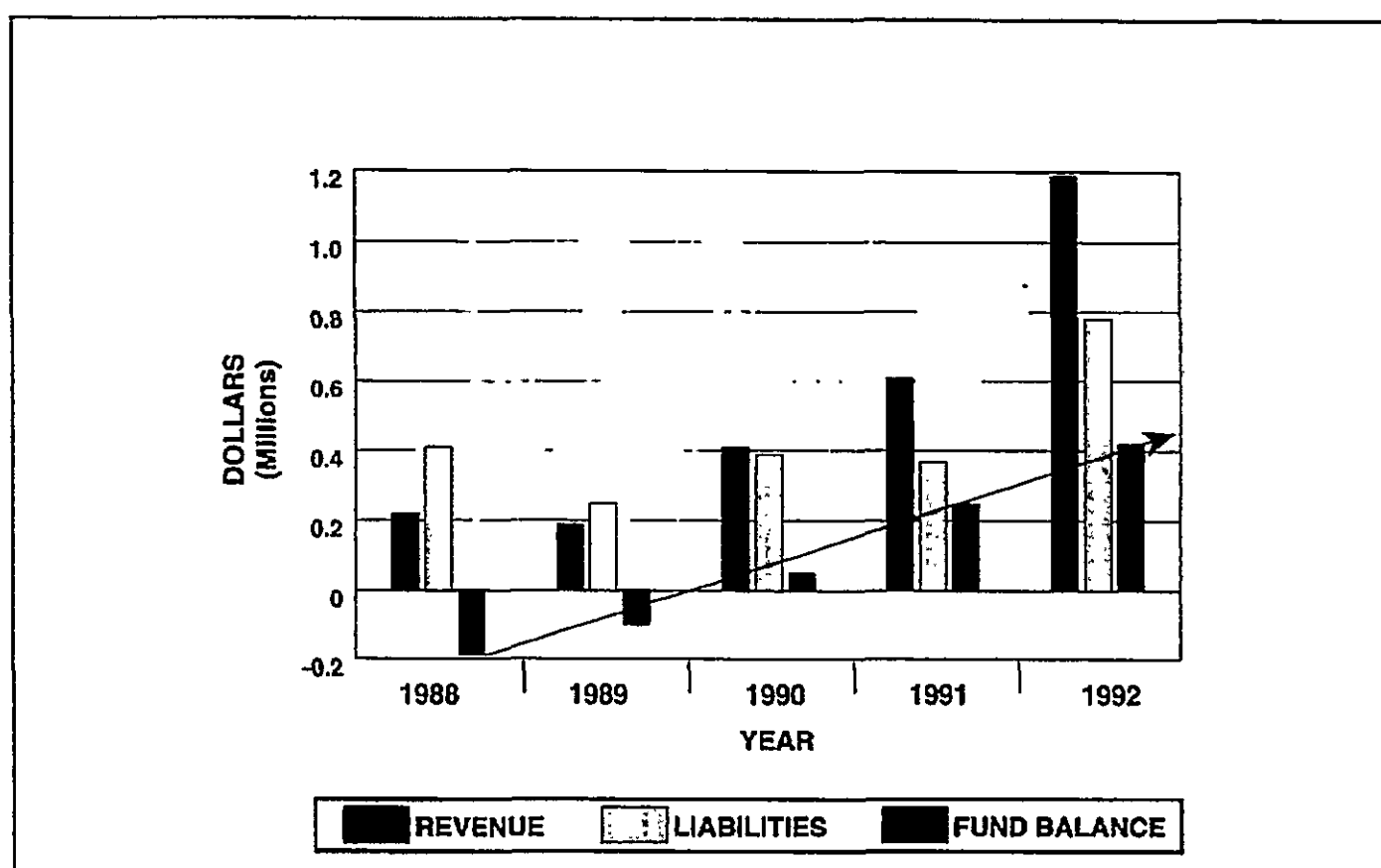
Representative Fred C. Noye
Pennsylvania
1992 National Chairman

Representative Harold J. Brubaker
North Carolina
1992 National Treasurer

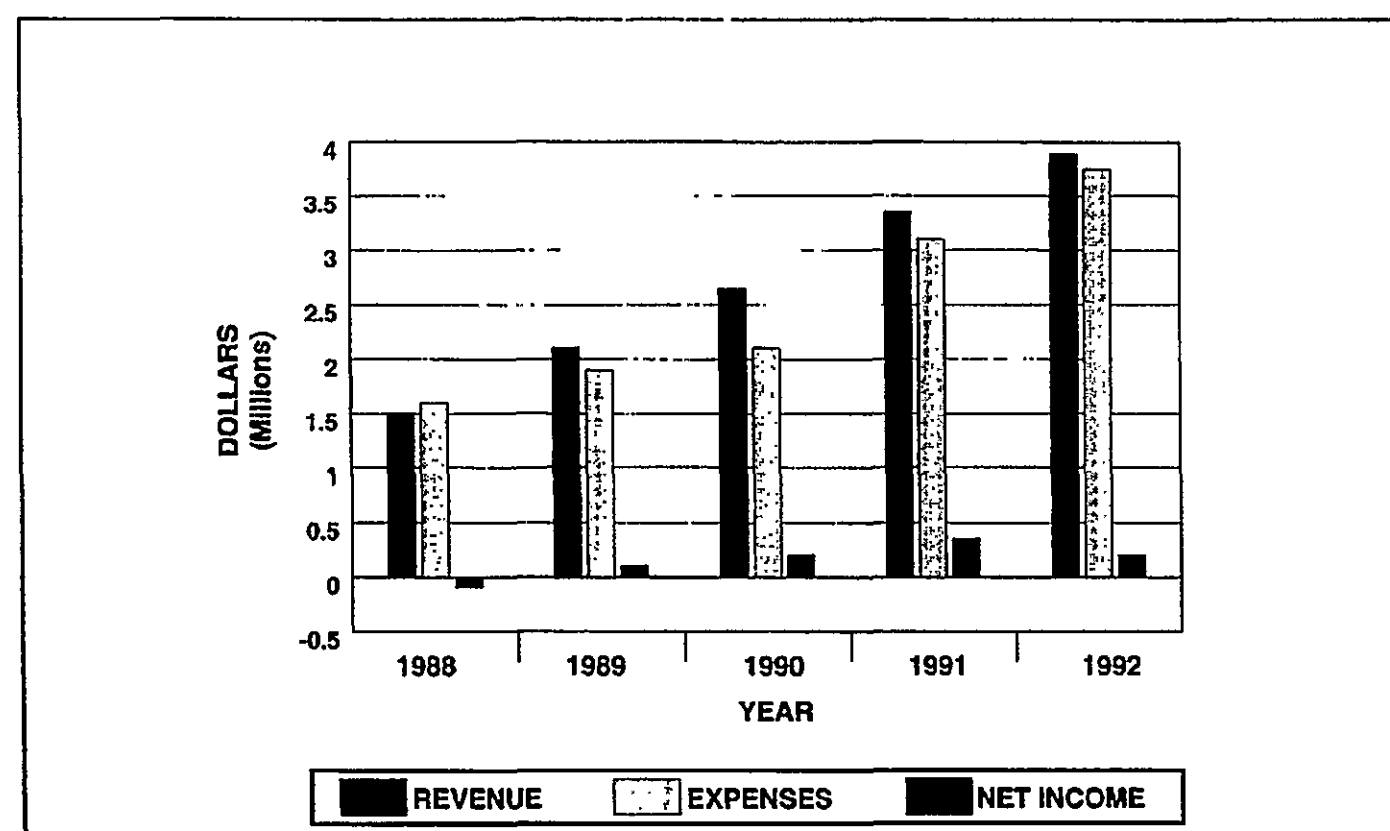
Samuel A. Brunelli
Executive Director

Financial statements audited by Lang + Associates, P.A. are available upon request. The financial information above is excerpted from the audited financial statements.

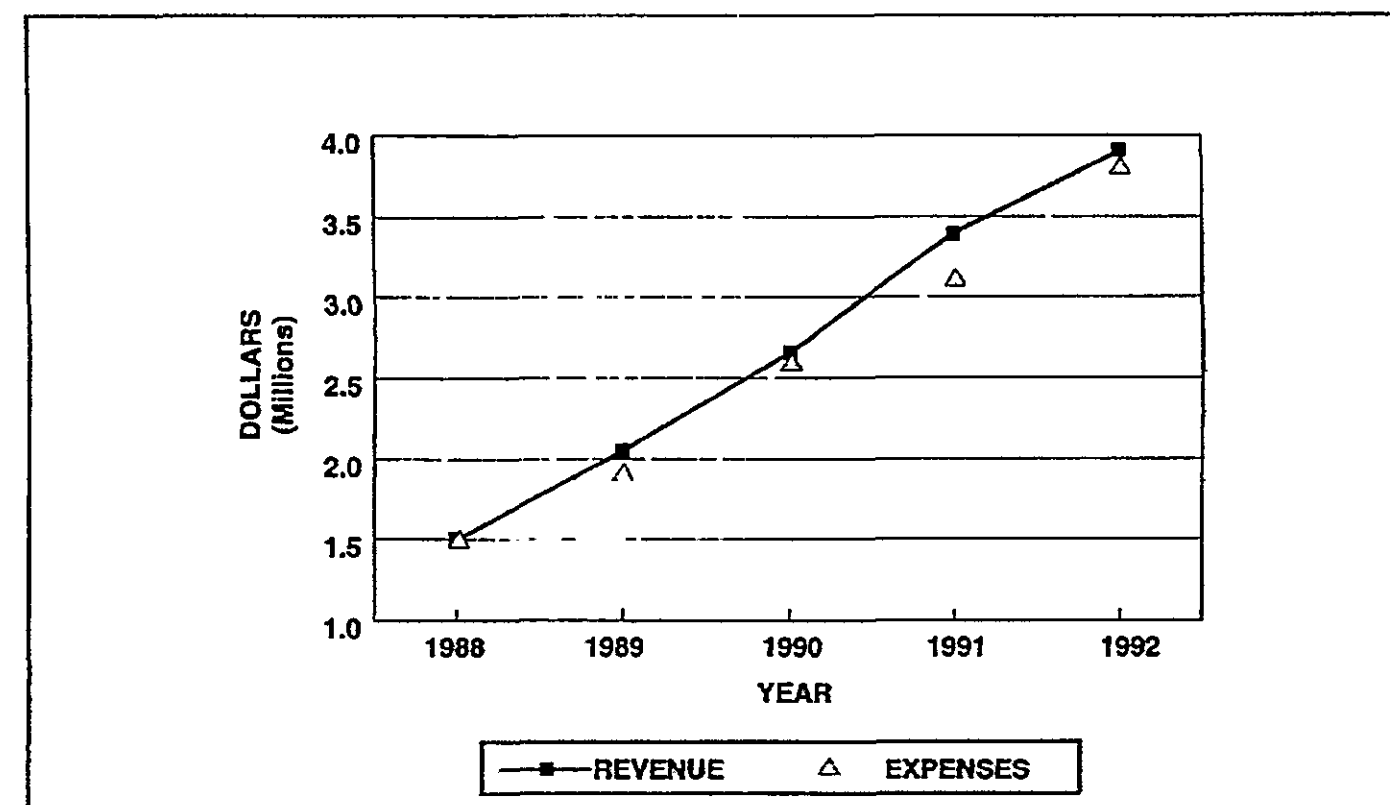
**ASSETS,
LIABILITIES AND
FUND BALANCES
1988-1992**



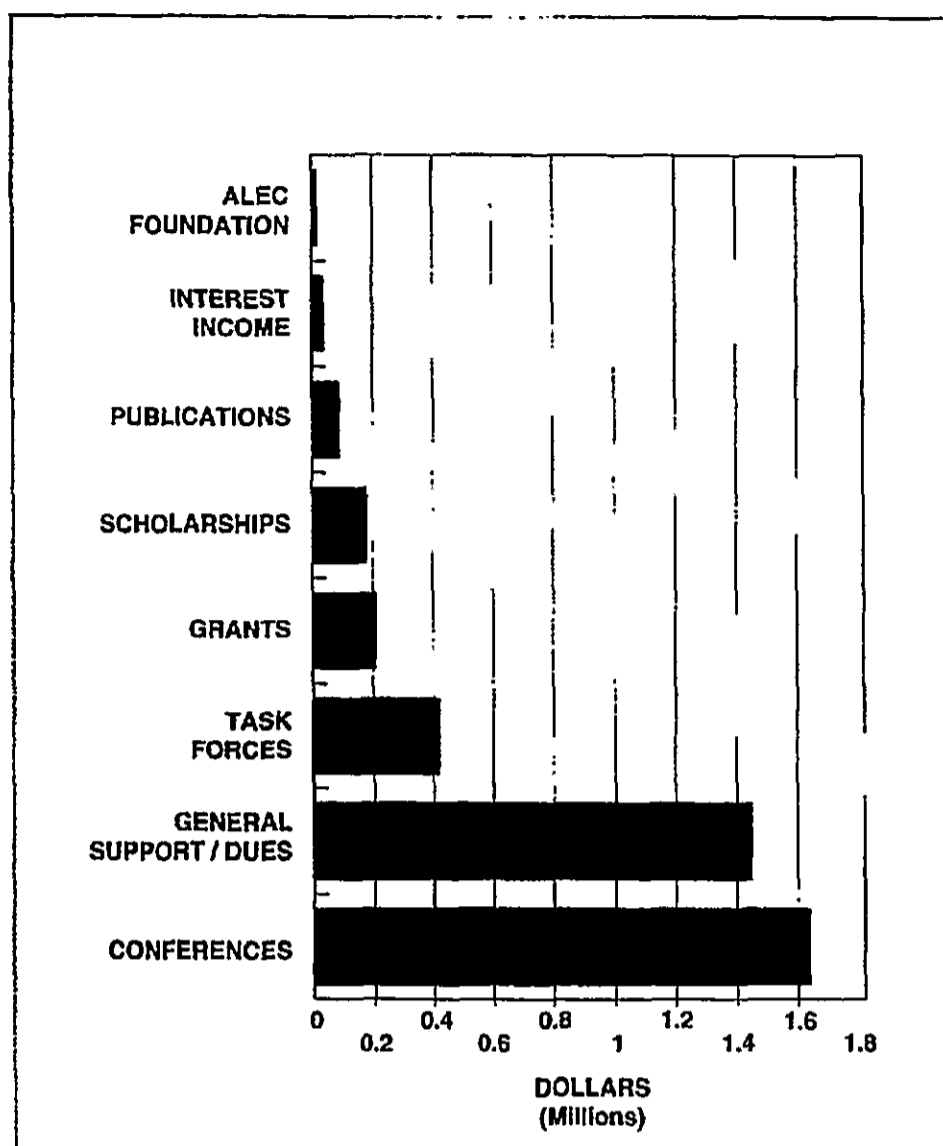
**REVENUES,
EXPENSES AND
NET INCOME
1988-1992**



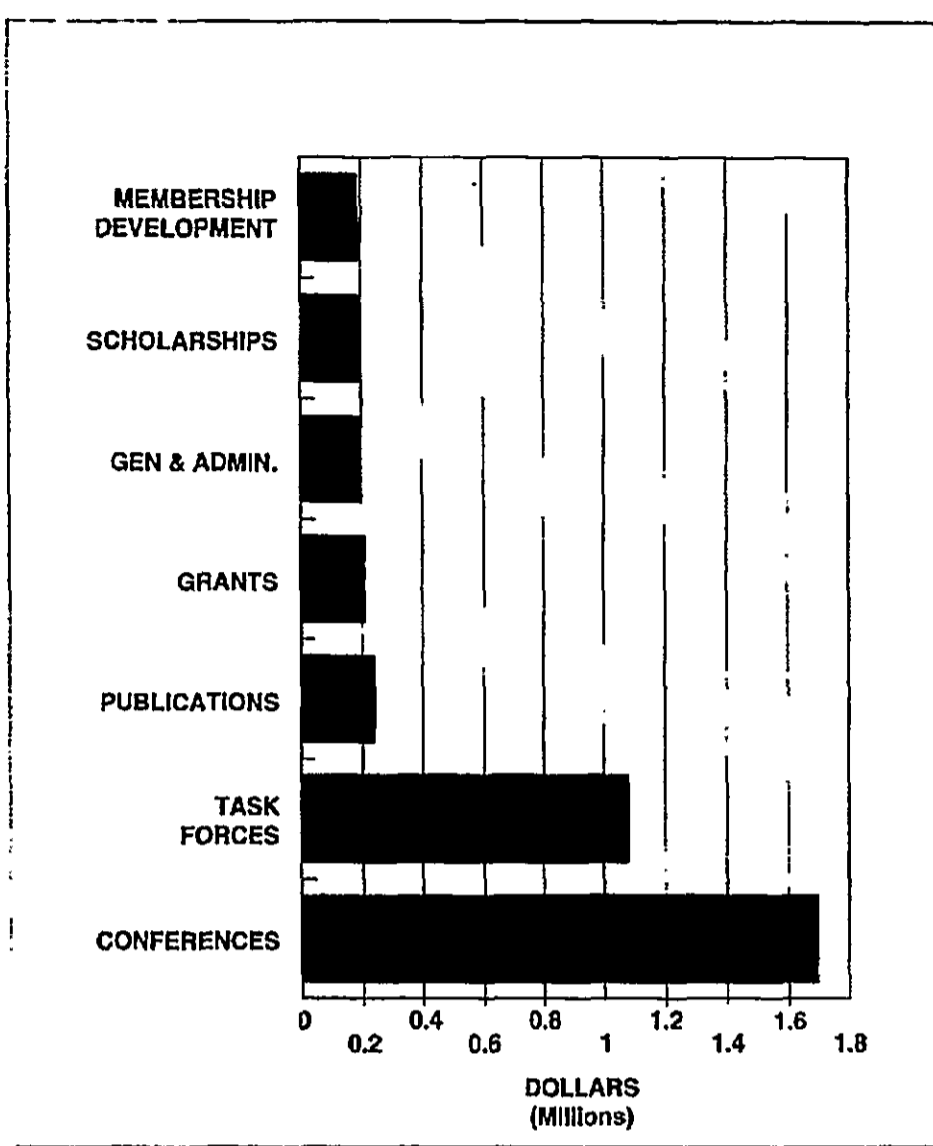
**REVENUES
VERSUS
EXPENSES
1988-1992**



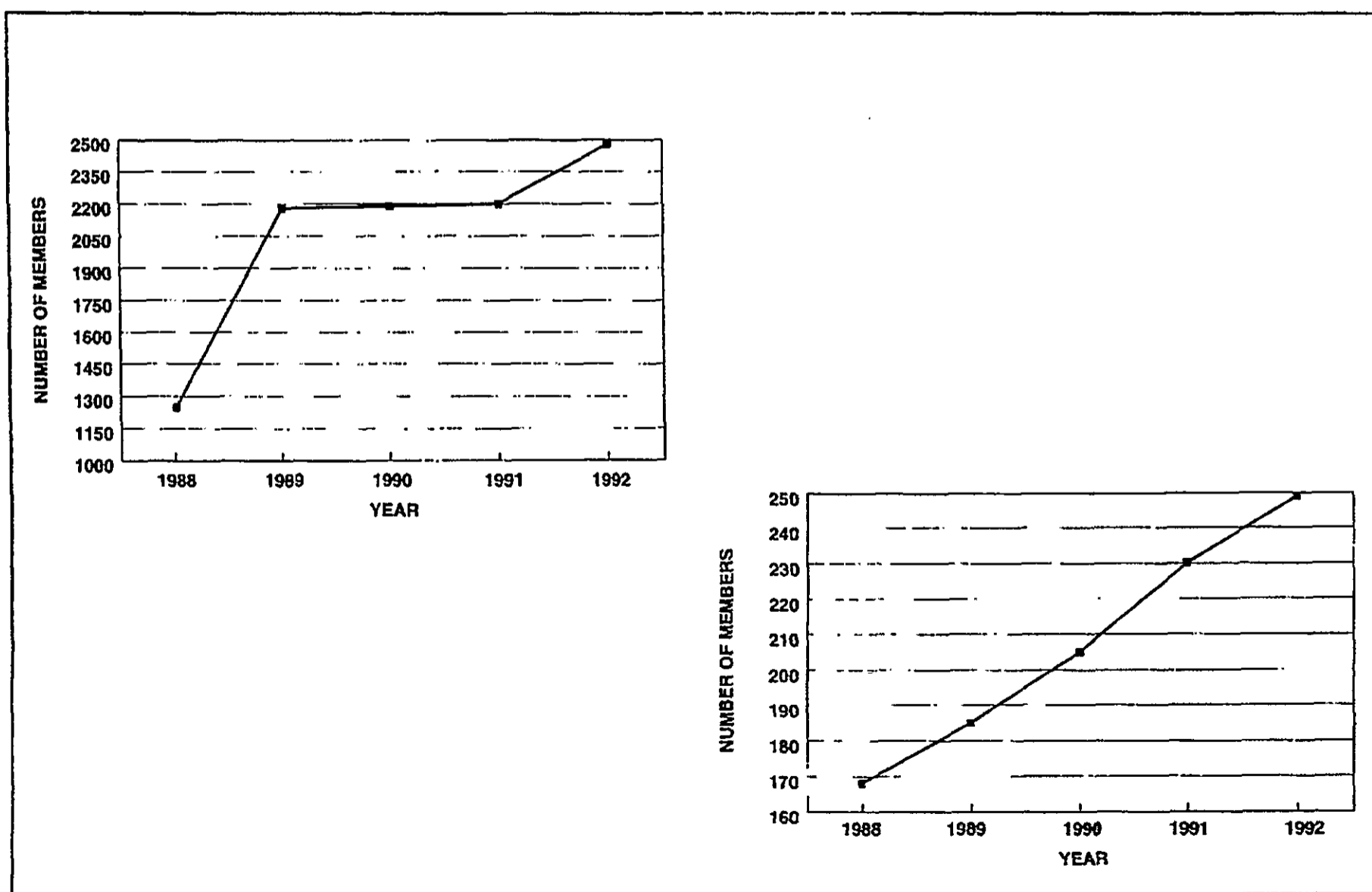
REVENUES BY TYPE 1992



EXPENSES BY TYPE 1992



LEGISLATIVE AND PRIVATE SECTOR MEMBERSHIP 1988-1992



ALEC'S PRIVATE SECTOR MEMBERSHIP

Investing in America's Future

Adolph Coors Foundation	Association of American Physicians and Surgeons, Inc.	Design Benefit Plans
Alabama Power Company	Association of Health Insurance Agents	Detroit Edison Foundation
ALCOA Foundation	BP America, Inc.	Digital Equipment Corporation
Allegheny Foundation	Burger King Corporation	Distilled Spirits Council of the U.S.
Alliance for Sound Atmospheric Policy	Baltimore Gas and Electric Company	Douglas Financial Corporation
AlliedSignal Automotive	Beer Institute	Dow Corning Corporation
Allwaste, Inc.	Bell Atlantic	DowElanco
American Bail Research Institute	Bell of Pennsylvania	Drummond Company
American Chambers Life Insurance Company	BellSouth Corporation	DuPont Merck Pharmaceuticals
American Ecology Corporation	BI Incorporated	Durham Transportation
American Electric Power	Boehringer Ingelheim Pharmaceuticals, Inc.	E&M Charities
American Express	Bristol-Myers Squibb Company	EDS Corporation
American Home Products Corporation	Browning-Ferris Industries	Electronic Industries Association
American Nuclear Energy Council	Burroughs Wellcome	Eli Lilly and Company
American Petroleum Institute	Carter-Wallace Foundation	Elis Olsson Memorial Foundation
American Plastics Council	CENTEL	Enron Corporation
American Republic Insurance Company	Central Reserve Life Insurance Company	Exxon Company, USA
American Shooting Sports Council	Central & South West Services	Fieldstead & Company
American Tort Reform Association	Chemical Manufacturers Association	FMC Foundation
American Waterworks Company	Chevron USA	Ford Motor Company
Ameritech	Chlorine Coordinating Council	Gates Corporation
Ameritech Foundation	CIBA-GEIGY	GEICO
Amex Life Assurance Company	Cigar Association of America	Genentech
Amgen Inc.	Citizens Insurance Company	General Motors Company
Amoco Foundation	Coastal Corporation	Gerber Products Company
Amway Corporation	Coeur d'Alene Mines Corporation	Glaxo, Inc
Amusement and Music Operators Association	CONRAIL	Golden Rule Insurance Company
Amwest Surety Insurance Company	Conservative Legal Defense and Education Fund	Grover Hermann Foundation
Anheuser-Busch Companies	Consolidated Freightways, Inc.	GTE Corporation
Anker Energy	Consumers Power	Gun Owners of America
Anschutz Foundation	Coors Brewing Company	Hancor, Inc.
ARCO	Corrections Corporation of America	Hanover Insurance Company
Armstrong Foundation	Council for Affordable Health Insurance	Harbert Corporation
Ashland Oil, Inc.	Covington & Burling	Health Insurance Association of America
Association of American Railroads	Crown Central Petroleum Corporation	Heublein, Inc.
Association for Commercial Real Estate	Crum & Forster Insurance	Hiram Walker & Sons, Inc.
		Hoechst-Roussell Pharmaceutical Corporation
		Household International
		Houston Industries, Inc.
		Humana Corporation
		IBM
		Independence Mining Company

List as of August, 1993

Indiana Bell	National Agricultural Chemicals Association	Rhone-Poulenc Ag. Company
Industrial Biotechnology Association	National Association of Home Builders	Rhone-Poulenc Rorer
International Council of Shopping Centers	National Association of Independent Insurers	Roadway Services, Inc.
International Fidelity Insurance Company	National Association of Realtors	Ryder Truck Rental, Inc.
Iowa Utility Association	National Association for the Self-Employed	Sandoz Pharmaceuticals
Iowans for Tax Relief	National Business Association	Salt River Project
Irby Construction Company	National Coal Association	Scana Corporation
J.B. Reynolds Foundation	National Court Reporters Association	Schering-Plough Corporation
JCPenney Company, Inc.	National Health Insurance Company	Schwan's Sales Enterprises, Inc.
JELD-WEN, Inc.	National Federation of Independent Business	Shannon M, Inc.
J.M. Foundation	National Food Processors Association	Shaklee Corporation
John M. Olin Foundation	National Independent Private Schools Association	Shell Oil Company
Johnson & Johnson	National Multi Housing Council	Shell Oil Company Foundation
Joseph E. Seagrams & Sons, Inc.	National Rifle Association	Sierra Health Services
Kansas City Southern Industries, Inc.	National School Bus Service	SmithKline Beecham
Kellogg Company	National Staff Leasing Association	Solvay Pharmaceuticals
Kmart Corporation	Nations Bank	Southwire Company
Koch Industries, Inc.	Nationwide Insurance Company	Southern Company Services, Inc.
Kraft General Foods, Inc.	Newmont Mining Company	Southern Pacific Transportation Company
Laidlaw Environmental Services Inc.	Nevada Bell	Southwestern Bell
Laidlaw Transit, Inc.	Nevada Mining Association	State Farm Insurance Company
Lederle Laboratories	New Jersey Bell	Steel Can Recycling Institute
Liberty Mutual Insurance Company	Nonprescription Drug Manufacturers Association	Sterling Winthrop, Inc.
LTC, Inc.	Northern Telecom	Sun Company
Lynde and Harry Bradley Foundation	NYNEX Corporation	Sunmark Foundation
MAPCO	Orange & Rockland Utilities	Syntex Laboratories, Inc.
Marathon Petroleum Company	OxyChem	Tampa Electric
Marion Merrell Dow, Inc.	Oxy, USA	Tenneco Gas
Mary Kay Cosmetics	Parke-Davis	Texaco, Inc.
Mayflower Contract Services, Inc.	Pennsylvania Electric Company	The Dial Corp
McDonald's Corporation	Pennzoil Company	The Promus Companies
Medical Association of Georgia	Pepsi-Cola Company	The Tobacco Institute
Mega Life and Health Insurance Company	Pfizer Inc	Torchmark Corporation
Merck and Co., Inc.	PFL Life Insurance Company	TRW, Inc.
Messer, Vickers, Caparello, Madsen, Lewis and Metz	Pharmaceutical Manufacturers Association	Underwriters Surety, Inc.
Michigan Consolidated Gas Company	Philip M. McKenna Foundation	United Parcel Service
Michigan Insurance Federation	Philip Morris USA	Upjohn Company
Miles Inc.	Phillips Petroleum Company	UPS Foundation
Miller Brewing Company	Procter & Gamble Fund	U.S. Steel Group
Minnesota Power	Public Service Electric and Gas	US West
Mobil Oil Corporation	Quixote Corporation	UtiliCorp United Inc.
Monsanto Company	Responsible Industry for a Sound Economy	Vancom, Inc.
Motor Vehicle Manufacturers Association	R.J. Reynolds Tobacco Company	Vulcan Materials Company
Mylan Pharmaceutical		Walgreen Company
		Washington Water Power Waste Management, Inc. of Alabama
		Wausau Insurance Companies
		Windway Foundation
		Wisconsin Electric Power
		WMX Technologies, Inc.
		World Chiropractic Alliance
		Zeneca Pharmaceuticals Group

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