

Inside

Page 2

Campaign war chests bursting
'Wealth primary' cheats voters

Page 3

TV gouges democracy
Congress bows to TV industry

Page 4

WDC web site gets new look
Annual meeting set for May 2

Get Big Money



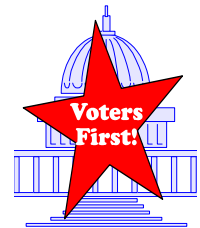
Out of Politics!

March 2002

Campaign reform passes both houses, but state's top leaders block final agreement

Despite organized opposition from the most powerful economic and political interests in Wisconsin, both houses of the state legislature passed major campaign finance reform legislation in late February. The actions brought the state to the brink of the first meaningful reforms in Wisconsin's campaign finance laws in a generation.

The Senate passed SB 104, the comprehensive reform proposal authored by Neenah Republican Mike Ellis and based on the Voters First plan developed by the Wisconsin Democracy Campaign, on a bipartisan 25-8 vote February 26. Later that same day, the Assembly passed its own, less ambitious version of reform (AB 843) on a 87-12 vote.



Leaders in the two houses did not agree to convene a conference committee, however, blocking the final negotiations needed to work out differences between SB 104 and AB 843 before the legislature's regular session ended March 14.

After the legislature adjourned its regular session, WDC called for an extended session of the legislature to finish the remaining work on campaign reform legislation. Legislative leaders can call the legislature into extraordinary session and the governor can call a special session of the legislature. So far, neither the leaders nor Governor Scott McCallum have agreed to do so.

WDC notches win on electronic disclosure

Under threat of a lawsuit by the Wisconsin Democracy Campaign, the state Elections Board will finally implement a four-year-old law requiring candidates to file their campaign finance reports electronically to give citizens quicker access to information about donations candidates receive.

The "Citizens Right to Know" law was enacted in 1998 and was supposed to be implemented by July 1999. The Elections Board never implemented it, leaving Wisconsin as one of only a few states without a system of electronic disclosure of campaign information.

WDC has worked for implementation since enactment of the law, but in January hired a law firm to seek a court order. In a March 22 meeting, Elections Board executive director Kevin Kennedy committed to adopting an emergency rule directing candidates to submit their reports in an electronic format specified by the Board.

Campaign war chests bursting

State legislators used the state budget to lure special interest contributions, raising over \$1.5 million in the last half of 2001. That is 78% more than they raised during a comparable period four years ago.

Thanks to the record fundraising lawmakers did in 2001, they entered the 2002 election year with \$4.3 million in their campaign war chests – 124% more than at the same time four years ago.



Most of the special interest donations flowed to key legislators with considerable influence over taxing and spending decisions in the state budget process.

Democratic Senators Kevin Shibilski of Stevens Point and Brian Burke of Milwaukee, both of whom serve on the budget-writing Joint Finance Committee, raised the most among senators.

Shibilski, who is now the lone Democratic candidate for lieutenant governor, raised \$245,912 in the last six months of the year. Burke, who is running for attorney general, raised \$138,317.

In the Assembly, Speaker Scott Jensen, a Waukesha Republican, continued to be the leading fundraiser. He accepted \$97,173 in the six-month period, far outpacing Marathon Republican Jerry Petrowski who raised the next largest sum at \$27,522.

WDC's analysis of the most recent fundraising reports also clearly shows that money flows to power. Majority Democrats in the Senate raised more than three times as much as Senate Republicans and the cash balances in the Democrats' campaign accounts are more than double those of the Republicans.

In the Republican-controlled Assembly, GOP lawmakers raised nearly four times as much as minority Democrats and had 85% more money in their campaign accounts than the Democrats.

A complete list of officeholders and the amount of funds they raised is available on WDC's web site at www.wisdc.org.

'Wealth primary' decides race before voters get to choose

Large campaign contributions have decided the Democratic primary for lieutenant governor seven months before citizens vote.

"This race is a classic example of the wealth primary," said Mike McCabe, executive director of the Wisconsin Democracy Campaign. "Before the voters had a chance to choose, the money chose for them."

State Senator Kevin Shibilski of Stevens Point is the only Democratic candidate left in the race because both of his opponents have dropped out.

Shibilski was the legislature's top fundraiser during the last six months of 2001. He collected \$245,912 in contributions from July 1 to December 31, increasing his cash on hand to \$300,763.

That dwarfs the amounts raised by his former Democratic opponents – Brown County Executive Nancy Nusbaum and Dane County Clerk Joe Parisi.

Nusbaum, who withdrew from the race last month, raised \$15,590 during the last six months of 2001, bringing her cash balance to \$17,813. Parisi pulled out September 5 with about \$27,000 in his account.

Parisi told the Associated Press that Shibilski's fundraising prowess was the reason he dropped out of the race. He said Shibilski's seat on the Legislature's influential Joint Finance Committee attracts large donations from special interest groups.

"People connected to big donors push everybody else out of the race," Parisi told AP. "Early on, unfortunately, it's all about raising money. The candidate is selected before the campaign begins by people who can write fat checks."

Money also played a role in Nusbaum's decision to quit the race. "It certainly illustrates the difficulty of someone who is not a Capitol insider being able to mount a credible campaign in this day and age," Nusbaum told AP.

Lieutenant Governor Margaret Farrow is the only Republican candidate so far.

TV stations charge candidates \$1 million premium for election ads

A Wisconsin Democracy Campaign study shows local television stations in the three largest Wisconsin TV markets systematically gouged political candidates in the final month of the 2000 campaign, charging 68% more than the lowest candidate rate listed on the stations' own advertising rate cards.

The stations in Milwaukee, Madison and Green Bay charged the premiums worth nearly \$1 million despite a 30-year-old federal law designed to protect candidates from demand-driven spikes in TV ad prices.



The law no longer works, the WDC analysis shows. Nineteen candidates bought 7,272 ads in the 30 days before the November 7 election, paying 11 stations in the three markets \$2,461,130. If candidates had paid the lowest rate listed on the stations' rate cards, they would have paid \$1,462,172 for the ads. That amounts to an overcharge of \$998,958. The overcharges averaged \$137.37 per ad.

Overcharges averaged 134% in the Madison TV market, 57% in Green Bay and 15% in Milwaukee.

Stations charged candidates even more than their *highest* listed rate in 184 instances, an apparent violation of the federal law. Green Bay CBS affiliate WFRV went "off the rate card" most frequently, charging more than its highest published rate 128 times.

WDC also found that stations charge more for ads during periods of peak campaign activity than they do during non-election periods. A comparison of rate cards for the pre-election fourth quarter of 2000 and the post-election first quarter of 2001 revealed notable differences in ad rates.

For example, before the election Madison's CBS affiliate WISC was charging \$800 for non-preemptible time during its 6 o'clock news on Saturdays. After the election, the rate for the same ad in the same time slot was lowered to \$350.

Congress passes reform bill, but strips out TV amendment

For the first time in a generation, Congress passed legislation that aims to reduce the influence of special interests, but even as federal lawmakers mustered the courage to ban soft money and require disclosure of issue ads they bowed to the wishes of one of the most powerful special interests of all – the TV industry.

Last March, the U.S. Senate added an amendment to the McCain-Feingold campaign reform legislation that closes the loopholes in the federal "lowest unit charge" law designed to protect candidates from price gouging when they buy TV ads. The amendment took broadcasters by surprise and when the same provision was included in the companion Shays-Meehan bill in the House, the National Association of Broadcasters waged an all-out, 11-month lobbying campaign to strip the measure from the bill.

Five days after the Senate passed McCain-Feingold with the lowest ad rate guarantee attached, the NAB gave \$15,000 apiece to the National Republican Congressional Committee and the Democratic Congressional Campaign Committee.

6 of the 9 members of Wisconsin's House delegation voted with the broadcasters.

Two days later, the group gave another \$2,000 in soft money to the DCCC. More than \$60,000 in checks were distributed to individual House and Senate members.

The broadcast industry's money won. While the Senate had voted 69-31 to close the TV ad loopholes, the House voted 327-101 to remove the TV ad rate reforms from the bill it passed. **(In Wisconsin's House delegation, Representatives Tammy Baldwin, D-Madison, Mark Green, R-Green Bay, Ron Kind, D-La Crosse, Thomas Petri, R-Fond du Lac, Paul Ryan, R-Janesville, and F. James Sensenbrenner, R-Menomonee Falls, voted to protect the broadcasters' profits. Congressmen Tom Barrett, D-Milwaukee, Gerald Kleczka, D-Milwaukee, and David Obey, D-Wausau, voted to close the ad rate loopholes.)**

WDC web site gets new look

If you're into surfin' the Net, you may have noticed the Wisconsin Democracy Campaign's web site has been given a facelift. If you haven't seen the new look yet, you can check it out at www.wisdc.org.



The WDC site always has been "homemade" and it was redesigned by in-house staff, too. Most of the credit goes to WDC's data analyst and resident webmaster, David Julseth. The aim was to make it easier to get to the award-winning content. Let us know what you think.

You're invited – WDC annual meeting

The annual meeting of the Wisconsin Democracy Campaign's membership is scheduled for Thursday, May 2 from 3 p.m. to 6 p.m. at the State Capitol in Madison. The annual election of WDC's board of directors will be held at the meeting.

Invited speakers include Senator Mike Ellis (R-Neenah), author of the leading campaign finance reform proposal offered this session, and Wisconsin State Journal reporters Dee Hall and Phil Brinkman, who broke the stories about illegal campaigning in the Capitol and continue to lead the newspaper's ongoing reporting of the legislative caucus scandal that has prompted criminal investigations.

For more information on the meeting, call the WDC office toll-free at 1-888-455-2560.



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