

Return of Organization Exempt from Income Tax

2002

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Header section A-F containing organization details: STATE POLICY NETWORK, EIN 57-0952531, address 6255 ARLINGTON BLVD, RICHMOND, CA 94805.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Main table with 21 rows detailing revenue (556,497), expenses (492,513), and net assets (289,562).

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B) (C) and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ 103,950 non cash \$)	22 103,950	103,950		
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 57,602	38,927	11,204	7,471
26 Other salaries and wages	26 58,964	39,849	11,467	7,648
27 Pension plan contributions	27			
28 Other employee benefits	28 6,812	4,606	1,322	884
29 Payroll taxes	29 9,044	6,411	1,335	1,298
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 3,781	2,911	678	192
34 Telephone	34 5,483	2,599	2,884	0
35 Postage and shipping	35 7,870	6,026	1,241	603
36 Occupancy	36 7,306	0	7,306	0
37 Equipment rental and maintenance	37 569	0	0	569
38 Printing and publications	38 14,366	12,804	351	1,211
39 Travel	39 25,382	16,340	891	8,151
40 Conferences, conventions, and meetings	40 87,036	86,961	0	75
41 Interest	41			
42 Depreciation depletion etc (attach schedule)	42 894	746	96	52
43 Other expenses not covered above (itemize)				
a INSURANCE	43a 1,980	1,651	213	116
b CONTRACT SERVICES	43b 39,207	39,047	0	160
c MISCELLANEOUS	43c 214	40	174	0
d INFORMATION RESOURCES	43d 7,064	6,046	496	522
e See Other Expenses Stmt	43e 54,989	35,027	17,687	2,275
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 492,513	403,941	57,345	31,227

Joint Costs Check if you are following SOP 98.2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? PUBLIC POLICY WORKSHOPS	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a RECRUIT ADJUNCT SCHOLARS WILLING TO SERVE ON THE BOARDS OF ADVISORS OF STATE-BASED THINK TANKS PRODUCE A MEDIA GUIDE FOR USE BY MEMBERS CREATE AN ECONOMIC AND REGULATORY INDEX WHICH COMPARES DIFFERENT LEVELS OF REGULATION AND TAXATION IN VARIOUS STATES (Grants and allocations \$ 103,949)	403,941
b _____ _____ (Grants and allocations \$ _____)	
c _____ _____ (Grants and allocations \$ _____)	
d _____ _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44 column (B) program services)	403,941

Part IV Balance Sheets (See Instructions)

Note <i>Where required attached schedules and amounts within the description column should be for end of-year amounts only</i>		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non interest-bearing	52,359	45	92,063
	46 Savings and temporary cash investments	160,467	46	267,022
	47a Accounts receivable			
	b Less allowance for doubtful accounts		47c	
	48a Pledges receivable			
	b Less allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)			
	b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments – land, buildings, & equipment basis	55a 6,332		
	b Less accumulated depreciation (attach schedule)	55b 1,851	2,075	55c 4,481
	56 Investments – other (attach schedule)			56
	57a Land buildings and equipment basis	57a		
	b Less accumulated depreciation (attach schedule)	57b		57c
	58 Other assets (describe ▶ _____)			58
59 Total assets (add lines 45 through 58) (must equal line 74)	214,901	59	363,566	
LIABILITIES	60 Accounts payable and accrued expenses	6,773	60	74,004
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors trustees, and key employees (attach schedule)		63	
	64a Tax exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ _____)		65	
66 Total liabilities (add lines 60 through 65)	6,773	66	74,004	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	74,970	67	201,589
	68 Temporarily restricted	133,158	68	87,973
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid in or capital surplus, or land, building and equipment fund		71	
	72 Retained earnings, endowment, accumulated income or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	208,128	73	289,562	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	214,901	74	363,566	

Form 990 is available for public inspection and for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III the organization's programs and accomplishments.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements	a	613,947
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments		
(2)	Donated services and use of facilities		40,000
(3)	Recoveries of prior year grants		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	b	40,000
c	Line a minus line b	c	573,947
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	573,947

a	Total expenses and losses per audited financial statements	a	532,513
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities		40,000
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	b	40,000
c	Line a minus line b	c	492,513
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	492,513

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
CARL O HELSTROM, III NEW YORK, NY 10165	CHAIRMAN	0	0	0
BYRON S LAMM FORT WAYNE, IN 46845	SEC/TREASURER	0	0	0
THEODORE D ABRAM KLAMATH FALLS, OR 97601	DIRECTOR	0	0	0
ALEJANDRO A CHAFUEN FAIRFAX, VA 22030	DIRECTOR	0	0	0
DERWOOD S CHASE, JR CHARLOTTESVILLE, VA 22902	DIRECTOR	0	0	0
See List of Officers Etc Statement		57,602	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes' attach schedule - see instructions

Part VI Other Information (See instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes' attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1 000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81a	Enter direct or indirect political expenditures. See line 81 instructions. b Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	If 'Yes' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12		
86b	Gross receipts, included on line 12, for public use of club facilities		
87a	501(c)(12) organizations Enter a Gross income from members or shareholders		
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes' complete Part IX		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0 section 4912 ▶ 0 section 4955 ▶ 0		
89b	501(c)(3) and 501(c)(4) organizations Did the organization engage in during the year or did it become aware of an excess benefit transaction explaining each transaction		
89c	Enter Amount of tax imposed on the organization managers or disqualifying persons during the year under sections 4912, 4955, and 4958		
89d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed ▶ INDIANA		
90b	Number of employees employed in the pay period that includes March		
91	The books are in care of ▶ TRACIE SHARP Located at ▶ 6255 ARLINGTON BLVD, RICHMOND CA		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 990-E and enter the amount of tax exempt interest received or accrued during the year		

Part VII Analysis of Income-Producing Activities (See instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a CONFERENCE FEES					3,700
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	4,181	
97 Net rental income or (loss) from real estate					
a debt financed property					
b not debt financed property					
98 Net rental income or (loss) from pers prop			16	9,569	
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				13,750	3,700
105 Total (add line 104 columns (B), (D), and (E))					17,450

Note Line 105 plus line 1d Part I should equal the amount on line 12 Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	CONFERENCE FEES FOR PUBLIC POLICY WORKSHOPS OFFERED TO STATE BASED PUBLIC POLICY ORGANIZATIONS AND INTERESTED MEMBERS OF THE GENERAL PUBLIC

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End of year assets	N/A
	%				
	%				
	%				
	%				

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions)

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums directly or indirectly on a personal benefit contract? Yes No

Note If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: Tracie J. Sharp Date: 4-11-03

Type or print name and title: Tracie J. Sharp - President

Paid Preparer's Use Only

Preparer's signature: Richard L. Hendershot, CPA Date: 4/7/03 Check if self-employed: Preparer's SSN or PTIN (see General Instruction W): P00117363

Firm's name (or yours if self-employed) address and ZIP + 4: RICHARD L HENDERSHOT, CPA, PC
7525 PRESIDENTIAL LANE
MANASSAS VA 20109-2629 EIN: 54-1807239 Phone no: (703) 361-1592

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization STATE POLICY NETWORK	Employer identification number 57-0952531
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions List each one If there are none, enter 'None')

(a) Name and address of each employee paid more than \$50 000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
CHRISTINA SMITH ----- MIDLAND, MI 48642	DIR LEADERSHIP DEV 40	56,013	0	0

Total number of other employees paid over \$50 000 ▶	None			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions List each one (whether individuals or firms) If there are none enter 'None')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		

Total number of others receiving over \$50 000 for professional services ▶	None	

Part III Statements About Activities (See instructions)

	Yes	No
<p>1 During the year has the organization attempted to influence national, state, or local legislation including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____</p> <p>(Must equal amounts on line 38, Part VI A, or line 1 of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI A. Other organizations checking 'Yes' must complete Part VI B AND attach a statement giving a detailed description of the lobbying activities</p>		X
<p>2 During the year has the organization either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: right;">See Part V, Form 990</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)</p>		X
<p>4 Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments</p>		

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11 b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc. functions - subject to certain exceptions - and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11 or 12) *Use cash method of accounting*

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants and contributions received (Do not include unusual grants. See line 28.)	382,243	312,228	252,088	147,653	1,094,212
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	2,250	5,000	1,721		8,971
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	7,003	7,029	2,181	2,408	18,621
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	391,496	324,257	255,990	150,061	1,121,804
24 Line 23 minus line 17	389,246	319,257	254,269	150,061	1,112,833
25 Enter 1% of line 23	3,915	3,243	2,560	1,501	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 22,257
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 579,642
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c 1,112,833
d Add Amounts from column (e) for lines 18 18,621 19 19 and 22 22					26d 598,263
e Public support (line 26c minus line 26d total)					26e 514,570
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 46.24%
27 Organizations described on line 12					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person' prepare a list for your records to show the name of and total amounts received in each year from each 'disqualified person'. Do not file this list with your return. Enter the sum of such amounts for each year.	(2001) _____ (2000) _____ (1999) _____ (1998) _____				
b For any amount included in line 17 that was received from each person (other than 'disqualified persons') prepare a list for your records to show the name of and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11 as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2001) _____ (2000) _____ (1999) _____ (1998) _____				
c Add Amounts from column (e) for lines 15 15 17 17 and 21 21					27c _____
d Add Line 27a total and line 27b total					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e).					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %

28 Unusual Grants For an organization described in line 10, 11 or 12 that received any unusual grants during 1998 through 2001 prepare a list for your records to show, for each year the name of the contributor, the date and amount of the grant and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body faculty and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above please explain (If you need more space attach a separate statement) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975 2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check a if the organization belongs to an affiliated group Check b if you checked 'a' and 'limited control' provisions apply

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table –		
If the amount on line 40 is –		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is –		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	
Caution If there is an amount on either line 43 or line 44, you must file Form 4720		

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI A) (See instructions)

During the year, did the organization attempt to influence national state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members legislators or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators their staffs, government officials, or a legislative body
- h Rallies, demonstrations seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

Table with 3 columns: Question, Yes, No. Rows include 51 a (i) Cash, a (ii) Other assets, b (i) Other transactions, b (i)-(vi) various types of transfers, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (with X checked)

b If 'Yes,' complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

SCHEDULE OF GRANTS AND ALLOCATION EXPENSE-Contributions and grants given by SPN

Purpose of Grants: Health care reform policy research and publishing.

Name	Balance	Name	Balance
Washington Policy Center 4025 Delridge Way SW, Suite 210 Seattle, WA 98106	\$ 18,500	Evergreen Freedom Foundation P O Box 552 Olympia, WA 98507	\$ 5,000
Maryland Public Policy Institute PO Box 195 Germantown, MD 20875-0195	\$ 5,000	Great Plains Public Policy Institute Box 88138 Sioux Falls, SD 57109	\$ 2,500
Rio Grande Foundation PO Box 2015 Tijeras, NM 87059	\$ 5,000	James Madison Institute PO Box 37460 Tallahassee, FL 32315-7460	\$ 2,500
South Carolina Policy Council 1323 Pendleton Street Columbia, SC 29201	\$ 5,000	Thomas Jefferson Institute 9035 Golden Sunset Lane Springfield, VA 22153	\$ 7,200
Cascade Policy Institute 813 SW Alder, Ste 450 Portland, OR 97205-3121	\$ 12,500	Commonwealth Foundation 225 State Street, Suite 302 Harrisburg, PA 17101	\$ 7,500
Independence Institute 14142 Denver West Parkway, Suite 185 Golden, CO 80401	\$ 5,000		
		Total Health care reform grants	\$ 75,700

Purpose of Grants: Private Prison research and publishing

Name	Balance	Name	Balance
Rio Grande Foundation PO Box 2015 Tijeras, NM 87059	\$ 7,000	Public Interest Institute 600 North Jackson Street Mt Pleasant, IA 52641	\$ 6,250

Independence Institute	\$ 7,500	Wisconsin Policy Research Institute	\$ 7,500
14142 Denver West Parkway, Suite 185 Golden, CO 80401		PO Box 487 Thiensville, WI 53092	
		Total private prison research grants	\$ 28,250

Total grants and allocations: \$ 103,950

Form 990 EZ, Page 1, Part II, Line 24

Other Assets Statement

Line 24 - Other Assets:	Beginning of Year	End of Year
Investments	2,075	
Total	<u>2,075</u>	

Form 990 EZ, Page 1, Part II, Line 26

Total Liabilities Statement

Line 26 - Total Liabilities:	Beginning of Year	End of Year
Accounts Payable & Accrued Expenses	6,773	
Total	<u>6,773</u>	

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize)	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
SUBSCRIPTIONS	2,241	1,369	597	275
ELECTRONIC COMM'S-WEB	2,252	0	452	1,800
PROJECT EXPENSE	30,532	30,332	0	200
PROPERTY TAX	10	0	10	0
PROFESSIONAL FEES	13,686	3,326	10,360	0
CONTRIBUTION EXPENSE	6,268	0	6,268	0
Total	<u>54,989</u>	<u>35,027</u>	<u>17,687</u>	<u>2,275</u>

Form 990, Page 4, Part V

List of Officers, Etc. Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
ROBERT W POOLE, JR LOS ANGELES, CA 90034	DIRECTOR 0	0	0	0
LAWRENCE W REED MIDLAND, MI 48640	DIRECTOR 0	0	0	0
TRACIE SHARP RICHMOND, CA 94564	PRESIDENT 40	57,602	0	0

Form 990, Page 4, Part V
List of Officers, Etc. Statement

Continued

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
GAYLORD SWIM OREM, UT 84058	DIRECTOR 0	0	0	0

Total

57,602 0 0

STATE POLICY NETWORK
Office Equipment
 Depreciation Schedule

<u>Asset Name</u>	<u>In Service</u>	<u>Disposal</u>	<u>Cost</u>	<u>2001 Depr</u>	<u>2002 Depr</u>	<u>Accum. Depr</u>	<u>Book Value</u>
Laser Jet Printer	06/20/01	08/23/02	399 99	66 66	66 66	133 32	266 67
Computer Software	07/10/01		2,712 00	452 00	904 00	1,356 00	1,356 00
Computer	04/05/02		2,895 58		289 54	289 54	2,606 04
Printer	05/07/02		422 27		42 23	42 23	380 04
Fax Machine	05/07/02		303 07		30 31	30 31	272 76
Total			6,733	519	1,333	1,851	4,882