

# ALEC Exposed in Texas

## **The Corporate Agenda**

How an exclusive network of corporations and lawmakers write the laws to increase corporate profits at public expense in Texas.

## **The Money Trail**

How corporations that underwrite this organization for legislators, in which over 98% of its funding is from corporations and sources other than legislative dues, funneled \$16.2 million to Texas lawmakers from 2001-2011.

## **The Laws and Lawmakers**

How Texas lawmakers sold out their constituents, and what we can do to put Texans first again.

# Progress ★ Texas

## About This Report

The compilation of this report was done by Phillip Martin, Progress Texas' Research and Policy Director, as well as Progress Texas researchers Kristen O'Brien and Samuel Carfagno. This introductory work relies extensively on the excellent research from the Center for Media and Democracy, as well as research done by the National Institute on Money and Politics and People for the American Way.

For further reading on the subject, we recommend the following sources:

- Center for Media and Democracy's wiki called ALEC-Exposed: <http://www.alecexposed.org>
- "Beyond Dinner and a Movie: ALEC Actively Courts State Lawmakers." A paper published by the National Institute on Money and Politics, published July 20, 2011. <http://www.followthemoney.org/press/PrintReportView.phtml?r=454>
- "Our Step-by-Step Guide to Understanding ALEC's Influence on Your State Laws." A comprehensive how-to from *Pro Publica*, published August 1, 2011. <http://www.propublica.org/article/our-step-by-step-guide-to-understanding-alecs-influence-on-your-state-laws/single>
- "Some say the American Legislative Exchange Council influences legislation too much in Texas and U.S." *Fort Worth Star-Telegram*, December 3, 2011. <http://www.star-telegram.com/2011/12/03/3568769/some-say-the-american-legislative.html>

## ALEC Exposed in Texas: The Corporate Agenda

The story of ALEC in Texas is the story of a national corporate agenda that has taken root and spread from the halls of the Texas Capitol throughout our Lone Star State. The Texas Legislature should be a laboratory for democracy, not a corporate clearinghouse for padding bottom lines at the public's expense. Borrowing the best ideas from other states is a virtue, but our own ideas should take precedence over boardroom blueprints crafted by lobbyists in Washington, DC, and on Wall Street. **ALEC Exposed in Texas** shines light on the corporate lobbyists and “conservative” legislators that craft cookie-cutter laws that put increasing the profits of global corporations over creating better lives for Texans.

ALEC began in 1973 when a group of activists and their corporate allies, frustrated by national health and other protections embraced by Republican President Richard M. Nixon, decided to focus efforts to advance the corporate agenda on state legislatures across the country. They formed the American Legislative Exchange Council, better known as ALEC. Almost forty years later, ALEC is made of more than 300 corporate and 2,000 legislative members who work behind closed doors to approve “model” legislation designed to increase corporate profits at public expense. These corporate-approved bills are then introduced in states like Texas, where lobbyists of many of those same corporations also write checks donating to the political campaigns of lawmakers who advance their agenda in the Texas Legislature. The typical cycle is as follows:

1. Corporate lobbyists and conservative legislators approve “model” legislation
2. Corporations donate money to receptive legislators to help them win their elections
3. Legislators file and pass the bills drafted by their corporate counterparts in ALEC
4. Repeat

During the Reagan Administration, ALEC corporations had receptive audiences in both the White House and the state houses, and Reagan also helped elevate ALEC by giving special addresses to its members about their shared political agendas. Fueled by corporate donations and powered with corporate lobbyists, over the past few decades, ALEC has blown open the doors of state capitols across the country, including Texas, for increased corporate influence, if not domination.

Today, corporations sit on all nine of ALEC's task force committees. The corporations have their own governing board in ALEC, which meets jointly with its board of politicians. Currently, 20 out of 24 corporate representatives on ALEC's board are lobbyists, representing corporations such as Koch Industries, ExxonMobil, State Farm, Altria, and Wal-Mart. Working hand-in-hand, corporations and their politician partners are responsible for getting nearly a thousand pieces of legislation introduced annually, with as many as 200 getting passed into law in states across the U.S. Many of the most infamous pieces of legislation from the most recent Texas legislature – the photo ID bill, the women's sonogram bill, and sanctuary cities legislation, to name a few – began as ALEC model bills that were vetted and endorsed by a small number of corporations.

ALEC membership is a lucrative venture for legislators, who can travel to these corporate retreats on the taxpayer's dime or on corporate-funded ALEC “scholarships” and attend luxurious corporate parties and forge connections with industry titans. A recent report in the *Fort Worth Star-Telegram* found that among members of the Texas House of Representatives, Members have spent \$125,000 in taxpayer dollars since 2010 to pay for travel to ALEC (Fort Worth Star Telegram, 12/3/11).

## **ALEC Exposed in Texas: The Money Trail**

ALEC claims to be a nonpartisan, nonprofit membership group of legislators. Yet their legislative leadership is comprised almost entirely of Republicans and also corporations, and ALEC receives 98% of its funding from corporations, foundations, and sources other than legislative dues. ALEC corporations and their corporate representatives will give money to state legislators, in one of three ways: directly to candidates, to statewide ballot campaigns, and/or directly to Republican committees. In the past 20 years, ALEC corporations or their employees have donated \$228.3 million to campaigns, \$202.1 million to candidates, and an additional \$85.8 million to Republican Party committees, totaling \$516.2 million.

**Over the last ten years (2001 – 2011), Texas has received over \$16.2 million from ALEC corporations – the 2<sup>nd</sup> highest total among states. Rick Perry is the largest single recipient of ALEC-related funds – he received more than \$2 million from ALEC corporate members from 2004-2011.**

Financial totals of top recipients of dollars from ALEC corporations or corporate employees in Texas include:

- Rick Perry (R) – \$2,007,440.96
- Rep. Tom Craddick (R) – \$878,110.89
- Sen. Troy Fraser (R) – \$314,583.06
- Rep. Phil King (R) – \$164,435.40
- Sen. Glenn Hegar (R) – \$163,000.00
- Sen. Chris Harris (R) – \$124,000.00
- Sen. Kel Seliger (R) – \$123,537.70
- Rep. Joe Driver (R) – \$72,919.50
- Rep. Dan Flynn (R) – \$64,875.26
- Rep. Jerry Madden (R) – \$52,750.00
- Rep. Wayne Christian (R) – \$49,855.70
- Rep. Charlie Howard (R) – \$37,058.85
- Rep. Jim Jackson (R) – \$24,110.55

### **ALEC and the Corporate “Private Enterprise Board”**

America’s largest corporations do more than just contribute the vast majority of ALEC funds. The largest corporations in America even have their own “Private Enterprise Board” that operates alongside their board of directors. Here are just a few of their global corporate board members:

- Altria (formerly Phillip Morris)
- AT&T
- Glaxosmithkiline (3<sup>rd</sup> largest pharmaceutical company in the world)
- Johnson & Johnson
- Koch Industries
- Kraft
- Coca Cola
- PhRMA
- Walmart
- Peabody Energy (world’s largest coal company)
- State Farm Insurance

## **ALEC Exposed in Texas: The Laws and Lawmakers**

With millions of dollars of ways to influence lawmakers, corporate voices can be heard louder than most Texans. But, Texas lawmakers are elected by the people of Texas to represent the people of Texas – not a global corporation’s bottom line. When lawmakers take money from ALEC-corporations and push ALEC’s corporate-approved legislation that benefits them, then it’s almost like the politicians act like super-lobbyists for the corporations within our legislatures. The cozy relationship between corporations and lawmakers has gone too far in corrupting our democracy and drowning out the voice of taxpaying Texans. The corporate influence on politics has gone too far – to a place where we can stop it.

The following is a list of Texas lawmakers who have participated in ALEC, along with the leadership role they have taken on through the task forces where lawmakers and corporations vote behind closed doors on “model” bills. The list is organized first by statewide officials, then by state Senators, then by state Representatives:

<b>Position</b>	<b>Last</b>	<b>First</b>	<b>Party</b>	<b>District</b>	<b>ALEC Task Force</b>
Governor	Perry	Rick	R		
Ag Commissioner	Staples	Todd	R		Former State Chairman
Senate	Fraser	Troy	R	24	
Senate	Harris	Chris J,	R	9	Telecommunications and IT
Senate	Hegar Jr.	Glenn	R	18	Public Safety and Elections
Senate	Jackson	Mike	R	11	Commerce, Insurance, and Economic Development
Senate	Nelson	Jane	R	12	Health and Human Services
Senate	Seliger	Kel	R	31	Energy, Environment, and Agriculture
Senate	Shapiro	Florence D.	R	8	Education
Senate	Williams	Tommy	R	4	Tax and Fiscal Policy
Rep	Branch	Daniel H.	R	108	Education
Rep	Callegari	Bill	R	132	Energy, Environment, and Agriculture
Rep	Chisum	Warren	R	88	Energy, Environment, and Agriculture
Rep	Christian	Wayne	R	9	
Rep	Cook	Byron	R	8	Civil Justice
Rep	Craddick	Tom	R	82	
Rep	Creighton	Brandon	R	16	Energy, Environment, and Agriculture
Rep	Davis	John E.	R	129	Commerce, Insurance, and Economic Development
Rep	Driver	Joe	R	113	
Rep	Dukes	Dawanna M.	D	46	Tax and Fiscal Policy
Rep	Eissler	Rob	R	15	Education
Rep	Elkins	Gary W.	R	135	Tax and Fiscal Policy
Rep	Fletcher	Allen	R	130	Public Safety and Elections
Rep	Flynn	Dan	R	2	
Rep	Guillen	Ryan	D	31	International Relations
Rep	Hamilton	Mike W.	R	19	Civil Justice
Rep	Hancock	Kelly G.	R	91	Commerce, Insurance, and Economic Development
Rep	Hardcastle	Rick	R	68	Energy, Environment, and Agriculture
Rep	Harless	Patricia	R	126	Telecommunications and IT

Position	Last	First	Party	District	ALEC Task Force
Rep	Hilderbrand	Harvey	R	53	Tax and Fiscal Policy
Rep	Howard	Charlie	R	26	State Chairman; Telecommunications and IT
Rep	Hughes	Brian	R	5	Health and Human Services
Rep	Hunter	Todd	R	32	Civil Justice
Rep	Jackson	Jim	R	115	State Chairman
Rep	Johnson	Eric	D	100	Public Safety and Elections
Rep	King	Tracy O.	D	80	International Relations
Rep	King	Susan	R	71	Health and Human Services
Rep	King	Phil	R	61	Tax and Fiscal Policy
Rep	King	Tracy	D	80	Energy, Environment, and Agriculture; International Relations
Rep	Laubenberg	Jodie	R	89	
Rep	Legler	Ken	R	144	Commerce, Insurance, and Economic Development
Rep	Madden	Jerry	R	67	Public Safety and Elections; previous State Chairman and National Chairman
Rep	Menendez	Jose	D	124	Health and Human Services
Rep	Morrison	Geanie W.	R	30	Education
Rep	Orr	Rob	R	58	
Rep	Otto	John	R	18	Tax and Fiscal Policy
Rep	Patrick	Dianne	R	94	Education
Rep	Paxton	Ken W.	R	70	Telecommunications and IT
Rep	Pena	Aaron	R	40	Telecommunications and IT
Rep	Phillips	Larry	R	62	Civil Justice
Rep	Sheffield	Ralph	R	55	Health and Human Services
Rep	Shelton	Mark	R	97	Health and Human Services
Rep	Smith	Todd	R	92	Civil Justice
Rep	Smith	Wayne	R	128	Public Safety and Elections
Rep	Smithee	John T.	R	86	Commerce, Insurance, and Economic Development
Rep	Swinford	David	R	87	
Rep	Taylor	Larry W.	R	24	Public Safety and Elections
Rep	Truitt	Vicki	R	98	Telecommunications and IT
Rep	Webber	Randy	R	29	
Rep	Weber	Randy	R	29	International Relations

These lawmakers work with corporate counterparts at ALEC to approve “model” legislation behind closed doors that benefits the bottom line of companies at the expense of better lives for Texans. The entire process happens without any opportunity for public input or public scrutiny, until the pre-cooked bill is introduced in the statehouse. By then, it may be too late to change it because it has already been pre-approved by the corporations; often the bills are rammed through regardless of public concerns.

These lawmakers will also sometimes partner with Texas-based organizations that may be funded by some of the same funders as ALEC – such as the Texas Public Policy Foundation (TPPF) – to advance and apply the model legislation in Texas. The Texas Public Policy Foundation is ALEC’s home-away-from-home.

The Texas Public Policy Foundation (TPPF) is a 501(c)(3) whose stated mission is to “promote and defend liberty, personal responsibility, and free enterprise. TPPF is part of ALEC’s state policy network, and regularly promotes model legislation approved and promoted by ALEC. Through its policy work and its fundraising efforts, ALEC and TPPF are closely linked and regularly work hand-in-hand to promote the profits of global corporations over creating better lives for Texans.

A recent story by the *Texas Observer* laid out the way TPPF enacts its bills, taking directly from the ALEC playbook:

Melinda Hasting—who served as the foundation’s vice president from 1996 to 1998 but has since broken with the conservative movement—says one fundraising tactic involved approaching corporations, wealthy businessmen, and corporate-funded foundations with a pitch. Hasting (formerly Melinda Wheatley) describes it: “We think this is beneficial to your industry and would you consider providing us with a non-profit contribution. . . . Here’s the timeline for the completion of the research; the parameters of the research are this; we expect it will result in some savings or outsourcing.”

For example, she says, the Associated General Contractors of Texas and the Consulting Engineers Council of Texas helped fund a 1997 TPPF study called “Sundown on Big Government.” The study purported to show that the Texas Department of Transportation and 11 other state agencies could collectively cut more than \$737 million from their budgets by, in part, privatizing and outsourcing agency functions—a potentially lucrative proposal for the contractors and engineers that had helped fund the study.

“I remember that as the watershed moment for TPPF,” says Hasting, who spearheaded the report. “That set into place that TPPF was a real player.”

In the past, TPPF staff has submitted policy papers to be reproduced in the *Inside ALEC* publications, they have spoken at ALEC functions and events, and senior TPPF staff also sits on ALEC’s task forces. One recent presentation from TPPF was titled, “Be a Smart-ALEC on Crime: Model Legislation to Enhance Public Safety by Strengthening Community Corrections.” TPPF has even taken the lead in crafting legislation that it then sends off to ALEC. In November, TPPF boasted in a press release that, “ALEC adopts Health Care Compact as model legislation.” TPPF will regularly cite ALEC model legislation and resolutions in their policy papers and testimony.

TPPF has also taken the lead on promoting controversial “breakthrough solutions” for higher education. These “solutions” are often credited as having their roots from a TPPF higher education summit in 2008. However, some of those ideas are adopted from ALEC resolutions in 2004 and 2007. In fact, the main policy person who has advocated the breakthrough solutions – Richard Vedder – sits on the ALEC “board of scholars.”

Over the years in Texas, dozens of ALEC-related laws have been filed, debated or enacted without anyone fully exploring the connection between the corporations and elected officials. To date, People for the American Way, with the help of the Center for Media and Democracy (the originators of ALECexposed), has identified ten high profile bills from the last legislative session alone that have ALEC “DNA.” A sampling of those bills follows:

## Examples of ALEC Model Legislation in Texas

ALEC “Model Bill” Language	Language from Bills Introduced In the TX Legislature
<p style="text-align: center;"><b>ALEC Model Bill – “No Sanctuary Cities for Illegal Immigrants Act”</b></p>	<p style="text-align: center;"><b>Texas Senate Bill 9: “No Sanctuary Cities Act”</b></p>
<p>No official or agency of this state, county, city, town or other political subdivision of this state may adopt a policy that limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law.</p>	<p>Sec A the governing body of a municipality, county, or special district or authority, except as provided by Subsections (b) and (b-1); an officer, employee, or other body that is part of a municipality, county, or special district or authority, including a sheriff, municipal police department, municipal attorney, or county attorney; and a district attorney or criminal district attorney. An entity described by Subsection (a) may not adopt a rule, order, ordinance, or policy under which the entity prohibits the enforcement of the laws of this state or federal law relating to immigrants or immigration, including the federal Immigration and Nationality Act (8 U.S.C. Section 1101 et seq.).</p>
<p style="text-align: center;"><b>ALEC Model Bill “Freedom of Choice in Healthcare Act”</b></p>	<p style="text-align: center;"><b>Texas House Bill 97: “Health Freedom Act”</b></p>
<p>The legislature may not require any person to participate in any healthcare system or plan, nor may it impose a penalty or fine, of any type, for choosing to obtain or decline health care coverage or for participation in any particular health care system or plan.</p>	<p>This bill recognizes that under the constitution no person shall be required to obtain health insurance. All penalties will be removed under this law.</p>
<p style="text-align: center;"><b>ALEC Model Bill “Litigation Accountability Act”</b></p>	<p style="text-align: center;"><b>Texas house Bill 274 “Tort Reform Act”</b></p>
<p>This Act sets forth guidelines and procedures for determining when it is appropriate to impose sanctions for frivolous actions. Under the Act, parties who bring unjustified claims will be assessed court costs and attorneys' fees. Except where noted, in any civil action commenced or appealed in any court of record in this state, the court shall award, except as otherwise provided below, as part of its judgment and in addition to any other costs otherwise assessed, reasonable attorneys' fees and court costs against any attorney or party who has brought or defended a civil action that a court determines lacks substantial justification either in whole or in part.</p>	<p>The Supreme Court shall adopt rules to promote the prompt, efficient, and cost-effective resolution of civil actions. In a civil proceeding, on a trial court granting or denial, in whole or in part, of a motion to dismiss filed under the rules adopted by the supreme court under Section 22.004(g), Government Code, the court shall award costs and reasonable and necessary attorney's fees to the prevailing party.</p>



ALEC Model Bill “Voter ID Act”	Texas Senate Bill 14 “Voter ID Act”
<p>"Proof of identity" means a document or identification card that: Shows the name of the person to whom the document was issued; Shows a photograph of the person to whom the document was issued; Contains an expiration date, and is not expired. If the voter is listed on the precinct voter registration list but fails to provide proof of identity, the election official shall: Request that the voter execute an affidavit in the presence of the election official containing: A statement that the voter cannot provide proof of identity because the voter: Has a religious objection to being photographed.</p>	<p>The following documentation is an acceptable form [as proof] of photo identification under this chapter: a driver’s license, election identification certificate, or personal identification card issued to the person by the Department of Public Safety that has not expired or that expired no earlier than 60 days before the date of presentation; A provisional ballot shall be accepted if the board determines that: from the information in the affidavit or contained in public records, the person is eligible to vote in the election and has not previously voted in that election; the person: executes an affidavit under penalty of perjury that states the voter has a religious objection to being photographed and the voter has consistently refused to be photographed for any governmental purpose from the time the voter has held this belief.</p>

## What You Can Do

This report marks the first phase of a multi-year campaign Progress Texas intends to launch concerning ALEC’s corporate agenda, campaign contributions, and “model” legislation. We intend to shine a light on ALEC’s work in Texas, and clearly demonstrate how their actions and those of state allies like the Texas Public Policy Foundation do little more than protect corporations’ bottom lines at taxpayer expense.

To learn the latest on how you can help us in our efforts and fight back against ALEC, visit our website at <http://progresstexas.org/content/alec-exposed-texas>.