**A State-Level Policy Planning Network**

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One of Domhoff’s key assertions in *Who Rules America?* is that an ultraconservative policy planning network exists and that it actively works to maintain corporate and upper class interests in America. He describes the policy planning network as beginning “in corporate boardrooms, social clubs, and informal discussions, where problems are identified as ‘issues’ to be solved by new policies”.[[1]](#footnote-1) The policy planning network is comprised of “foundations, think tanks, and policy discussion groups”.[[2]](#footnote-2) Among the policy discussion groups is an organization known as ALEC (American Legislative Exchange Council). Though Domhoff focuses chiefly on legislation at the national level, ALEC maintains and fights for corporate interests through state legislatures.[[3]](#footnote-3) Regardless, ALEC remains an effective example of how the corporate rich are able to achieve policy victories that disproportionately serve their interests.[[4]](#footnote-4)

ALEC’s primary objective is to draft legislation. This process involves a number of task forces. ALEC’s task forces involve private sector representatives (CEOs, company presidents, etc…) and state legislators voting together on model bills. According to their own website: “Legislators welcome their private sector counterparts to the table as equals, working in unison to solve the challenges facing our nation”.[[5]](#footnote-5) Although it claims to be a non-partisan group, its agenda is highly conservative and Republicans dominate its board.[[6]](#footnote-6) Naturally, the vast majority of ALEC’s model legislation works against the agenda of the liberal-labor alliance. Roughly 200 of 1000 bills that ALEC proposes every year are passed.[[7]](#footnote-7)

ALEC’s opposition to the liberal-labor alliance is clearly illustrated by the bills that it proposes, and sometimes gets passed through state legislatures. ALEC actively fights for the abolishment of the minimum wage and paid sick days,[[8]](#footnote-8) the undermining of climate science education,[[9]](#footnote-9) de-regulation of fossil fuels (as well as de-regulation in general),[[10]](#footnote-10) and many more policies that are too numerous to list here. While these bills are not in the interest of the average worker and/or citizen, there is clearly something to gain from these initiatives on the part of corporations. For example, de-regulation of fossil fuels and diminished climate education would almost certainly benefit oil and gas interests by removing obstacles to increased profits. Abolishment or minimizing of a minimum wage and paid sick days also clearly don’t benefit workers, but do indeed reduce costs for corporations.

An examination of ALEC’s top donors from 2002 to 2012 in the table below makes it evident that ALEC represents the interests of corporations and not of the public, as they claim. The existing data on ALEC’s top donors were gathered from [www.conservativetransparency.org](http://www.conservativetransparency.org). Note that Donors Capital Fund and DonorsTrust are not among the top ten contributors to ALEC. However, given their increasing prominence in the policy planning network (see below), we include them in our table. The data are presented in a table format to reveal the exact dollar amounts contributed and also in a graph format for a more visual representation.

Most of these foundations, such as the Castle Rock Foundation (linked to the Coors family), Searle Freedom trust, and the Claude R. Lambe Charitable Foundation (Charles Koch’s foundation) represent free market interests (which, of course, include de-regulation). Others like Exxon Mobil and PhRMA represent direct corporate interests. One of PhRMA’s model bills proposed a reduced liability for pharmaceutical companies releasing potentially dangerous drugs into the market.[[11]](#footnote-11)

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| Donor | $ Contributed |
| Exxon Mobil | $1,454,700 |
| PhRMA | $993,217 |
| Searle Freedom Trust | $770,000 |
| Claude R. Lambe Charitable Foundation | $630,000 |
| Allegheny Foundation | $495,000 |
| Castle Rock Foundation | $300,000 |
| Jaquelin Hume Foundation | $270,000 |
| Friedman Foundation For Educational Choice | $248,000 |
| The Lynde and Harry Bradley Foundation | $220,000 |
| Charles G. Koch Charitable Foundation | $146,958 |
| Donors Capital Fund | $70,500 |
| DonorsTrust | $25,000 |

[[12]](#footnote-12)

Much of what ALEC does would be called lobbying by most people. The dictionary definition of lobbying is “to try to influence government officials to make decisions for or against something”.[[13]](#footnote-13) However, this is not what happens, officially. ALEC is registered with the IRS as a 501 © (3) tax exempt non-profit that provides a public service. When state legislators from around the United States meet with ALEC representatives and corporate leaders, it is called an “education”. They are therefore, as an IRS designated nonprofit, not required to disclose the attendees of their meetings nor where their model legislation comes from. Furthermore, “Corporate members can deduct yearly dues, which run up to $25,000—more if they want to sponsor meetings”.[[14]](#footnote-14) Of course, in addition to its corporate members, ALEC must also attract state legislators. ALEC gives compliant state legislators all-expense-paid trips that can act as luxurious vacations that they might not otherwise be able to afford. In 2009, ALEC also spent $251,873 on childcare expenses for the children of the state legislators during these trips. More importantly though, ALEC provides state legislators with the opportunity to meet corporate donors that could potentially fund their campaigns.[[15]](#footnote-15) Although what ALEC does fits perfectly in the dictionary definition of lobbying, their non-profit status makes everything they (officially) do perfectly legal.

ALEC’s ability to coordinate these meetings between corporate interests and state legislators is contingent on the amount of donations they are able to receive. Their income has been steadily increasing for the past decade, though with some significant fluctuations. As evidenced in the table below, ALEC’s income, and therefore influence, has nearly doubled since 2002.

[[16]](#footnote-16)

ALEC’s power has recently been diminishing somewhat, however. Organizations like Colorofchange.org and ALECexposed have released many of ALEC’s model bills and have brought more transparency to their processes.[[17]](#footnote-17) ALEC also received significant attention after the infamous Trayvon Martin case because of the large role they played in the passing of the “stand your ground” law. Several corporations including Google, Coca-Cola, Procter & Gamble, McDonald’s and Wendy’s have since cut ties with ALEC.[[18]](#footnote-18) Perhaps these factors are largely responsible for the decrease in income from 2011-2012 that we see in the table above.

Domhoff introduces us to three indicators at the beginning of his book to determine who has power in America. Who benefits?, who governs?, and who wins?.

ALEC and its process of passing bills act as strong support for the idea that the answer to the three questions above is the same: the corporate elite. ALEC is able to achieve policy victories (who wins?) through the process of working with and having model legislation proposed by their allied state legislators (who governs?) for the general purpose of increasing profits and furthering the interests of corporations (who benefits?).

**Addendum:**

Though ALEC is a significant part of the state-level policy planning network, it is not the only actor. The State Policy Network (SPN) is also a very active organization in regards to planning policy for corporate interests. They share many of the same donors with ALEC, including Searle, Hume, Bradley, Castle Rock, Donors Capital, and Donors Trust. This overlap reinforces the idea that we are observing a “network” with a fairly unified policy agenda. The table and charts below reflect the SPN’s top donors and yearly revenue, respectively. Note the prominent role of Donors Capital and Donors Trust. Note, too, that unlike ALEC, SPN’s revenues were quite modest through 2007, but have increased sharply between 2008 and 2013. Given the dip in the SPN’s revenue that we see from 2012 to 2013 (which is comparable to ALEC’s recent drop in revenue), it is possible that recent exposure and media coverage have caused the state-level policy planning network as a whole to suffer a blow to its power and influence. Future data will verify whether or not this is true.

Top Donors to SPN 2001-2013:

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| Donor | $ Amount |
| Donors Capital Fund | $12,312,014 |
| Searle Freedom Trust | $2,702,000 |
| The Thirteen Foundation | $1,526,125 |
| The Roe Foundation | $1,107,000 |
| DonorsTrust | $1,039,000 |
| Jaquelin Hume Foundation | $805,000 |
| JM Foundation | $775,000 |
| The Lynde and Harry Bradley Foundation | $180,000 |
| John M. Olin Foundation | $155,000 |
| Barbara and Barre Seid Foundation | $150,000 |
| Castle Rock Foundation | $135,000 |
| Chase Foundation of Virginia | $130,860 |

[[19]](#footnote-19)

[[20]](#footnote-20)

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17. Greeley [↑](#footnote-ref-17)
18. Greeley [↑](#footnote-ref-18)
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