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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2005-06

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on Campaign Finance Reform and Ethics...

#### COMMITTEE NOTICES ...

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#### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

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  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
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- Miscellaneous ... **Misc**

## Senate

### Record of Committee Proceedings

#### **Committee on Campaign Finance Reform and Ethics**

##### **Senate Bill 46**

Relating to: campaign financing, designations for the Wisconsin election campaign fund by individuals filing state income tax returns, creating a nonrefundable individual income tax credit for contributions to the Public Integrity Endowment, candidate time on public broadcasting television stations and public access channels, statewide voter registration, staffing of the Elections Board, providing exemptions from emergency rule procedures, granting rule-making authority, and providing penalties.

By Senators Ellis, Risser, Harsdorf, Schultz, A. Lasee, Lassa, Cowles and Carpenter; cosponsored by Representatives Freese, Kaufert, Musser, Zepnick and Albers.

February 08, 2005      Referred to Committee on Campaign Finance Reform and Ethics.

March 2, 2005            **PUBLIC HEARING HELD**

Present:    (5)      Senators Ellis, A. Lasee, Kedzie, Risser and Miller.  
Absent:     (0)      None.

##### Appearances For

- Tim Carpenter — Sen.
- Jay Heck — Common Cause in Wisconsin
- David Martin — Common Cause in Wisconsin
- Mary Lou Munts, Madison
- Sheila Harsdorf — Sen.
- Will Sandstrom, Madison — Dr.
- Marika Fischer Hoyt, Madison
- Ed Reisch, Madison
- LuAnn Bird, Oshkosh
- Bill Landgraf, DeForest

##### Appearances Against

- Herman Holtzman, Madison
- Clare McArdle — League of Women Voters

##### Appearances for Information Only

- Mike McCabe — Wisconsin Democracy Campaign

- Bob Wirch — Sen.

Registrations For

- Charlotte Holzman, Madison
- Jayme Sellen — Wisconsin Counties Association
- Cordelia May — Church Women United in Wisconsin
- Steve Freese — Rep.
- Dean Kaufert — Rep.
- Julie Lassa — Sen.
- Bill Schwulst, Oshkosh
- Jeff Pertl — Wisconsin Association of School Boards
- Barbara Fleishman, Middleton

Registrations Against

- Leigh Roberts, Madison
- Andrea Kaminski — League of Women Voters

March 2, 2005

**EXECUTIVE SESSION HELD**

Present: (5) Senators Ellis, A. Lasee, Kedzie, Risser and Miller.  
Absent: (0) None.

Moved by Senator Risser, seconded by Senator Miller that **Senate Amendment a0243/1** be recommended for introduction.

Ayes: (2) Senators Risser and Miller.  
Noes: (3) Senators Ellis, A. Lasee and Kedzie.

INTRODUCTION OF SENATE AMENDMENT A0243/1 NOT RECOMMENDED, Ayes 2, Noes 3

Moved by Senator Miller, seconded by Senator Risser that **Senate Amendment a0242/1** be recommended for introduction.

Ayes: (2) Senators Risser and Miller.  
Noes: (3) Senators Ellis, A. Lasee and Kedzie.

INTRODUCTION OF SENATE AMENDMENT A0242/1 NOT RECOMMENDED, Ayes 2, Noes 3

Moved by Senator Ellis, seconded by Senator Risser that **Senate Bill 46** be recommended for passage.

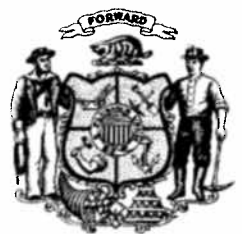
Ayes: (5) Senators Ellis, A. Lasee, Kedzie, Risser and Miller.  
Noes: (0) None.

PASSAGE RECOMMENDED, Ayes 5, Noes 0

Michael Boerger  
Committee Clerk



# WISCONSIN STATE LEGISLATURE





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## WISCONSIN LEGISLATIVE COUNCIL

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*Terry C. Anderson, Director  
Laura D. Rose, Deputy Director*

TO: SENATOR MICHAEL ELLIS  
FROM: Ronald Sklansky, Senior Staff Attorney  
RE: 2005 Senate Bill 46  
DATE: February 16, 2005

This memorandum summarizes the major substantive provisions of 2005 Senate Bill 46, generally relating to campaign financing.

### **A. REGISTRATION AND REPORTING REQUIREMENTS**

- **“Issue Ads.”** Senate Bill 46 imposes a reporting requirement upon a person who makes one or more communications that are financed with any noncandidate election expenditures exceeding \$500 in aggregate with respect to an election. A “noncandidate election expenditure” is defined to mean an expenditure for the purpose of making a communication during the period beginning on the 30<sup>th</sup> day preceding a primary election and ending on the date of the final election or, if no primary is held, during the period beginning on the 60<sup>th</sup> day preceding the election at which an office is filled and ending on the date of that election; that contains a reference to a clearly identified candidate to be filled at that election; and that is made independently of a candidate. The report must be filed within 24 hours after the date on which each communication financed with a noncandidate election expenditure not identified in a previous report is made. The report must include information about the person making the expenditure, the name of each candidate identified in each communication, a statement as to whether the communication is intended to support or oppose any candidate, and the total amount or value of the expenditure and the cumulative expenditures made by the person with respect to that election. This activity generally is not an act for “political purposes” if the communication does not expressly advocate the election, defeat, recall, or retention of a clearly identified candidate or a particular result at a referendum. This treatment of issue ads appears to have at least the following consequences:
  1. A corporation would be allowed to make noncandidate election expenditures.

2. The Elections Board would be unable, by interpreting the term “political purposes” through the rule-making process, to impose upon a person or committee making a noncandidate election expenditure the requirement to register and report the source of contributions for the noncandidate election expenditure.

[SECS. 9, 15, 17, and 48 of Senate Bill 46 and ss. 11.05, 11.06, and 11.38, Stats.]

- **Referenda Reports.** Senate Bill 46 requires an individual who accepts contributions, incurs obligations, or makes disbursements with respect to a referendum, or a political group which similarly makes or accepts contributions, incurs obligations, or makes disbursements, in excess of \$100 in a calendar year, to file a statement with the appropriate filing officer providing registration information such as the name of the individual or group, the name of the treasurer, the nature of the referenda, and other identifying information. [SECS. 19, 20, and 78 of Senate Bill 46.]
- **Candidate’s Identity.** Senate Bill 46 requires the registration statement of a personal campaign committee to identify the candidate on whose behalf the committee was formed and the office that the candidate seeks. [SEC. 23 of Senate Bill 46.]
- **Phone, Fax or Email of a Candidate.** Senate Bill 46 requires the registration statement of a candidate or personal campaign committee to include the telephone number and fax number or email address, if any, at which the candidate may be contacted. [SEC. 25 of Senate Bill 46.]
- **Exemption From Independent Disbursement Report--State Office.** Senate Bill 46 provides that an individual or committee required to file an oath of independent disbursements and who or which accepts contributions, makes disbursements, or incurs obligations, for purposes of supporting or opposing one or more candidates for *state office* but who or which does not anticipate accepting contributions, making disbursements, or incurring obligations in excess of \$1,000 in a calendar year and does not anticipate accepting a contribution exceeding \$100 from a single source may make a statement to that effect on the registration statement and the individual or committee will not be subject to any filing requirements if the statement is true. The statement may be revoked and, if it is, filing requirements apply. If revocation is not timely made, it is considered a violation of false reporting statutes. [SEC. 38 of Senate Bill 46.]
- **Exemption From Independent Disbursement Report--Local Office.** Senate Bill 46 provides that an individual or committee required to file an oath of independent disbursements and who or which accepts contributions, makes disbursements, or incurs obligations for supporting or opposing one or more candidates for *local office* but who or which does not anticipate accepting contributions, making disbursements, or incurring obligations in excess of \$100 in a calendar year and does not anticipate accepting any contribution exceeding \$100 from a single source may make a statement to that effect on the registration statement and the individual or committee will not be subject to any filing requirements if the statement is true. The statement may be revoked and, if it is, filing requirements apply. If the revocation is not timely made, it is considered a violation of the false reporting statutes. [SEC. 38 of Senate Bill 46.]

- **24-Hour Reporting of Independent Disbursements.** Senate Bill 46 requires any committee that makes an independent disbursement for purposes of supporting the election or defeat of a candidate for Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer, Superintendent of Public Instruction, Justice, Representative, or Senator to file reports with the Elections Board within 24 hours after any of the specified events. The reporting requirement applies only to a disbursement made during the period beginning on the 30<sup>th</sup> day preceding a primary election for an office and ending on the date of the final election or, if no primary is held, during the period beginning on the 60<sup>th</sup> day preceding an election at which an office is filled and the date of that election. The requirement does not apply to a nonelection candidate expenditure in the issue ad context. [SEC. 57 of Senate Bill 46.]
- **24-Hour Reporting for Candidates not Accepting Public Financing.** Senate Bill 46 provides that any candidate for Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer, Superintendent of Public Instruction, Representative, or Senator who does not accept a grant from the Wisconsin Election Campaign Fund (Fund) and who makes a disbursement after accumulating cash or who makes disbursements exceeding a combined total of 90% of the disbursement limit for the applicable office, must file daily reports with the Elections Board and each candidate for that office, by email or fax, on each day beginning with that date or the seventh day after the primary election was held (or would have been held), whichever is later. Each report must specify the amount of each disbursement required to be reported under s. 11.06 (1), Stats., and must be filed no later than 24 hours after the disbursement is made. If no email or fax number is available, the report must be filed at the address shown for the candidate. [SEC. 58 of Senate Bill 46.]
- **Electronic Reporting.** Senate Bill 46 requires a committee that must report electronically to do so within 24 hours after a reportable transaction. [SEC. 75 of Senate Bill 46.]
- **Timely Reports.** Senate Bill 46 provides that a report is timely filed only by delivering it to the appropriate filing office or agency by the due date or by depositing the report with the U.S. Postal Service no later than the third day before the due date. [SEC. 71 of Senate Bill 46.]
- **Nonresident Reporting.** Senate Bill 46 provides that a nonresident registrant must report the same information that a resident will report, but must state separately: (a) contributions and other income received from sources in Wisconsin; and (b) disbursements made and obligations incurred with respect to an election for state or local office in Wisconsin. Senate Bill 46 also retains the current statutory provision relating to appropriate filings made by a federal candidate committee. Such a committee must report under Wisconsin law, unless a report filed with the Federal Elections Commission for the same period has been received by the Elections Board. [SECS. 39, 40, and 41 of Senate Bill 46, and s. 11.06 (3m), Stats.]

## **B. CONTRIBUTIONS**

- **Individual Contribution Limits.** Senate Bill 46 retains the individual contribution limits under current law for certain offices as follows:



	<i>Current</i>	<i>Senate Bill 46</i>
Governor	\$10,000	\$10,000
Lieutenant Governor	\$10,000	\$10,000
Attorney General	\$10,000	\$10,000
Secretary of State	\$10,000	\$10,000
Treasurer	\$10,000	\$10,000
Superintendent	\$10,000	\$10,000
Justice	\$10,000	\$10,000
Senator	\$1,000	\$1,000
Representative	\$500	\$500

- **Committee Contribution Limits.** Senate Bill 46 modifies committee contribution limits for certain offices as follows:

	<i>Current</i>	<i>Senate Bill 46</i>
Governor	\$43,128	\$45,000
Lieutenant Governor	\$12,939	\$15,000
Attorney General	\$21,560	\$25,000
Secretary of State	\$8,625	\$10,000
Treasurer	\$8,625	\$10,000
Superintendent	\$8,625	\$10,000
Justice	\$8,625	\$10,000
Senator	\$1,000	\$1,000
Representative	\$500	\$500

[SECS. 86, 87, 89, and 91 of Senate Bill 46.]

- **Overall Individual Contribution Limits.** Senate Bill 46 retains the overall individual contribution limit at \$10,000 per year. [SEC. 95 of Senate Bill 46.]
- **Contributor Information.** Senate Bill 46 requires a campaign treasurer of a registrant that receives a contribution of money from an individual who has contributed over \$100 within a calendar year to obtain information relating to the person's occupation and principal place of employment before depositing the contribution. If the treasurer does not obtain this information, the contribution must be returned. [SEC. 54 of Senate Bill 46.]
- **Committee Contributions in General.** Senate Bill 46 provides that no individual who is a candidate for state or local office may receive and accept more than 65% of the appropriate disbursement level from all committees subject to a filing requirement, including political party committees. Further, no candidate may receive and accept more than 35% of the value of the appropriate disbursement level from all committees other than political party committees. The term "committee" includes the Wisconsin Election Campaign Fund. [SECS. 101 and 103 of Senate Bill 46.]

- **Contributions to Incumbents During Legislative Session.** Senate Bill 46 prohibits contributions to any incumbent partisan state elective official for the purpose of promoting that official's nomination or reelection to the office held by the official during the period beginning on the date of introduction of the executive budget bill and ending on the date of enactment of the biennial budget act. [SEC. 82 of Senate Bill 46.]
- **Contributions to Political Parties.** Senate Bill 46 increases, for political parties, the amount they may receive in a biennium from all committees, excluding transfers between party committees of the party, from \$150,000 to \$600,000. [SEC. 98 of Senate Bill 46.]
- **Political Party Limits.** Senate Bill 46 increases the maximum amount a political party may receive from a committee, exclusive of political party committees, and increases the amount a committee, other than a political party committee, can contribute to a political party in a calendar year from \$6,000 to \$18,000. [SEC. 98 of Senate Bill 46.]
- **PAC to PAC Transfers.** Senate Bill 46 prohibits a committee from making a contribution to any other committee, except a political party committee, personal campaign, or support committee. Also, the prohibition does not apply if the contribution is made between bona fide affiliated committees. The term "bona fide affiliated committees" is defined to mean committees established and maintained by statewide labor organizations or trade associations and, respectively, the committees established and maintained by the local branches, units, or divisions of those statewide labor organizations or trade associations. [SEC. 99 of Senate Bill 46.]

### **C. DISBURSEMENTS**

- **Disbursement Limits.** Senate Bill 46 revises the disbursement levels for the following offices:

	<b><i>Current</i></b>	<b><i>Senate Bill 46</i></b>
Governor	\$1,078,200	\$4,000,000
Lieutenant Governor	\$323,475	\$500,000
Attorney General	\$539,000	\$700,000
Secretary of State	\$215,625	\$250,000
Treasurer	\$215,625	\$250,000
Superintendent	\$215,625	\$250,000
Justice	\$215,625	\$300,000
Senator	\$34,500	\$150,000
Representative	\$17,250	\$75,000

[SECS. 113, 114, and 115 of Senate Bill 46.]

- **Voluntary Limits.** Senate Bill 46 repeals the provision authorizing voluntary disbursement limitations for candidates who do not accept a grant from the Fund. [SEC. 117 of Senate Bill 46.]

- **Limits Increased for Grants.** Senate Bill 46 provides that if any candidate for a specified state office has made disbursements exceeding the amount of the appropriate disbursement level, then all of the candidate's opponents may make additional disbursements in an amount equivalent to the total disbursements made by the original candidate exceeding the appropriate disbursement level. Similarly, if independent disbursements or noncandidate election expenditures have been made against the candidate, the candidate may make additional disbursements exceeding an appropriate disbursement level in an amount equivalent to the aggregate amount of the independent disbursements and noncandidate election expenditures. [SECS. 116, 119, and 120 of Senate Bill 46.]
- **Cost-of-Living Adjustment.** Senate Bill 46 creates a cost-of-living adjustment for the disbursement limitations, which is to be determined by an Elections Board rule. The board must determine the percentage difference between the Consumer Price Index for the 12-month period ending on December 31 of each odd-numbered year and the Consumer Price Index for calendar year 2005. Each biennium the Elections Board is required to adjust the disbursement limitations by that percentage to reflect any difference, rounded to the nearest multiple of \$25, which shall be in effect until a subsequent rule is promulgated. Such determinations by the Elections Board may be promulgated as emergency rules. [SECS. 112 and 121 of Senate Bill 46.]

#### **D. PUBLIC FINANCING**

- **Grant Amounts.** Senate Bill 46 generally provides that the total grant available to an eligible candidate may not exceed an amount which, when added to all other contributions accepted by the candidate from sources other than individuals and political party committees, is equal to 35% of the appropriate disbursement level. [SEC. 153 of Senate Bill 46.]
- **Extra Grant Based on Opposition.** Senate Bill 46 provides that in the case of a candidate who accepts a grant, and who is opposed by one or more candidates who do not accept a grant, the Elections Board must make an additional grant to the candidate accepting a grant in an amount equal to the total amount or value of disbursements made by the opposing candidates exceeding the appropriate disbursement level. However, the increased grant, along with other increased grants provided by the Fund, may not exceed three times the amount of the appropriate disbursement level. [SEC. 153 of Senate Bill 46.]
- **Extra Grant Based Upon Independent Obligations, Disbursements, or Expenditures.** Senate Bill 46 provides that if the sum of the aggregate independent disbursements and noncandidate election expenditures made against a candidate exceeds 10% of the appropriate disbursement level, the Elections Board must make an additional grant to the eligible candidate who accepts a grant in an amount equivalent to the amount of those independent disbursements and noncandidate election expenditures. However, the additional grant, along with other increased grants provided by the Fund, may not exceed an amount equal to three times the appropriate disbursement level. [SEC. 153 of Senate Bill 46.]
- **Increased Checkoff.** Senate Bill 46 increases the income tax "checkoff" from \$1 to \$5 and allows the individual making such designation to indicate whether the amount shall be placed

in the Fund's "general account" or "political party account." If a designation does not indicate which account, the "general account" will be credited. [SEC. 166 of Senate Bill 46.]

- **Donations to the Fund.** Senate Bill 46 authorizes contributions, that are otherwise required to be returned or donated to charitable organizations or to the common school fund, to be transferred to the Fund. [For example, SECS. 7 and 50 of Senate Bill 46.]
- **Party Accounts.** Senate Bill 46 establishes a "general account" and a "political party account" under the Fund. Grants will be made from the political party account of the candidate's political party, if any, if there are sufficient moneys in that account to make full payment of the grant and then from the general account. If there are insufficient moneys in the general account to make full payment of the grant, the board must proportionately reduce the grant. Also, the Fund is apportioned between nonpartisan candidates and partisan and special election candidates. [SECS. 128 to 130, and 144 to 148 and 149 of Senate Bill 46.]
- **Qualifying Fundraising.** Senate Bill 46 requires an applicant for a grant to have raised at least 5% of the disbursement level applicable to the office sought in contributions of \$100 or less from individuals who reside in the state, and, for a legislative candidate, at least 50% of this amount must be made by individuals who reside within the legislative district, with one exception. The exception provides that a candidate for a legislative office may substitute contributions received by the candidate from political party committees for not more than 50% of the contributions that are otherwise required to be received from individuals who reside within the legislative district. [SECS. 135 and 137 of Senate Bill 46.]
- **Exceeding Disbursement Limit.** Senate Bill 46 repeals the current law provisions that allow a candidate who receives a grant to exceed the disbursement limit if his or her opponent does not accept a grant. [SEC. 142 of Senate Bill 46.]
- **Designated Checkoff.** Senate Bill 46 allows individuals to designate their income tax checkoff for a political party and requires such designated funds to go to a "political party" account. Moneys from such an account are apportioned to eligible candidates representing the party who qualify for grants. [SEC. 166 of Senate Bill 46.]
- **Supplemental Account.** Senate Bill 46 creates a provision by which a taxpayer may receive a tax credit, up to the amount of the person's state tax liability, for all amounts contributed to the Public Integrity Endowment. The endowment is designed to supplement the assets of the Wisconsin Election Campaign Fund. [SECS. 164 and 178 of Senate Bill 46.]
- **Electronic Transfer.** Senate Bill 46 requires the State Treasurer to electronically transfer any supplemental grants a candidate qualifies for to the candidate's campaign depository account if the Treasurer has the necessary account information. [SEC. 149 of Senate Bill 46.]
- **Administration.** Senate Bill 46 requires the Elections Board to certify to the Department of Revenue (DOR) in each even-numbered year information relevant to eligible political parties and candidates for purposes of administering the Fund. [SEC. 158 of Senate Bill 46.]

**E. OTHER**

- **Legislative Campaign Committees.** Senate Bill 46 eliminates the special status of legislative campaign committees. [For example, SEC. 11 of Senate Bill 46.]
- **Local Prosecutions.** Senate Bill 46 authorizes the District Attorney of any county which has territory within the jurisdiction or district within which a candidate seeks office to bring an action for violation of campaign finance laws alleged to have been committed by the candidate. [SEC. 161 of Senate Bill 46.]
- **Registration and Reporting Penalties.** Senate Bill 46 provides that a violation of the registration or reporting requirements may result in a forfeiture of not more than \$500 per day for each day of a continued violation. Also, if a disbursement is made, or an obligation to make a disbursement is incurred, in an amount or value differing from the amount reported, then specified forfeitures must be paid. For example, if the actual amount or value differs from the reported figures by more than 5% but not more than 10% cumulatively, the violator must forfeit four times the amount or value of the difference. If the difference is more than 10% but not more than 15% cumulatively, the violator must forfeit six times the amount or value of the difference. If the difference is greater than these amounts, the violator must forfeit eight times the amount of the difference. These provisions apply as well to incorrect reporting of independent disbursements or noncandidate election expenditures.
- **Tax Information.** Senate Bill 46 requires DOR to place public information materials concerning the tax checkoff prepared by the Elections Board in tax return instructions. [SEC. 166 of Senate Bill 46.]
- **Declaratory Actions.** Senate Bill 46 authorizes any person who proposes to publish, disseminate or broadcast any communication, or any person who causes such publication, dissemination or broadcast, to commence a declaratory action to determine the application of the registration requirements under the campaign finance law to that person. [SEC. 169 of Senate Bill 46.]
- **Nonseverability.** Senate Bill 46 provides that if a court finds all or any portion of the bill relating to issue ads, independent expenditure and issue ad reporting, transfers between committees, or extra grants is unconstitutional, then all of those provisions are void in their entirety. [SEC. 178 of Senate Bill 46.]
- **Effective Date and Initial Applicability.** Senate Bill 46 provides that the act generally takes effect on January 1, 2006 or the date after publication, whichever is later, and applies to elections held after that date. [SECS. 179 and 180 of Senate Bill 46.]





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## Testimony of the Wisconsin Democracy Campaign on 2005 Senate Bill 46

### Senate Campaign Finance Reform and Ethics Committee March 2, 2005

Thank you for holding this public hearing on campaign finance reform legislation. We thank the sponsors of 2005 Senate Bill 46 for starting the debate on campaign reform this session by putting forward this proposal.

As you know, the Wisconsin Democracy Campaign has been working for many years to get much-needed campaign finance reforms enacted. In past sessions, the Democracy Campaign endorsed reform bills sponsored by the chair of this committee – including last session's Senate Bill 12 and the previous session's Senate Bill 104.

This session's Senate Bill 46 contains many good elements of reform. It has much in common with 2003 SB 12 and 2001 SB 104. But there also are important differences. After carefully reviewing the bill's many provisions, **the bill as it stands now creates a campaign finance system that would not work.** As it is currently written, SB 46 is akin to a prototype of a new automobile that does not have a working engine. It looks good in the showroom but would not perform on the road.

Last session's Senate Bill 12 proposed providing public financing grants to qualified candidates that were equal to 45% of the spending limits established in the bill. This year's SB 46 scales back the percentage of public financing to 35%.

Most importantly, **there is not an adequate funding source in SB 46 for even the more limited public grants promised in the new legislation.** Last session's SB 12 included a guaranteed source of funds for the public financing program established in the legislation. SB 46 relies on a voluntary \$5 income tax checkoff and the establishment of a "Public Integrity Endowment," to which the public could make donations that would make donors eligible for an individual income tax credit.

Just over 240,000 people designated \$1 to the Wisconsin Election Campaign Fund on their 2003 state income tax returns. Even if a similar number of people were willing to designate the higher \$5 amount under the new checkoff, only about \$1.2 million per year would be raised. For each two-year election cycle, the \$5 checkoff would therefore produce about \$2.4 million that would be available for public financing grants to candidates.

To see just how woefully insufficient a \$5 checkoff would be, assume that SB 46 is in effect for the 2006 election. Under SB 46, candidates for governor would be eligible for a \$1.4 million grant. If just two candidates qualified for a grant, the cost to the system would be \$2.8 million – more than a \$5 checkoff could be expected to produce over two years.

In addition, candidates seeking other statewide constitutional offices in 2006 would be eligible under SB 46 to receive public grants that would collectively total \$595,000. If just two candidates qualified for a grant in those races, the cost would be nearly \$1.2 million.

Candidates in the 15 Senate races in 2006 would each be eligible for a grant of \$52,500 under SB 46, while candidates in the 99 Assembly races would be eligible for a grant of \$26,250. If two candidates qualified for grants in each legislative race, the cost would be nearly \$6.8 million. If only half that many qualified for grants, the cost still would be almost \$3.4 million.

The bottom line is that when the cost of public financing grants to candidates for statewide office is combined with the expense of grants to legislative candidates, the cost of SB 46 in the 2006 election would be well over \$10.7 million – **nearly four and a half times what a \$5 checkoff is likely to produce**. Even if two legislative candidates qualify for a grant in only half of the races, the total cost of SB 46 would be nearly \$7.4 million – still *more than three times* what the checkoff in SB 46 could be reasonably expected to produce.

To think that citizen donations to a Public Integrity Endowment can fill a funding gap this wide – especially considering the state's experience with voluntary donations to the Rainy Day Fund, for example – is wishful thinking of the most extreme sort.

Keep in mind that this analysis is based on the generous assumption that two years' worth of checkoff designations would be available to finance the system. In reality, only one year's worth of \$5 designations (from 2005 tax returns filed in early 2006) – or an estimated \$1.2 million – would be available for the 2006 election, even though the bill as it is currently written, if enacted, would be in effect for the 2006 election.

Also keep in mind that the cost estimates for public financing grants do not include the cost of supplemental grants candidates would be eligible to receive under SB 46 if special interest groups run ads against them.

Given the gross inadequacy of the funding sources for the public financing program in SB 46, **special interest groups can safely assume that the targets of their ads will never receive the supplemental grants they are entitled to receive under the bill in order to respond to special interest attacks**. This undercuts the primary argument being advanced in defense of the decision to continue to allow interest groups to use unlimited and anonymous soft money donations to pay for campaign ads – namely that candidates will be able to effectively counter soft money-financed attacks thanks to the supplemental grants they would receive under SB 46. It has even been argued that special interest attack ads paid for with unregulated soft money donations will disappear altogether because groups will no longer believe it's worthwhile to sponsor such ads if they know their spending will be countered dollar for dollar by candidates armed with public funds. That too appears to be wildly wishful thinking in light of the insufficiency of funding for public grants in SB 46.

If SB 46 is enacted as proposed, soft money groups will continue to flourish at the state level because they would remain at a distinct competitive advantage. Unlike candidates and regulated committees, soft money-fueled front groups would not have to disclose their funding sources. Hence there would be



no limit on the size of donations they could accept, while candidates and regulated committees would have to continue to abide by campaign contribution limits. And the soft money groups would be free to accept corporate donations while candidates and other regulated committees could not.

It should be remembered that the lack of a reliable funding source was a chief cause of the demise of Wisconsin's old public financing system, which worked well for years after its adoption in 1977 but eventually was abandoned by candidates who no longer received the public grants promised in the law. Once the revenue generated by the \$1 checkoff was not sufficient to fully fund the public financing grants, candidates started receiving pro-rated grants that provided them little financial incentive to agree to the spending limits in the law. Candidates then began to privately finance their campaigns and were no longer subject to spending limits, and a campaign arms race ensued. The next thing we knew six of the most powerful politicians in Wisconsin faced nearly four dozen felony charges for alleged activity such as extortion, money laundering, kickbacks, bid rigging, illegal campaign contributions and criminal misconduct in public office.

**It seems extremely unwise to seek to cure what ails Wisconsin's campaign finance system with a legislative remedy that contains the very same flaw that caused the old system's health to fail.**

It also is a major mistake to abandon the idea of full disclosure and leave the soft money loophole intact. **Disclosure is the backbone of campaign finance reform, and the public's right to know is worth fighting for.**

Under the proposed legislation, special interests and phony front groups will continue to be able to avoid disclosing their political donations and skirt campaign contribution limits in state law. Last session's SB 12 required full disclosure of campaign finances and closed the loophole that currently enables special interests to make undisclosed and unlimited contributions known as "soft money" donations.

The soft money loophole that remains intact in this session's SB 46 also allows groups to get around Wisconsin's century-old ban on corporate campaign contributions. In recent years, it has become common practice for groups to pay for electioneering activities with corporate donations. (For more information, see a 2004 WDC study available online at: [www.wisdc.org/suntodark.html](http://www.wisdc.org/suntodark.html))

SB 46 as it is currently written would allow All Children Matter, a right-wing group based in Michigan, to continue to conceal the sources of money used to influence Wisconsin elections. All Children Matter is thought to have spent well over \$500,000 in 2004 to influence state legislative elections here. The group is headed by Michigan multimillionaire Dick DeVos, whose family founded Amway Corporation.

Another group that would not have to disclose where it gets its money under SB 46 is Americans for a Brighter Tomorrow, a left-wing group that ran some of the nastiest political ads of the 2004 campaign, including one that called a Republican candidate a "right wing zombie." It is not known who is funding Americans for a Brighter Tomorrow, but it is known that an ex-staffer of indicted former Senate leader Chuck Chvala is connected to the group.

SB 46 also would leave Citizens for Wisconsin's Future free to continue concealing how it pays for campaign ads such as several it sponsored in 2004 attacking Assembly Speaker John Gard. This group is thought to be a front for the Ho-Chunk tribe and its gambling interests.

Exploitation of the soft money loophole is at the center of the corruption scandal that has produced criminal charges against former legislative leaders. Fundraising done for a front group run by Chvala is the subject of extortion and money laundering charges filed against the former Senate Democratic leader.

The group, Independent Citizens for Democracy, secretly solicited corporate contributions from Alliant Energy, Madison Gas & Electric, MG&E subsidiary Central Wisconsin Development Corporation, Oneida Tribe of Indians of Wisconsin, Dairyland Greyhound Park, Mathy Construction, Air Wisconsin Airlines Corporation, Badger Liquor Company, General Beer Distributors Company, building contractor J.F. Ahern Company, Racine road builder James Cape & Sons Company, Black River Falls road builder Lunda Construction Company, Elkhorn road builder Mann Bros. Inc. and over 20 other Wisconsin corporations.

The premise of SB 46 is that the soft money-financed front groups would be effectively neutralized by public matching grants candidates would receive to counter campaigns run against them by the groups. Unfortunately, SB 46 as it is currently written does not create an adequate funding source for these matching grants. Consequently, soft money group activity would continue unabated. And the public would be kept in the dark about who is paying for their campaign ads.

This runs counter to the clear message voters sent in a 2000 referendum, when 90 percent supported "full and prompt disclosure of election-related activities."

With two simple repairs – the inclusion of an adequate funding source to fully finance the public grants the bill promises candidates and a requirement that interest groups disclose the source of funds they use to pay for campaign ads – Senate Bill 46 would become a highly effective remedy to runaway campaign fundraising and spending as well as the political corruption this campaign arms race promotes.





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**Statement to the Senate Committee on Campaign Finance Reform and Ethics  
Opposition to SB 46  
March 2, 2005**

The League of Women Voters of Wisconsin opposes this truncated version of the Ellis-Erpenbach bill, a bill that we supported early in the last legislative session. Although this bill covers many routine aspects of campaign finance activity, it unfortunately does not address or provide a way to correct the serious problems which have developed under the 1977 statute which currently regulates campaign financing in Wisconsin. Problems also have emerged because of loopholes in this and related laws.

For about 20 years the 1977 statute provided state funds via a \$1 check off in sufficient amounts to assure that all statewide and legislative candidates could have adequate resources to reach the voters. Contributions and spending were limited by this historic legislation which also provided for full disclosure of the sources and uses of campaign funds.

As you know, by the 1990's things had changed. The Wisconsin Election Campaign Fund was gradually depleted as the number of tax filers using the check off dropped. Full grants were no longer available and candidates began to fear high spending opponents and independent spending. Candidates perceived that it was too risky to apply for the ever smaller grants and be subject to out of date spending limits against potentially big spending opponents and the independent spenders.

In the 1990's regulated independent spending increased exponentially. In addition, other groups began running unregulated ads during campaigns which did not expressly advocate a vote for or against a mentioned candidate – thereby making use of this loophole to spend unlimited, undisclosed soft money. All of this has added to the incentive for candidates to reject the public money and not be subject to the spending limits. Alas, everyone was in the spending race!

In three important ways SB 46 does NOT provide a strong reformed campaign finance system for Wisconsin for the 21st century:

1 - Full grants are set at 35% of the spending limit, and even though this will be more dollars because the limits are increased, it will not be enough for candidates without access to or desire for large/special interest contributions to equitably compete, especially against a privately funded opponent. **The League has long believed that much larger relative grants such as 75%, along with the additional grants to counter high spending opponents and independent spending, are needed to maintain a level playing field. In fact, limits are necessary on campaign spending for all candidates, regardless of whether they accept campaign financing. This will allow more individuals to run for office and reduce the need for special interest money.**

2 - The funding which would result from the \$5 check off - even if the numbers checking off remain the same - along with voluntary donations probably will not provide enough funds to insure that most statewide and legislative candidates will be fully funded. Wisconsin Democracy Campaign

estimates that at the very least the funds needed will be three times the amount raised by the \$5 checkoff. As now, candidates will be discouraged from using public funds and submitting to the voluntary spending limits which accompany the money. To prevent this situation reform proposals in recent years - unlike this bill - have included a provision guaranteeing the funds from general purpose revenues if/when the checkoff is insufficient. **The League believes that such back up funds would be essential in order for candidates to have full confidence that they can accept the grant and wage a competitive campaign. We prefer an "opt-out" system for the check-off box. Taxpayers would automatically contribute \$5, or the designated amount, unless they check the box to opt out.**

3 - There has historically been general agreement among various perspectives in the reform movement that full disclosure of the sources of campaign funds must be a basic component of campaign finance law. Some have seen this as the only necessary component. Secondly Wisconsin has had a successful workable law on its books since 1907 prohibiting corporate campaign contributions. In addition the highest courts have now agreed that money spent on ads mentioning candidates during campaigns is money spent to influence elections and can be regulated. Yet SB 46 does nothing to require reporting of who finances the many campaign ads now running which do not specifically say to vote for or against a candidate. It does nothing to insure that the 1907 law is not broken. **The League believes that full information about the financing of campaigns must be available to the voters in a democratic election process.**

In summary the League believes that it would be not just pointless but actually harmful if this bill is enacted into law as is, even though there are several small but good provisions included in the bill. We would like to hope that good strengthening amendments will be added and that there will be a final version not unlike the bill originally introduced by some of this bill's sponsors during the last legislative session. Now in Wisconsin and in the U.S. we are taking a good look at many aspects of our elections processes. Let's make sure that all that we do serves our democracy and the people of Wisconsin well for this new century.

Thank you very much.



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**SENATE COMMITTEE ON EDUCATION, ETHICS AND ELECTIONS  
HEARING ON SB 46**

March 2, 2005

I am Herman Holtzman, and I represent the 76.2% of likely Wisconsin voters (including 71% of Wisconsin Republican voters) who showed support for full public funding (CLEAN MONEY) of state elections in a poll conducted by Chamberlain Research in February 1999.

Our recent experience with the legislative scandals and passing an unconstitutional campaign finance reform bill should be a mandate to pass real campaign finance reform. I believe that if this poll was conducted today; the percentage for full public funding would be much higher.

I support some of the provisions of SB 46 to create meaningful reform. Unfortunately, SB 46 falls short in a few areas.

The Milwaukee Journal Sentinel on November 3, 2002 quoted Sen. Ellis as saying, "let's eliminate the influence of special interests by enacting real, honest and effective campaign finance reform". But SB 46 includes partial public funding of only 35% of the spending limit. How can legislators honestly eliminate the influence of money when they have to rely on private campaign contributions for 65% of the spending limit? Reducing possible corruption to 65% is not acceptable. "CLEAN MONEY" elections can only be obtained with full public funding.

You, Sen. Ellis, were quoted in Isthmus (10/29/99) as follows: "It's a goddamn money chase. Part of my job description as Republican leader of the Senate is to shake down everybody for money. The same is true of for all of the state Legislature's Republican and Democratic leaders. I've got a tin cup, Chuck Chvala's got a tin cup, Scott Jensen's got a tin cup, Shirley Krug's got a tin cup. And every time you go in and get some of their money (the special interests), they strip away a little more of your integrity, they strip away a little more of your independence. You give them a piece of what you are, and on your freedom to represent your constituents, to base your determinations on intellectual arguments..."

More recently (November 2002) Sen. Ellis said, "We cannot wait until the budget is passed. This state cannot afford to put another budget on the auction block. One of the reasons we have these huge deficits is that neither party felt they were able to step on the toes of those who funded their campaigns."

In view of the above statements, I request the Committee approve an amendment to provide full public funding? That is the only way to get rid of the tin cup.

Please refer to the attached "THE CASE FOR FULL PUBLIC FINANCING"

- Reasons for full funding of elections certainly outweigh the reasons against.
- Do you have other reasons against full public funding?

Every function of government is paid 100% by taxpayers.

- TAXPAYERS pay 100% for the election process, not 35%.
- TAXPAYERS pay 100% for Constitutional Officers' and Staff's salaries, benefits and expenses (**including while they are campaigning**), not 35%.
- TAXPAYERS pay only 35% of candidates' campaign expenses.
- CANDIDATES pay for 65% of their campaigns thru contributions**

Election campaigns are one of the most important functions of government and therefore should be fully financed by taxpayers, as are other important functions of government. Again, I request that an amendment calling for full public financing is included in SB 46.

My second area of disagreement is the SB 46 spending limits that substantially increase the existing spending limits by 3.7 times for Governor, 1.6 times for Lt. Governor, 1.3 times for Attorney General and 4.3 times for Legislators. With full public funding and eliminating the approximate 25% cost of fund raising, the spending limits can be reduced substantially, while still providing an effective spending limit close to SB 46 high limits. See following comparison:

STATE-WIDE CONSTITUTIONAL OFFICES	SB 46 PROPOSAL 35% PUBLIC FUNDING		FULL PUBLIC FUNDING	
	SPENDING LIMITS	EQUIVALENT SPENDING LIMIT @ 25% FUND RAISING	PROPOSED SPENDING LIMITS	EQUIVALENT SPENDING LIMIT @ 25% FUND RAISING
GOVERNOR	\$4,000,000	\$3,816,667	\$2,750,000	\$3,666,667
LT. GOVERNOR	\$500,000	\$477,083	\$350,000	\$466,000
ATTY. GENERAL	\$700,000	\$667,917	\$480,000	\$640,000
SEC OF STATE	\$250,000	\$238,542	\$165,000	\$220,000
TREASURER	\$250,000	\$238,542	\$165,000	\$220,000
PUBLIC INSTR.	\$250,000	\$238,542	\$165,000	\$220,000
SUPREME COURT	\$300,000	\$286,250	\$200,000	\$266,667
STATE SENATE	\$150,000	\$143,125	\$100,000	\$133,333
STATE SENATE	\$150,000	\$143,125	\$100,000	\$133,333
ASSEMBLY	\$75,000	\$71,562	\$50,000	\$66,667



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My third area of disagreement with SB 46 is the lack of any financial support for candidates in primary races. In many districts the winner of a primary determines the winner of the general election. In the 2002 election only 8.7% of the incumbent legislators faced primary opposition. Full public funding will provide a portion of the spending limit for primaries.

A two-term legislator, Rep. Meg Burton Cahill from Arizona, who came to Madison to share her experiences with Arizona's highly-acclaimed "CLEAN ELECTION" system said, "Ordinary citizens like me without much money can now run for office by showing sufficient public support to qualify for Clean Elections funding, and then we can run competitive campaigns." She also said, "competitive races makes her a better legislator."

Finally, the \$5 check-off, which is supposed to finance public funding, should be eliminated since it will not provide a sure way of fully funding grants and matching money. The cost of full public funding should be included in the budget as part of the cost of government as are other important government functions.

"CLEAN ELECTIONS" reform is not just a law, it's a revitalization of democracy," stated Chairman Marc Spitzer of the Arizona Corporation Commission, who ran clean and won.

One last quote that I'm sure you have heard before:

**Robert M. La Follette said, "I believe that half a loaf is fatal whenever it is accepted at the sacrifice of the basic principal to be attained. Half a loaf, as a rule, dulls the appetite and destroys the keenness of interest in attaining the full loaf. A halfway measure never fairly tests the principal and may utterly discredit it. It is certain to weaken, disappoint, and dissipate public interest."**

This Committee should not squander this opportunity to eliminate the tin cup Sen. Ellis once referred to raise money. The time is ripe. The majority of the people want it. Legislators should be embarrassed if they do not support "CLEAN MONEY" election reform.

It's ironic that anti-reform legislators who dismiss public financing as "welfare for politicians" or "socialized campaigning" had no problem being on the public dole and spending \$4 million a year on state offices called legislative caucuses that engaged in secret, illegal campaign activities to help them get re-elected. They also have no problem spending almost \$60 million more from the public treasury on their office accounts, mailing privileges and personal staffs. Their opposition to full public financing of campaigns is hypocritical to say the least. They support a very expensive system of public financing, but it only helps those in power and not candidates who seek to challenge them

# THE CASE FOR FULL PUBLIC FINANCING

## ONION HEADLINE

**“VOTERS MAY HAVE TRIED TO INFLUENCE THE LAST ELECTION”**

\*\*\*\*\*  
**SENATOR BOB DOLE SAID,**

**“People who give money to campaigns expect more than good government”.**

\*\*\*\*\*  
**STATE SENATOR MICHAEL ELLIS SAID,**

**“Public policy should be determined on merits”.**

\*\*\*\*\*  
**JOHN NICHOLS SAID,**

**"Consider how powerful the media and communication lobbies are in Washington, D.C., as they routinely use the campaign contribution scalpel to remove politicians' backbones".**

\*\*\*\*\*  
**Election campaigns should be independent of special interests, fair for the candidates, educational for the public, and simple to administrate.**

### **REASONS FOR “CLEAN MONEY”**

Eliminates corruption and the appearance of corruption  
Saves taxpayers many times the cost of public funding when the influence of money is eliminated from policymaking  
Provides financial help to encourage good candidates to participate in the primary election  
Eliminates dependence on special interests  
Eliminates fund raising and the spending arms race  
Eliminates the need for spending money to raise money  
Eliminates the time and energy spent by the candidate and staff for fundraisers  
Reduces the short radio and TV ads which are conducive to negative and distorting images  
Provides more time for candidate to study the issues, participate in debates and forums and respond to questionnaires  
Provides more free speech  
Encourages the public to attend political meetings knowing they won't be asked to contribute to candidates  
Encourages the public to learn about the issues since they won't be bombarded with misleading TV ads  
Eliminates accounting for contributions and submitting reports  
Eliminates auditing of contribution reports by Elections Board  
Eliminates confusion over who, where or when contributions may be made  
Eliminates accumulation of war chests  
Reduces public cynicism and engages people in the election process  
Restores the public's faith in the election process  
Restores Wisconsin's reputation for clean government  
Revitalizes Democracy

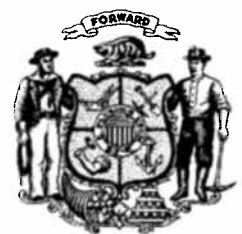
### **REASONS AGAINST**

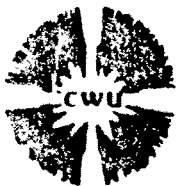
Taxpayers should not finance elections of candidates they don't support  
  
Legislators don't want reform that may jeopardize their election  
  
Certain reformers are willing to accept partial corruption

**IF THE ABOVE WAS A SCALE OF JUSTICE, WHICH REASONS WEIGH MORE?**



# WISCONSIN STATE LEGISLATURE





## **church women united in wisconsin**

### **POSITION STATEMENT ON CAMPAIGN FINANCE REFORM**

Church Women United in Wisconsin believe severing the influence of money in politics is the key that unlocks the door to the rest of our public agenda.

Expensive election campaigns funded increasingly by big contributions from wealthy individuals, corporations and political action committees are undermining our basic democratic principles. Politicians spend an increasing proportion of their time chasing major campaign donations instead of focusing on the issues that affect all of their constituents. Big campaign contributors buy access and influence officials. Average citizens feel they no longer have much of a voice in their government.

There is a constitutional way to get money out of politics and to free politicians from the influence of large contributors.

Church Women United in Wisconsin join with Church Women United in Maine as we commence our efforts toward the passage of Wisconsin state legislation similar to the Maine Clean Election Act.

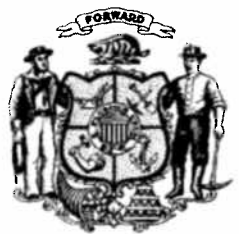
# SUMMARY

## THE MAINE CLEAN ELECTION ACT

1. The Maine Clean Election Act, an alternative, publicly financed campaign financing option, is established. This option is available to candidates running for Governor, Senator and House of Representatives. A candidate may voluntarily choose to participate in the Maine Clean Election Act and be certified as a Maine Clean Election Act candidate after a Qualifying process. A participating candidate may not accept or spend private contributions during the primary or general elections and must abide by other campaign contribution and spending restrictions.
2. The Maine Clean Election Fund is established to finance election campaigns of Maine Clean Election Act candidates. Sources of revenue for the fund are qualifying contributions obtained by certified candidates, a reduction in Legislative and Executive agencies administration division budgets, a voluntary \$3 income tax checkoff, voluntary donations, unspent Clean Election Act Campaign funds and fines.
3. The Commission on Government Ethics and Elections Practices is amended by changing the process by which commission members are selected. The commission will administer the Maine Clean Election Act and the Maine Clean Election Fund and conduct rulemaking to effectively implement these programs. The commission is provided resources to better monitor campaign finance data by increasing lobbyist registration fees.
4. Election campaign spending is also reduced by limiting the amount of money that political action committees, committees, corporations, associations and individuals may contribute to candidates not participating in the Maine Clean Election Act and by capping expenditures of certified Maine Clean Election Act candidates.



# WISCONSIN STATE LEGISLATURE



## Corruption and Integrity: Why I Support S.B. 46

I am grateful for the opportunity to express my point of view at this public hearing, and yet I feel a curious sense of déjà vue this morning that I'm sure is shared by others in this room. Consider the following quote:

"Campaign finance reform died in this Legislature. The Ellis-Erpenbach bill became something less, Common Cause said it was better than nothing, the Wisconsin Democracy Campaign said it was worse than nothing, and the Democratic Party and the governor remained silent. The bill was yanked."

-Ed Garvey, The Capital Times, Editorial, March 16, 2004

I remember the Ellis-Erpenbach bill very well. It was Senate Bill 12 from last year. I came and testified at the public hearing for it too, and hoped for its success. That was obviously not to be, and I salute the courage and creativity of Senator Ellis in reworking the bill and finding new co-sponsors, and the integrity which drives him to do so.

I do not have the training or patience to wade through the 87-odd pages of the bill's text, but I have read the analysis posted online by the Legislative Reference Bureau, as well as the two very different analyses posted by those fine watchdog organizations, Wisconsin Democracy Campaign and Common Cause-Wisconsin, and I believe I have a sense of the bill's chief points.

There were clearly major concerns with some aspects of last year's bill, and I believe the language drafted in response to those concerns gives this year's bill a better chance of getting scheduled, and perhaps even enacted. For better or worse, though, I think that the same forces in support and opposition of campaign finance legislation are at work today, and in the hopes of not wasting our collective time by spinning our wheels at the taxpayers' expense, I offer the following nine pearls of wisdom from the past. One of these sayings is more than a hundred years old, while another was spoken less than two weeks ago. But I find all of them painfully current, and I bring them to your attention because, as Sir Winston Churchill said, "A nation that forgets its past is doomed to repeat it."

1. "Public confidence in the integrity of the Government is indispensable to faith in democracy; and when we lose faith in the system, we have lost faith in everything we fight and spend for."

-Adlai Ewing Stevenson

2. "The question shall arise, and arise in your day, which shall rule, wealth or man; which shall lead, money or intellect; who shall fill public stations - educated and patriotic free men or the feudal serfs of corporate capital?"

Wisconsin Supreme Court Chief Justice Edward Ryan, speaking in 1873 to an audience that included Bob La Follette.

3. "I supported the McCain-Feingold campaign reform measure, not because I thought it would succeed, but because the nexus of money and politics had become such a threat to democracy that almost anything was worth a try."

-Robert A. Hall, Wisconsin State Journal: Opinion, August 4, 2004

4. "It is not only plausible, but likely, that candidates would feel grateful for such donations, and that donors would seek to exploit that gratitude."

U.S. Supreme Court Justices Sandra Day O'Connor and Justice John Paul Stevens, identifying political corruption as the central issue while writing for the majority of the court considering the McCain-Feingold Campaign Finance Reform Bill.

5. "The 800-pound gorilla in the room is Wisconsin Manufacturing and Commerce. If they don't want a piece of legislation to go forward, it won't."

A member of the Wisconsin State Legislature, speaking off the record in February 2005.

6. "Power tends to corrupt and absolute power corrupts absolutely."

-John Emerich Edward Dalberg, Lord Acton (1834-1902)

7. "When power leads man towards arrogance, poetry reminds him of his limitations. When power narrows the area of man's concern, poetry reminds him of the richness and diversity of existence. When power corrupts, poetry cleanses."

-John Fitzgerald Kennedy, in his last major public address.

Since JFK was advocating poetry so insistently, I thought I'd try a little Shakespeare:

8. "Something is rotten in the state of Denmark."

-William Shakespeare, "Hamlet", Act 1 scene 4

9. "No legacy is so rich as honesty."

-William Shakespeare, "All's Well that Ends Well", Act 3 scene 5

These nine quotations supported my own long-standing conviction that working toward the enactment of campaign finance reform legislation must be the first step for anyone wishing that the legislative actions of elected representatives reflect the priorities of their constituents, and not the profit-driven agendas of wealthy corporate or individual donors.



Such efforts go to the very heart of our system of government. Representative democracy is neither representative nor democratic when legislative initiatives go to the highest bidder. The so-called 'Pay-to-Play' environment of the Capitol, the recent corruption scandal, and the obscene amount of money spent on recent campaigns, has brought disgrace and dishonor to the entire state. To clean up not only our tarnished political **image**, but also our corrupted political **substance**, should be the top priority of every person working in this building, and an important goal for every tax-payer in the state.

One last quotation from Shakespeare describes the next step in my journey with SB 46:

"See first that the design is wise and just: that ascertained, pursue it resolutely; do not for one repulse forego the purpose that you resolved to effect."

I did examine the bill's language to the best of my ability, consulting with others more versed than I in number-crunching and statistics. The stats people's verdict coincided with my own sense that this bill would profoundly level the playing field in Wisconsin politics, by requiring a certain level of campaign donation disclosure, combined with a funding mechanism which would enable targeted candidates to defend themselves. Many of the funding mechanisms to be established by this bill are already in place in states like Arizona and Maine, and our adoption of these mechanisms would provide valuable information about realistic budgeting for the future, in our state. I also think quite highly of the clause prohibiting fund-raising during consideration of the state budget.

But the best thing about this bill, from my point of view, is that it (and its companion bill) enjoy bipartisan support in both the state Senate and Assembly, and that it has been designed specifically to address the concerns raised by previous versions of the bill. SB 46 is not as strong a bill as SB 12, but hopefully it will make up in achievable practicality what it might lack in noble, yet doomed, perfection.

I would so much rather get this bill, with its limitations, signed into law and established as a solid foundation for the future, than let another year go by with our current system in place. And I really don't want to have to come here again next year, to testify in favor of another attempt at this (but I will if I have to!). And I'm sure there's other legislation that Sen. Ellis would like to work on.

Please, on behalf of the people of Wisconsin and on behalf of the democracy for which our forefathers fought and died, work to bring this bill to the Senate floor. You will be leaving a 'legacy rich in honesty', and although it would be naïve to think that 'All will end well', you will really have achieved a giant step forward for the Badger State.

Thank you very much,  
Marika Fischer Hoyt  
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# Campaign fund-raising game stays same for now

Last Updated: May 14, 2005

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**Amy Rinard**

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Campaign finance reform in Wisconsin may have been dealt a blow in March when a compromise bill was rejected by the Se advocates for substantive change continue to agitate for action shining a light on the business of politics.

A campaign fund-raising event for Sen. Ted Kanavas (R-Town Brookfield), at which University of Wisconsin Chancellor John was the featured attraction, has become the latest illustration of what's wrong with politics, according to Common Cause in Wisconsin, one of the most vocal advocates for finance reform.

Common Cause Executive Director Jay Heck roundly criticized the Kanavas fund-raising third such fund-raising event organized by the legislator since the state budget bill was in February.

"To hold three fund-raising events while the state budget is under review is just an inc conflict of interest," Heck said in an interview.

"It's using the budget as a vehicle to shake down money from all kinds of interests."

Advertisement

## Nothing illegal or inappropriate

Kanavas strongly disagrees. He argues that because he is on the Legislature's budget-writing Joint Finance Committee not making day-to-day decisions on the particulars of the bill that will ultimately be presented to legislators for a vote.

Besides, he said, there was nothing illegal or inappropriate the fund-raisers.

Special Features

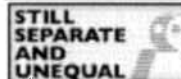


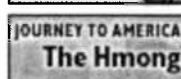
From the

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In order to be re-elected next year and continue to serve his constituents, Kanavas said, he needs to raise money to mount a successful campaign.

"I don't apologize for raising money," he said in an interview. "That's politics."

But Heck said that's exactly what's wrong with politics.

The constant drive to raise campaign cash has created what Heck calls a "corrupting campaign contribution game" that has plunged into "quid pro quo politics."

What is especially disturbing about the latest Kanavas fund-raiser at which Wiley appeared, Heck said, is that the respected legislator apparently feels the need to play the game.

**'How low we've fallen'**

Even if Wiley did not make a contribution to the Kanavas election campaign, his advertised presence at the fund-raiser to discuss issues was certainly intended to draw people who Heck said.

"It shows how low we've fallen when the UW feels they need to do this," he said.

Kanavas said Wiley has never given him a nickel for his campaign.

"John was invited as a guest because he supports a number of things that I support," he said.

Many legislators have held fund-raisers since the budget was introduced, though none have held as many as Kanavas.

Kanavas said there is nothing wrong with holding three fund-raisers during the time the budget is under review.

Heck said if people want to talk to Wiley - or Kanavas, for that matter - about issues that concern them should not have to attend a \$100 a head fund-raiser to do it.

"It almost sends the signal that in order to engage in discussions about issues that are important to you have to do it at a fund-raiser," he said.

A ban on all campaign fund raising while the state budget is being written and considered in early February when the governor submits his budget to the Legislature to late July or August when the budget has been approved by the Legislature and signed into law - was included in the campaign finance reform bill that failed in the Senate March 16.

Kanavas voted against the bill.

Heck and other advocates for campaign finance reform have long sought such a ban.

They argue that accepting campaign cash from special interests and others during this represents a conflict of interest because decisions about how state tax dollars will be spent not be influenced by campaign contributions.

### Some states enacted bans

Six states, including Minnesota, have a ban on campaign fund raising during state budget review.

Heck said despite the failure of the campaign finance reform bill in the Senate, he and advocates believe there is still time this session to make changes in the bill and cobble coalition of lawmakers who will support reform.

The pay-to-play notion is one that legislators flatly reject, saying their votes on the budget and any other bills, are not influenced by the interests of their campaign contributors.












But there is no argument over the increasing role of money in politics and the need to raise bucks to run for re-election.

Kanavas said he feels as though he must be raising money all the time for his re-election campaign.


"What has changed the most in politics is how expensive it is," he said.

Appeared in the Milwaukee Journal Sentinel on May 15, 2005.  
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