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Out of Politics!

August
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FINALLY... Some Action on Reform Bill

After spending months bottled up in committee in both houses, campaign reform legislation got renewed life as there was finally movement in the Senate Judiciary, Consumer Affairs and Campaign Finance Reform Committee.

The committee, chaired by Milwaukee Democrat Gary George, approved a bill largely based on the Voters First reform proposal on a bipartisan 4-1 vote.

Senator George forged a compromise with Neenah Republican Mike Ellis, a leading GOP reform advocate in the Senate. The measure, technically a substitute amendment to Ellis' Senate Bill 104, incorporates most of the elements of Voters First.



Among the Voters First provisions included in the new version of SB 104 are:

- A guaranteed source of funding for public financing grants that candidates receive if they agree to limit their campaign spending. (The public financing grants would be equal to 45% of the spending limit, as called for in Voters First, up from 33% in the original Ellis bill.)
- Matching grants to candidates who abide by spending limits but have independent campaigns run against them by special interest groups or who face opponents who refuse to agree to the spending limits.
- A prohibition on fund raising during the state budget process.
- The elimination of leadership-controlled legislative campaign committees, restrictions on contributions from special interest conduit committees, and a ban on the bundling of money from different special interest political action committees to create "SuperPACs."

The amended SB 104 also includes updated spending limits almost identical to those in Voters First. However, the committee-adopted proposal does not include several features of Voters First, including tighter overall contribution limits and a ban on the accumulation of candidate "war chests" between elections. It also requires less disclosure of money spent by special interests on phony issue ads than Voters First does.

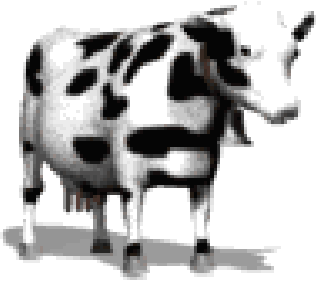
Most notably, the compromise broadens the bipartisan coalition by adding the support of Ellis, committee chairman George and committee member Joanne Huelsman (R-Waukesha), who had supported the Ellis bill but opposed Voters First.

Budget is campaign cash cow

While putting together the state budget, legislators milked special interests for \$1.6 million in campaign contributions during the first six months of 2001, an 83% increase over the \$875,715 raised by legislators in the first half of 1999 when they crafted the previous state budget.

The bulk of the contributions went to majority party lawmakers – Senate Democrats and Assembly Republicans – who control the votes on the budget. The fund raising during budget deal making leaves legislative incumbents with war chests already totaling \$3.65 million.

Those hefty cash balances not only give incumbents a daunting head start over possible challengers in the 2002 elections over a year from now, but it's also more than the \$3.2 million legislators had on hand only four months before the 2000 election. The cash incumbents had on hand heading into the stretch in the 2000 campaign gave them a staggering \$14-to-\$1 advantage over challengers, which helps explain why 40% of last year's legislative races were uncontested.



The leading fund raiser was Joint Finance Committee co-chairman Brian Burke (D-Milwaukee), who has sponsored legislation that would ban fund raising during the budget process, but nevertheless raised \$222,513 while budget decisions were being made.

In addition to legislators, Republican Governor Scott McCallum raised nearly \$1.9 million in the first six months of the year and had a campaign balance of about \$2 million. Attorney General James Doyle, a Democratic candidate for governor, raised more than \$537,000 and had a cash balance of \$1 million as of June 30. Another Democratic contender, Tom Barrett, raised more than \$233,384. Barrett's cash balance stands at \$942,000 after the Elections Board let him use much of his congressional campaign fund to run for governor.

The full report on budget-season fund raising is available on the WDC web site at www.wisdc.org.

Bill introduced to ax caucuses

Legislation to eliminate the taxpayer-funded legislative caucuses that are at the center of a growing state government scandal has been introduced as Assembly Bill 466.

The lead sponsor is Representative Marty Reynolds (D-Ladysmith). Co-sponsors include Senator Sheila Harsdorf (R-River Falls) and Representatives Mike Powers (R-Albany), Bob Ziegelbauer (D-Manitowoc), Frank Boyle (D-Superior), Tim Carpenter (D-Milwaukee), Sheldon Wasserman (D-Milwaukee), Tony Staskunas (D-West Allis), John Lehman (D-Racine), John Ryba (D-Green Bay), Barb Gronemus (D-Whitehall) and Tom Hebl (D-Sun Prairie).

AB 466 was referred by Assembly Speaker Scott Jensen to the Assembly Organization Committee, which he chairs.

An ongoing investigation by the *Wisconsin State Journal* has revealed widespread campaigning by caucus employees using state facilities and resources. (All of the *State Journal* stories on the caucus scandal are available online at www.wisconsinstatejournal.com/caucus/)

The state Elections Board, Ethics Board, state Attorney General's office, Dane County District Attorney Brian Blanchard and Milwaukee County District Attorney E. Michael McCann are investigating.

The survey says....

At the end of July, the Harris Poll asked a national sample of Americans to name the two most important issues they want the government to address. Campaign finance reform came in tied for fourteenth.

At first glance, the results look like bad news for reformers. But here is some of the company campaign reform finished *ahead* of: world peace; oil and gas prices; AIDS; race relations.

"Never doubt the ability of a small group of committed people to change the world. Indeed, it is the only thing that ever has." — Margaret Mead

Party 'issue ads' latest campaign finance abuse

The state Democratic and Republican parties violated Wisconsin campaign finance laws when they paid for ads attacking candidates for state office but did not report the spending, according to complaints filed with the state Elections Board by the Wisconsin Democracy Campaign.

The parties characterized the communications as "issue ads" that do not have to be disclosed. Phony issue ads run by state political parties are the newest campaign finance abuse in Wisconsin and are used to conceal the special interest money in campaigns from public view, said WDC executive director Mike McCabe.

The ads cited in the Democracy Campaign's complaints include Democratic mailings in several state Assembly districts before last fall's general election and Republican radio ads focusing on the state school superintendent race aired before this year's spring election.

The political parties are now trying to squeeze through the same loophole special interests use to escape disclosure.

Special interest groups use issue ads to escape the disclosure requirements in Wisconsin's campaign finance laws. While the groups say issue ads should not be subject to the same regulation as campaign ads because they are educational in nature, the ads disparage or praise named candidates and are plainly aimed at persuading voters how to cast their ballots.

It is disingenuous for special interest groups to pass off blatant electioneering as mere issue discussion or voter education, McCabe said, but it's an even more egregious abuse when the state parties do it because under Wisconsin law political parties are committees organized exclusively for political purposes.

"Getting people elected is what political parties exist for," McCabe said. "Common sense tells you that ads run by a political party are political, not just educational."

Give 'em a piece of your mind

As the legislature's October session approaches, lawmakers need to hear loud and clear that voters expect them to take action to clean up the political process. Here are four things you can do right now to make a difference:



1. Contact members of the Joint Committee on Finance to urge them to support the substitute amendment to Senate Bill 104 that was approved by the Senate Judiciary Committee. (Phone numbers and e-mail addresses for committee members are available online at www.legis.state.wi.us/lfb/jfcmembership.html. If you don't have Internet access, call the WDC toll-free at **1-888-455-4260** to get the contact information.)

2. Contact Senate Majority Leader Chuck Chvala (**608-266-9170** or **Sen.Chvala@legis.state.wi.us**) to urge him to support the substitute amendment to SB 104 and schedule it for floor debate in October.

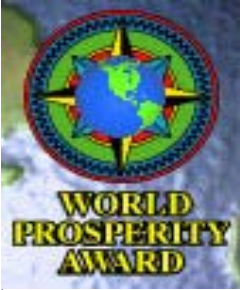
3. Call the toll-free Legislative Hotline (**1-800-362-9472**) and urge your own senator and representative to support the substitute amendment to SB 104.

4. Contact Assembly Speaker Scott Jensen (**608-266-3387** or **Rep.Jensen@legis.state.wi.us**) and ask why public hearings are not being held on Assembly Bill 466, which would eliminate funding for the legislative caucuses.



Web site gets more kudos

The Wisconsin Democracy Campaign web site, www.wisdc.org, has earned the World Prosperity Award from World Prosperity Ltd., which sponsors the Global Reform Movement for Social Progress. The non-commercial site focuses on the central causes of problems in our political, educational and medical systems, as well as solutions. WDC's web site was judged to be "especially rich in content" and "represents an exceptional and valuable contribution" to the Internet.



Last year, WDC's web site was ranked in the top 10% of the web's most popular sites by the independent rating service WebsMostLinked.com.

Goings and comings at WDC

The Democracy Campaign's longtime financial manager and technology administrator, Karen Foley Stauss, left WDC in July to become information systems manager at The Nature Conservancy. At WDC, Karen not only kept the books in order and kept the computers working, but also was our primary web master and edited the newsletter. And she did it all as a half-time employee. Everyone at WDC wishes her the very best in her new career.

Filling Karen's shoes will be Becky Margenau, an experienced accountant who also will be continuing to handle finances part-time at the Coalition of Wisconsin Aging Groups, a WDC coalition partner. Welcome aboard, Becky!



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