

## ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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### Promoting Transparency in State Unfunded Liabilities

- It is clear that citizens are demanding greater transparency in accounting for the costs of state and local government. Given the large and growing unfunded liabilities in pension and other post employment benefit plans, it is crucial for state and local governments to meet accounting standards for these plans established by the Government Accounting Standards Board (GASB).
- ALEC's intent is to make citizen access to GASB information as open, transparent, and publicly accessible as possible. Increasing transparency significantly contributes to governmental accountability, public participation, and the understanding of the cost of government services.
- Consumers of financial information about state and local governments have found the funding status of pension and Other Post Employment Benefits (OPEB) for public employees to be valuable. The degree to which sufficient resources have been set aside to pay future benefits is of particular importance.
- ALEC firmly believes that state and local governments should meet GASB standards for reporting pension and Other Post Employment Benefits (OPEB) costs and obligations in their financial statements.
- These standards require the presentation of a schedule of funding progress that shows whether the funded status of these plans is improving or worsening over time. This schedule compares a plan's actuarially calculated total obligation with the value of assets that have been accumulated to pay benefits. Two ratios are provided to assess progress toward funding and the magnitude of a government's obligation:

#### 1. Funded Ratio

The funded ratio is the actuarial value of assets divided by the actuarial accrued liability (the total obligation).

#### 2. Covered Ratio

The covered ratio is the unfunded actuarial accrued liability (the difference between the total obligation and the actuarial value of assets) divided by the total payroll of employees covered by the plan.

- State budget office should strive to make publicly available an online searchable database that discloses all liabilities in public pension and other post employment benefit systems in the state.

Adopted by Tax and Fiscal Policy Task Force  
May 1, 2009.

Approved by the American Legislative Exchange Council's Board of Directors  
June 6, 2009.

Did you know that the Evergreen Freedom Foundation--which is connected to the Kochs--was the corporate co-chair in 2011?"

## ALEC's Corporate Board

--in recent past or present

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- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

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