

Tracie Sharp, President and CEO

1655 North Fort Myer Drive Suite 360 Arlington, Virginia 22209 703.243.1655 • SPN.org

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Dear

I know you are sensing it, too. There is change in the air. And despite the turbulence of the national campaign scene, I know that 2016 presents you and me with a remarkable opportunity to advance the cause of freedom.

Now, more than ever, I am convinced we can win the battle for freedom. I'm talking about BIG WINS for freedom in the states ... BIG WINS that have massive national impact.

You have surely heard of the remarkable Right-to-Work victory our **State Policy Network** partners won in **West Virginia** in February. (More on that huge, game-changing victory below.)

That's just the beginning of the big wins for freedom we can achieve this year!

In fact, not only do I believe that you and I have before us a once-in-a-lifetime chance to reverse the failed policies of the American Left – but we also are primed, right now, to deliver the mortal blow to permanently break its stranglehold on our society.

I'm talking about government employee unions.

Today, coercive, Big Government unions are the biggest sources of funding and political muscle for the Left – and a major obstacle to the ability of voters to reclaim control of American government. Which is why, to win the battle for freedom, we must take the fight to the unions, state by state, with key reforms.

The good news is that this revolution for worker freedom – breaking the immense power of the government unions – is not only possible, <u>it's already happening</u>. And **State Policy Network** is leading the way!

My name is **Tracie Sharp**, and I serve as president of State Policy Network. For the past 23 years, State Policy Network – or SPN, as our friends call us – has built and equipped a vast network for freedom across America, helping to launch and empower free-market policy and action centers in all 50 states.

And through our proven, battle-tested strategy, the 63 organizations in our freedom network have achieved a remarkable string of victories in recent years – significant victories

for freedom. Victories with lasting impact.

, I write today to share with you our bold plans to permanently break the power of government unions *this year*. Plans that I believe will deal a <u>major blow</u> to the Left's ability to control government at the state and national levels.

I'm talking about taking the kind of dramatic reforms we've seen in recent years in **Indiana**, **Wisconsin**, **Michigan** and now **West Virginia** – freeing teachers and other government workers from coercive unionism – and spreading them across the nation.

I'm talking about not only making state workers' lives better, but *permanently* depriving the Left from access to millions of dollars in dues extracted from unwilling union members every election cycle. Dues the Big Government unions then spend to elect and reelect politicians who faithfully indulge their self-serving interests.

State Policy Network's *Breakthrough 2016* campaign plan is one of the most ambitious, potentially decisive campaigns ever launched to advance freedom and change America. The funds we require to fully fund this ambitious, \$8.39 million winning campaign budget can only come from generous patriots like you!

Today, you have an especially remarkable opportunity to leverage your giving for the cause of freedom. In fact, the impact of your donation today will be doubled.

SPN has received a \$1,000,000 donation from a committed donor. But it's a donation with a condition – we must be able to match his gift with donations from other defenders of freedom like you. Your gift to this appeal will be matched dollar for dollar, literally doubling the impact you can have on our success this year.

Yes, thanks to our past successes, we have the wind at our backs. And that's because we have successfully generated *significant momentum* for our *Breakthrough 2016* campaign this year to permanently curb the power of government unions.

- In 2010, our Network united our intellectual resources, winning
 messaging and moral support behind Governor Scott Walker's heroic
 efforts to bring historic government union collective bargaining and
 pension reform to Wisconsin. Building on this success, the Badger State
 went on to become America's 25th Right-to-Work state in 2015.
- Indiana and Michigan also passed Right-to-Work laws in 2012 and 2013, respectively. Most observers thought such a victory would be IMPOSSIBLE in Michigan, the birthplace of Big Labor. But we ignored the critics and naysayers and united behind a winning effort, even after President Obama was re-elected. The Mackinac Center also launched a teacher opt-out campaign, informing teachers in Michigan of their right to opt out of their union every August. Consequently, declining membership rolls (at least 13,000 to date) has resulted in \$8 million annually being drained from the teacher union coffers.

- In 2014, we saw Maine, Utah, Nevada, Colorado and even certain cities in California pass significant government union reforms, including much-needed transparency in the collective bargaining process.
- In Oklahoma last year, Governor Mary Fallin signed legislation originally proposed by an SPN partner – the Oklahoma Council of Public Affairs – to outlaw the practice of using taxpayer dollars to collect union dues and also to establish <u>paycheck protection</u> against automatic dues deductions for union members.
- In Missouri, the state house passed Right-to-Work legislation for the first time in the state's history. Labor-supported politicians are fighting back, but pressure for final passage by the state senate is growing.
- In union-dominated Illinois, Governor Bruce Rauner issued an executive order last year to stop collecting "fair share" union fees from non-union employees of the state government. He has proposed local workplace freedom zones and filed a lawsuit to block forced union dues for state employees and a number of other pro-freedom reforms in this "deep blue" state.
- And, as I mentioned above, the results of our winning strategy, proven over and over, were realized once again in West Virginia in February of this year. There, state lawmakers persevered to override the governor's veto and pass the nation's 26th statewide Right-to-Work law. But that's not all! State legislators also reformed archaic and job-killing prevailing wage laws in their state. And all of this came after they ended the automatic right of government unions to get government contracts last year.

Consider for a moment just how remarkable this recent string of victories is: Up until 2012, only two states (Idaho in 1985 and Oklahoma in 2001) had passed Right-to-Work laws since 1976.

Now, in just over three years, four states – Indiana, Michigan, Wisconsin and West Virginia – have became Right-to-Work states. This is no accident, but a wonderful result of our 50-state freedom network collaborating to bring winning strategies across state lines, building momentum for even more victories to come!

In state after state, citizens and lawmakers struggling to get runaway budgets under control have discovered that the biggest problem is the state employee unions.

Government employee unions have been able to hold taxpayers hostage to their demands ever since they began to gain collective bargaining powers around 1958.

Government unions have created a self-perpetuating "power cycle" that:
(1) AUTOMATICALLY WITHHOLDS union dues from employees' paychecks, just like taxes; (2) SENDS these dues directly to government unions' bank accounts; (3) SPENDS this money to lobby against taxpayers' interests; and (4) REPEATS THE PROCESS OVER

AND OVER AGAIN to build massive political support and maintain the "power cycle."

Here's how Illinois Governor Bruce Rauner puts it:

"The government union leaders control the politicians: They give to their campaigns, they get them elected, then they negotiate sweetheart deals, get pension deals nobody – no taxpayer – gets. They get free health care for life. They have incredible work rules with expensive overtime, and overtime goes into pension calculation."

Exactly!

Study after study has shown how collective bargaining for state employees has dramatically increased state budgets – in many cases to the point of bankruptcy. The "power cycle" that unions bring to state governments compels politicians to support ever more generous wages, pensions and benefits – all at the expense of the taxpayer.

One tactic government unions rely on is <u>stealth</u>. They like to hide their lucrative deals from taxpayers and negotiate their ugly deals behind the scenes. When taxpayers realize just how one-sided and unfair these deals are, union reforms often follow ... and quickly! That's why we support laws mandating <u>transparency</u> in government union negotiations and have made this push a top priority throughout our 50-state network.

Nothing has been more frustrating to parents and Americans who want to improve our failing education system than the determination of the <u>teachers unions</u> to resist all meaningful reforms. Coast to coast, these unions desperately fight tooth and nail to keep even the worst teachers on the job.

They oppose any attempt to allow parents the choice in how and where their children are educated. They oppose rewarding better teachers with better pay and they resist the establishment of charter schools.

As you are probably aware, there are two major national teachers unions. The <u>American Federation of Teachers</u>, which is an AFL-CIO affiliate, and the <u>National Education Association</u>. The NEA is the largest union in the United States and one of the most powerful political forces in the nation.

But, as powerful as the teachers unions are, we're beating them, too!

• In 2014, Douglas County (the third largest county in Colorado) became the first county in the nation to enact a countywide school voucher program. It also brought an end to automatic dues deductions and successfully reformed teacher tenure and collective bargaining rules. Not surprisingly, the teachers unions went on the warpath, spending at least \$2 million in an attempt to unseat four pro-reform school board members. But the freedom infrastructure in Colorado mobilized to educate citizens about the benefits of the reforms, and, ultimately, all four board members were re-elected. Even better, similar reforms are now spreading to other counties across Colorado and to school districts all across America.

- Last year, in a groundbreaking win for Nevada, our state affiliate there –
 the Nevada Public Research Institute helped pass the <u>nation's first</u>
 <u>universal Education Savings Account</u>. Innovative programs like this one
 allow parents to pay for private school tuition, distance learning
 programs, tutoring, curriculum, therapy and other educational choices for
 parents and students. Of course, this idea is bitterly opposed by the
 teachers unions.
- In Oklahoma, our Network overcame union opposition as it helped expand charter schools statewide, and made the case for successful charter school reforms in Alabama for the first time, literally opening doors for innovation in education.

I'm sure it will come as no surprise to you to hear that the most determined opposition to *all our fights* for lower taxes, fewer regulations, greater transparency, etc., *always* comes from the government unions.

The Big Government unions are the #1 obstacle to freedom in the states because they enforce their progressive dogma on all citizens.

They are particularly keen to undo the victories SPN affiliates have had at the state level, including collective bargaining reform, Right to Work, school choice, etc.

They want higher taxes and a universal \$15 minimum wage.

They defend Obamacare at all costs!

They want to redistribute wealth rather than create opportunities for all citizens.

And yes, they are the <u>funding arm</u> of the Progressive Lest that keeps their entrenched politicians in office.

Unions spent \$1.7 billion to push their agendas and candidates in the 2012 elections. This year, they plan to spend even more.

If we are to win the long-term battle for the future of freedom – if we are to <u>finally disrupt</u> the Left's chokehold on government – it's essential that we roll back the entrenched power of government unions.

For decades, this vicious cycle of government union power was almost impossible to break.

Until SPN came along.

Because SPN has developed a system ... a model ... a proven, battle-tested strategy that makes us stronger with each state-based effort.

It's a victory model that is constantly improving. It takes a win, improves it, moves on to other issues, and exports those winning strategies to other states. It recruits and builds leaders, it builds lasting coalitions, and so much more.

Of course, at the heart of our Network are state-based policy centers supplying the "intellectual ammunition" for reform. The Goldwater Institute in Arizona, the Illinois Policy Center, the Mackinac Center in Michigan, the Buckeye Institute in Ohio, the Texas Public Policy Center. And so many other dedicated organizations creating energy and excitement for freedom-based solutions in state after state after state!

I call it a "hub and spoke" system. SPN and the 63 state-based "idea factories" in our Network serve as free-market, limited government policy "hubs." And together, we constantly reach out to elected officials, candidates, political organizations, grassroots groups and litigation experts – the "spokes" in our system – and arm them with pro-market, limited-government answers to tough public policy issues.

State Policy Network equips, empowers and encourages freedom-based state think tanks to innovate, test out new policies, and then encourage the leaders of the free-market movement in that state to make a difference. Doing for our freedom movement what FedEx, UPS and other such organizations have done so successfully in the marketplace.

But instead of goods and services, ours is a freedom distribution system.

Think of State Policy Network as the great connector, the hub connecting powerful spokes out in the states where leaders share intel for big wins in state after state. This is the kind of momentum that has national impact.

One observer said that the power of free-market ideas coming out of the states is equal to the advantage the Left has in the media. It cancels it out! Far-leftist billionaire and super-activist **George Soros** has said it would take a billion dollars to build a leftist version of our network in the states.

And to think that our most amazing years of growth have happened most recently, just when things seem to be at their worst for the freedom movement in Washington, D.C.

But not so in the states! In fact, quite the opposite.

Consider: When Barack Obama was first elected President in 2008, State Policy Network launched a bold campaign that we called the 50-Fifty-5 Initiative. We had a big goal, among others – to complete our 50-state network within five years.

By 2010, we accomplished that mission, having successfully launched affiliates in EVERY state in America. And three years ahead of schedule!

And through all these years, our amazing freedom network has compiled a remarkable record of pushing through major tax cuts and balanced budgets, regulatory reforms and patient-centered health care reforms in states – <u>both red and blue</u> – all across America.

Yes, we are a huge asset, and while the Left bitterly denounces and vilifies us, they have nothing to match our state-based capacity to turn the ideas of freedom into freedom-based policies.

Veteran free-market economist and commentator Stephen Moore puts it this way:

"We are winning in the states; we're winning big time. We have all the momentum in the states. We have incredible leaders, not just in the governors' offices, but ... Speakers of the House or the heads of the major committees in the states from Texas to Oregon to the Dakotas.

"And where do they get their ideas from? They get them from the State Policy Network."

Thank you, Stephen Moore. I couldn't agree more!

What all of this means is that we now have an *historic opportunity* to push profreedom policies and ideas into state governments across the nation. And an especially unique opportunity this year to break the back of the coercive power of government unions.

Consider, for example, what happened as a result of the dramatic union reforms our Network helped Governor Scott Walker achieve in Wisconsin.

Since "Act 10" (which prevents unions from automatically deducting dues from workers' paychecks) was signed into law in March 2011, tens of thousands of Badger State workers have elected not to pay union dues.

The Bureau of Labor Statistics recorded a drop in total union membership of 46,000 in the state in just the first two years the law has been in effect. The percentage of Wisconsin employees represented by unions fell from 53.4% in 2011 to 37.6% in 2013.

Most Wisconsin public employee unions have lost between 30% and 60% of their members in the two years since Act 10 went into effect. And this decline has in turn cost organized labor tens of millions of dollars.

It's clear: The unions' greatest enemy is freedom of choice.

Wisconsin proves that most people, given the choice, will decline to join unions. Imagine the impact this will have when we achieve even more government union reforms across the nation this year!

You can see why many say 2016 could be "game changing" for America, perhaps forever changing the direction our nation will go – upward to the ultimate in individual freedom consistent with law and order ... or down into the morass of hopeless collectivism and economic stagnation.

Based on our SPN freedom network's remarkable track record, I am hopeful.

In fact, I am confident we can and will win – in and through the states, as we achieve a wave of significant local victories for freedom and free-market principles that will sweep across America to create national impact!

And YOU have it in your power right now to help make that happen.

With your support today, our top goals for *Breakthrough 2016*: A State-by-State Plan to Liberate Americans from Coercive Government Unions are as follows:

- Aggressively expand our battle for workplace freedom against the powerful public sector unions, especially in as many as <u>15 key</u> "battleground" states.
- Mobilize and target the resources of our network to achieve important
 union reforms like <u>paycheck protection</u> (ending automatic dues
 deductions), changes to <u>certification requirements</u> to favor employees and
 not the unions, and <u>bans on collective bargaining</u> for public employees.
- Continue our fight to liberate parents and kids in our failing schools and take on the <u>teachers unions</u>. The SPN network will push for choices that parents can make to help their kids get the education they need: charter schools, education savings accounts, getting rid of terrible teachers currently protected by the unions, and more.

I remind you, fighting this all-out battle against the government unions this year helps us achieve two supremely important goals in our long-term fight to advance freedom across America:

- We <u>defund and defang</u> one of our freedom movement's most powerful opponents, the government unions; and
- 2) We <u>clear pathways</u> toward passage of so many other pro-freedom initiatives in the states.

With your most generous possible support today, we will build on our remarkable recent momentum to achieve even more big wins for freedom in 2016.

Think about this:

While the Obama Administration was turning Washington into a laboratory for a failed experiment in Big Government liberalism, the collaborative efforts of SPN and our partners in the states have turned the states into laboratories for bold, successful market-based reforms.

We've already transformed the political model in a handful of key states – some of them formerly "deep blue" states. Imagine the impact over the next few years if we can expand this "freedom wave" to half the states or more!

When we do, America will be a very different country. We will have replaced the failed Obama Progressive model with the freedom model!

Of course, whether we can fully exploit this remarkable opportunity this year is now in your hands. And in the hands of other generous freedom movement donors.

In all, our ambitious *Breakthrough 2016* battle plan to take on the government unions and advance freedom will require \$8.39 million to be fully funded.

Given the remarkable record of success, unparalleled momentum, and proven, battletested strategy State Policy Network has generated, as I described above, I hope you will be convinced that your maximum gift to SPN right now makes such good sense.

May I count on your critical support today,

I assure you, your donation of \$100, \$250, \$500, \$1,000 – or perhaps even \$5,000, \$10,000 or more, if possible – will be most welcome and put to immediate use in our *Breakthrough 2016* offensive in the states.

It will make possible all the critical infrastructure development, legal aid, persuasive message development, effective and aggressive online and social media advertising, and the deployment of SPN Rapid Response teams to key battleground states necessary for our proven strategy to win.

And win BIG we will surely do, with your help.

We have an opportunity to create <u>historic momentum for freedom</u> in the states that will have far-reaching consequences – especially as the country chooses new leadership later this year.

Now is the time to change America. We can do it with your help!

Gratefully,

Tracie Sharp
President

P.S. , we have opportunities *right now* to knock down the most powerful weapon in the Left's arsenal this year – the government unions. Allowing us to win big victories in the states to block Obamacare, cut taxes, cut regulations, give parents more control over their children's education, and a host of other issues.

As I mentioned above, we have just been awarded a \$1,000,000 matching gift challenge, giving a major boost to our *Breakthrough 2016* campaign plan.

With this generous challenge in effect, every dollar you give right now will be matched. Your donation will be doubled – matched DOLLAR FOR DOLLAR – until May 27. The more generous you can be, the more our shared cause will benefit.

PLEASE, I ask you to help us take full advantage of this generous offer before it expires. Your donation of \$100, \$250, \$500, \$1,000, \$5,000, \$10,000 or more will be most appreciated as it is DOUBLED IN IMPACT and immediately invested in our battle-tested victory model to advance freedom in the states.

BREAKTHROUGH 2016

A State-by-State Plan to Liberate Americans from Coercive Government Unions

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| | Arlington, VA 2220 | 19 | | | I | 3T1610 |
| Dear | Tracie, | | | | | |
| | Thank you for sharing with me your bold plan – BREAKTHROUGH 2016 – to win America's future. I am thrilled that SPN's "durable infrastructure for freedom" has grown to overcome even the vast political power of the Big Government unions! | | | | | |
| | I am encouraged by your bold state-by-state plans to end the stranglehold of government union bosses on state budgets across America. I understand we have many opportunities to rein in coercive government unions this year — not just to expand workplace freedom, but even to defund the Left and break its stranglehold on government. | | | | | |
| ۵ | I realize a generous \$1,000,000 matching challenge grant is now in effect until May 27 to help boost your urgent appeal for America's future! To help ensure that State Policy Network is fully equipped to take utmost advantage of our opportunities to increase freedom and prosperity across America in 2016 and beyond, I realize SPN's \$8.39 million Breakthrough 2016 campaign must be fully funded now. I am proud to support State Policy Network with my most generous-possible, tax-deductible contribution in the amount of: | | | | | |
| | \$100 | \$250 | \$500 | \$1,000 | \$2,500 | |
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