

Some say group has too much sway over legislation

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It may be the most powerful force in Texas politics you've never heard of.

The American Legislative Exchange Council has helped enact hundreds of pieces of legislation in states nationwide. The conservative, pro-business nonprofit counts over 1,000 state lawmakers and some of the world's largest companies as members.

And one of ALEC's best success stories is Texas. Not only have dozens of bills drafted at the organization's events shaped bills passed in Austin, but taxpayers have also helped underwrite the group's efforts to influence the Legislature.

More than half the members of the Texas Legislature have ties to ALEC, and most used public money to pay dues or other costs stemming from their memberships. In the House alone, members have tapped more than \$125,000 from taxpayer-funded accounts since 2010 to pay ALEC dues and attend ALEC events, according to a Star-Telegram analysis of state records.

The conferences are touted as productive meetings of state legislators and business executives. But critics call the events little more than lobbying junkets where corporate representatives help write bills for lawmakers to take home and try to get passed.

"ALEC has become infamous ... for representing a very small group of special interests," said Craig McDonald, director of Texans for Public Justice, an Austin liberal watchdog group. "I think using public money to let our legislators go to ALEC events ought to be scrutinized because they do seem to have a pro-industry, pro-polluter agenda."

ALEC supporters, including many state lawmakers, say the organization is being attacked unfairly.

"I'm so tired of all that stuff," said state Rep. Jim Jackson, R-Carrollton Republican, the ALEC state chairman. "A lot of people have influence on me. Nobody owns me. It very well may be that some of the programs I've gone to at ALEC ... have had some influence on me, but ALEC has never attempted to dictate to me, nor would they."

Jackson and more than 50 members of the Legislature have attended at least one out-of-state ALEC event in the last two years. He said the events are great opportunities for lawmakers to exchange ideas and learn from businesses how government regulations are affecting them.

"It's that really good mix of the private sector and the public sector that I think makes it unique," said state Rep. Phil King, R-Weatherford, who spoke via phone last week while at an ALEC conference in Phoenix, his trip partly funded by public money. "The worst thing in my opinion you can ever do is have elected officials alone creating policy, because you have to have the job creators involved."

ALEC has been around for decades but only recently began gaining notice for its success in influencing legislation across multiple states. The organization says in a brochure that it has helped shape more than 1,000 bills nationwide some years, with 17 percent ultimately enacted. In some cases, state laws have wording identical to ALEC drafts.

Though organizations of just about every political persuasion promote "model bills" in hopes that states will adopt them, watchdogs have focused on ALEC because of its outsized success with that approach and because of the corporate interests that largely fund the organization and are positioned to potentially benefit from passage of the measures.

But until recently, the language in most ALEC model bills was available only to the organization's members, masking the link between ALEC and the bills filed in state capitols. But this year, the Wisconsin-based Center for Media and Democracy obtained hundreds of ALEC proposals going back more than a decade and published them at alecexposed.org. Activists quickly started connecting the model bills to those filed in states.

Elements of ALEC model bills have been found in dozens of bills filed in Texas, including:

A "loser pays" bill that aims to reduce what are said to be frivolous lawsuits by levying fees on unsuccessful plaintiffs and allowing meritless suits to be dismissed earlier. Gov. Rick Perry signed the bill this year. Trial lawyer groups and other critics say the measure shifts power to corporations and will prevent some individuals with legitimate claims from filing suit.

A 2011 bill requiring those under 65 to show photo identification before voting. Perry signed the bill, which is now under review by the Justice Department. Critics say the measure will make it harder for minority and poor voters to cast ballots.

A ban on so-called sanctuary cities that would have halted state aid to local governments that prohibit police from inquiring about immigration status. Perry declared the bill an emergency designation during this year's legislative session and added it to the agenda for a summer special session, but the measure never passed.

A 2009 bill changing the way chewing tobacco was taxed. Critics said the bill favored large producers such as Altria Group, the parent of Phillip Morris USA. Altria Group sits on ALEC's Private Enterprise Board.

Sometimes, ALEC's reach allows Texas measures to gain a wider audience. A 2005 Texas law deregulating parts of the telecommunications industry was later adopted by ALEC as model legislation, King said. More than a dozen states have since adopted similar bills, he said.

Corporate funding

ALEC claims more than 1,000 state lawmakers as members, along with nearly 300 private-sector members. Elected officials pay \$50 annual dues. Corporate members pay at least \$7,000, though many donate far more. In 2010, ALEC reported more than 80 percent of its \$7.2 million in revenue coming from private contributions, according to its tax return.

ExxonMobil, Wal-Mart and Pfizer are all ALEC sponsors. So, too, is Koch Industries, a Wichita, Kan., conglomerate whose owners, David and Charles Koch, have given tens of millions of dollars to conservative and libertarian groups, including some that helped organize the Tea Party movement two years ago. Charitable foundations associated with the Koch brothers gave more than \$200,000 to ALEC in 2009, tax records say.

"The cause for concern is the idea of corporations working side by side and arm in arm with state legislators to pass these bills in statehouses across the country that advances their business agenda but are hurting American families," said Mary Boyle, a spokeswoman for Common Cause, a liberal nonprofit organization that advocates tougher campaign finance laws, among other things.

The group has called on the Internal Revenue Service to investigate ALEC on allegations that it violates federal tax laws by claiming to be a nonprofit and not having to report all its funding sources. Common Cause says ALEC is a lobby.

ALEC and its members strongly reject such allegations. In a statement on its website, Noble Ellington, a Louisiana state representative and ALEC's national chairman, defended ALEC's nonprofit status.

"Contrary to the claims of Common Cause, ALEC does not lobby, takes no role in partisan campaign activities and has no involvement in campaign contributions made by any individual, company or political action committee," he said.

Critics have suggested that ALEC's influence can best be seen through where its corporate members send their political donations. Common Cause looked at the 22 companies represented on ALEC's private enterprise board in 2010 and reported that those firms' corporate treasuries, political action committees, executives and employees invested more than \$370 million in state elections during the prior decade, including \$16.2 million in Texas.

Perry, the "largest single recipient of ALEC-linked funds" according to Common Cause, drew \$1.9 million.

Ellington called the Common Cause report deceptive because it includes contributions from individual employees of companies that belong to ALEC without considering whether the employees align with ALEC's views.

Perry's spokeswoman Allison Castle said the report's "assumptions" are false, as is the notion that laws passed in Texas aren't the work of state lawmakers.

"The governor thoroughly considers each bill in its final form and makes his decisions on what is in the best interest of Texans, and he expects Texas legislators to do the same," Castle said.

State funding

Texas lawmakers often make up a large contingent at ALEC events. In 2005, Texas hosted the organization's annual conference in Grapevine. President George W. Bush spoke at the event and accepted the Thomas Jefferson Freedom award, ALEC's highest honor. Perry received the award last year.

Since 2010, 81 Texas House members have tapped their district accounts to cover ALEC expenses totaling over \$125,000, House records say. Most of those expenses came from Republicans and were for traveling to ALEC conferences.

In Texas, both House and Senate members are allotted money to hire staffers, run their district offices and pay expenses related to governing their districts. Lawmakers are allowed to use their district budgets to pay for dues and travel to conferences hosted by government organizations, but each request must be approved by administration committees.

ALEC-related requests are automatically approved, a distinction reserved for expenses linked to only a handful of organizations, House and Senate officials say.

State Rep. Charlie Geren, R-Fort Worth, has been chairman of the House Administration Committee since 2009. He said he approves expenses involving government organizations but not political ones. He said that ALEC and the National Conference of State Legislatures were on a list of approved organizations when he took the position and that the list hasn't changed. He said he has rejected some expense requests from members but could not recall the details. Geren said he does not usually attend conferences outside Texas put on by ALEC or other groups.

"Some [lawmakers] find it very valuable, and I don't," Geren said. "When I do go, I pay for it myself. I don't travel on state money."

Jackson said using public money to help lawmakers attend ALEC events is appropriate.

"I don't really consider it a political organization," Jackson said.

State Sen. Troy Fraser, R-Horseshoe Bay, and several other ALEC members compare ALEC to the conference of state legislatures, a nonpartisan professional association. Fraser said he attends both group's events to meet and learn from lawmakers in other states.

"It's not unlike a mini-constitutional convention because you get to hear the views of the other states, and that's productive," Fraser said.

But Meagan Dorsch, a spokeswoman for the legislature conference, said it differs from ALEC in key ways. Every year, the organization's presidency alternates between a Democrat and a Republican. Entire legislatures, not individual lawmakers, join, and all the states belong. For the current fiscal year, Texas paid \$487,336 in dues to the conference, she said.

"We are the only legislative organization that advocates on behalf of all 50 states as well as the territories in front of Congress," Dorsch said.

The conference rarely proposes model legislation and does not accept corporate funding, Dorsch said. A separate nonprofit, the NCSL Foundation for State Legislatures, accepts corporate donations, and much of that money is awarded to the legislature conference as grants, according to tax records. The foundation also does not normally issue model legislation. Many companies have donated to both the NCSL Foundation and ALEC.

Not all ALEC members join because they believe in the organization's vision. State Rep. Ruth Jones McClendon of San Antonio is one of just a few House Democrats to use her district budget in the past two years to pay for an ALEC membership. She has also attended several ALEC conferences, but not because she supports the group's ideas, which she described as "leaning toward the Republican Party and extreme conservatism."

McClendon said she has attended to learn what Texas Republicans will propose. She said she knows other Democrats who go for the same reason.

"I advocate on one side, and they advocate on another," McClendon said. "In order to be able to represent your constituents, you have to have knowledge of what [Republicans] are talking about."

Key Texas figures in ALEC

Gov. Rick Perry: He was the 2010 recipient of the Thomas Jefferson Freedom Award, given to a current or former public official who has become a nationally recognized champion of ALEC's ideals of free markets, limited government, liberty and federalism. A recent report by Common Cause found that Perry received more campaign contributions from ALEC corporate sponsors than any other public official.

Former Texas House Speaker Tom Craddick: Craddick, R-Midland, was ALEC's national chairman from November 2009 to December 2010 and has served on the group's executive

board since 2004. He has cited ALEC model legislation as a source of inspiration for bills he has helped pass in Texas.

State Rep. Jim Jackson, R-Carrollton: The Texas chairman of ALEC for seven years, Jackson has urged colleagues to join ALEC and suggested that they use their taxpayer-funded district budgets to pay for it.

State Sen. Troy Fraser, R-Horseshoe Bay, and state Rep. Phil King, R-Weatherford: Fraser and King shared ALEC's Legislator of the Year award in 2006, largely because of their work on a telecommunications bill passed in Texas that was later adopted by ALEC as a model for other states.

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