

# ALEC's Legislative Agenda on Privatization

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On American Legislative Exchange Council task forces, corporate lobbyists and special interests vote as equals with elected representatives on templates to change our laws, behind closed doors with no press or public allowed to see the votes or deliberations. Several pieces of ALEC “model” legislation would privatize public functions such as child support services, foster care, adoption services, Social Security, Medicare and Medicaid, prisons, schools, and government laboratories. Through privatization schemes to outsource traditional governmental functions, taxpayer dollars are diverted from the building of public assets and institutions to create long-term revenue streams for corporations. Privatization has resulted in the loss of public sector jobs that have been crucial to the growth of the middle class, and instead has created a system that favors lower wage jobs and new profit centers for CEOs and investors.

## Privatizing Government Services Affecting Children

- ALEC’s “[Privatization of Child Support Enforcement Services](#)” allows a state to give for-profit or other corporations new streams of tax dollars to manage child support enforcement services.
- ALEC’s “[Privatization of Foster Care and Adoption Services](#)” allows a state to give for-profit or other corporations contracts to receive streams of tax dollars to manage foster care or adoption processing, including assessing prospective parents’ marital status, income, and religious beliefs.

## Privatizing Medicare, Social Security, and Relief Programs

- ALEC’s “[Resolution Urging Congress to Create Private Individual Medical Accounts](#)” proposes to privatize Medicare by permitting the creation of individual medical accounts. It is doubtful that such accounts would be able to cover the cost of necessary medical care for seniors, and this bill would probably serve as a tax shelter for the wealthiest few.
- ALEC’s “[Resolution Urging Congress to Modernize the Social Security System with Personal Retirement Accounts](#)” advocates for the privatization of Social Security through the creation of personal retirement accounts.
- ALEC’s “[Privatization of Welfare-to-Work Programs Act](#)” privatizes the Welfare-to-Work programs to corporations regardless of the effectiveness of any public agencies on training and employment.

## Privatizing Prisons

- ALEC’s “[Private Correctional Facilities Act](#)” would allow any unit of government to contract with a for-profit corporation to imprison Americans accused or convicted of violating criminal laws.
- ALEC’s “[Housing Out-of-State Prisoners in a Private Prison Act](#)” allows a private prison operating in one state to contract with another state to hold prisoners without the consent of the local government in which the private prison is located.
- ALEC’s “[Prison Industries Act](#)” allows correctional boards to oversee low-wage prison labor that competes with other companies.

## Privatizing Education

- ALEC’s “[Education Enterprise Zone Act](#)” creates a voucher program to subsidize private schools with taxpayer money.
- ALEC’s “[Education Accountability Act](#)” allows a state to override the elected school board, declare schools “educationally bankrupt,” and divert funds to private schools.
- ALEC’s “[Parent Trigger Act](#)” would allow a small group of parents to close public school for current and future students, and turn the school into a charter school or require the state to use taxpayer dollars for vouchers to subsidize private tuition.
- ALEC’s “[Charter Schools Act](#)” would allow for the state to grant charters to create and operate schools outside of traditional public schools, while also exempting these charter schools from state laws that apply to public schools.
- ALEC’s “[Next Generation Charter Schools Act](#)” allows state taxpayers to subsidize charter schools that compete with public schools, while exempting charter schools from complying with many legal standards and requirements that govern public schools.
- ALEC’s “[School Board Freedom to Contract Act](#)” encourages school boards to contract with for-profit corporations for services being provided by schools.

### **Privatizing Government Research and Environmental Services**

- ALEC’s “[Resolution on Environmental Laboratory Privatization](#)” attempts to block the use of low-cost lab testing by the government in environmental matters in favor of corporate labs.
- ALEC’s “[Environmental Services Public-Private Partnership Act](#)” privatizes public water and sewage services and would prohibit local governments from requiring that contractors meet labor standards.

### **Privatizing Public Safety and Other Government Services**

- ALEC’s “[Competitive Contracting of Public Services Act](#)” attempts to privatize a wide range of government services to for-profit corporations. ALEC’s “[Council on Efficient Government Act](#)” allow governors to appoint a council of business interests to look for ways to divert tax dollars going to public institutions into streams of income for for-profit corporations, instead of leaving the decision to agency experts.
- ALEC’s “[Government Services Competition Act](#)” prohibits state agencies or institutions from engaging in any activity which is in competition with private enterprise unless the agency can demonstrate a compelling public interest is at stake, thus requiring that taxpayer dollars be transferred from building and maintaining public institutions in order to buttress for-profit corporations.
- ALEC’s “[Public-Private Fair Competition Act](#)” prohibits government from offering any service that could be provided by the private sector, which could include education, policing, and firefighting, and thus requiring that taxpayer dollars be transferred from building and maintaining public institutions in order to buttress for-profit corporations.
- ALEC’s “[Privatization Initiative Panel Act](#),” “[Taxpayer Privatization Dividend Act](#),” and “[Efficiency in Government Act](#)” set out to identify government agencies, activities, and services that can be

limited or eliminated in order to provide income streams with taxpayer money to for-profit corporations.

- ALEC bills such as “[Establishing a Public-Private Partnership \(P3\) Authority Act](#),” “[Water/Wastewater Utility Public-Private Partnership Act](#),” and “[Pupil Transportation Cost-Effectiveness Act](#)” mandate that some public services be opened to bidding by for-profit corporations, and that the contract be awarded on a “lowest cost” basis regardless of other factors.