

Campaign Finance Talk

The Voice of the Michigan Campaign Finance Network

March/April 2001

Soft money and Michigan elections

Soft money is widely recognized as the vehicle that allows wealthy individuals, corporations and well-funded interest groups to wield excessive influence and circumvent campaign contribution limits in federal elections. Soft money became a huge stealth factor in Michigan's 2000 state elections.

Soft money refers to the unlimited contributions that can be made to the national political parties' various campaign committees, ostensibly for party-building activities. Such contributions cannot be used to benefit candidates directly. The two major parties raised approximately \$85 million in soft money in the 1991-92 election cycle. For the 1999-2000 elections, the two major parties raised \$487 million in soft money.

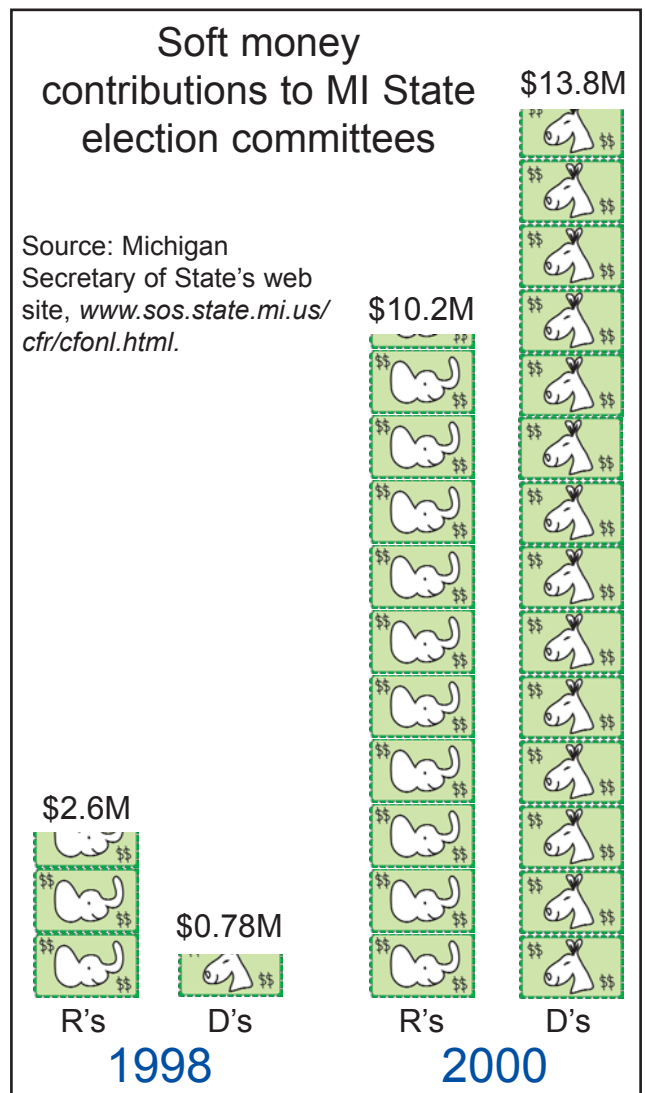
The growth of soft money raised by the national parties had a dramatic effect in Michigan elections in 2000. In the 1997-98 election cycle, the national parties funneled \$3.3 million of soft money to the Michigan Republican and Democratic state central committees for expenditure in state elections. In the 1999-2000 cycle, the national parties dumped more than \$24 million into the Michigan parties' state campaign funds — more than 700% growth in two years.

It is noteworthy that the Republican and Democratic state central committees reported spending barely \$5.3 million from August 27, 2000 through November 29, 2000, but reported total receipts of more than \$28 million during the same period. More than \$23 million is unaccounted for on campaign finance reports. Much of that amount likely went to purchase issue advertisements — the unreported, unregulated and frequently negative commercials that have become a

dominant feature of contemporary election campaigns. And these figures apply only to the state parties' state election committees. The state parties have separate federal election committees to deal with congressional, senatorial and presidential elections that handle even larger sums of money.

Soft money has captured a great deal of attention for its impact on federal elections. The central theme of the McCain-Feingold campaign finance reform bill is to ban soft money. Up to this point, however, it has not been reported widely that the impact of soft money on state elections has become great. Unlimited contributions to political parties undermine the democratic fundamental of one person, one vote in state elections just as surely as they do in federal elections.

Even if the Congress succeeds in banning soft money, the problem of unlimited contributions to political parties will not be solved in Michigan because this state has never had limits on contributions to party committees. We need reforms that put reasonable limits on the amount a corporation, interest group or individual can contribute to the state political parties.



Otherwise, the abuse of unlimited contributions to the political parties that end up paying for bogus issue advertisements will continue. Big contributors will be free to bypass national party committees and give directly to the state committees. The problem would shift, but not be solved.



MCFN hosts five town halls with Senator Levin on the McCain-Feingold bill

U.S. Senator Carl Levin teamed with MCFN to conduct a series of town hall meetings on the need for campaign finance reform and the Senate debate of the McCain-Feingold campaign finance reform bill. The town halls were conducted in Flint, Southfield, Traverse City, Kalamazoo and Lansing over the period from February 2nd through March 17th. A total of more than 250 persons attended the five meetings.

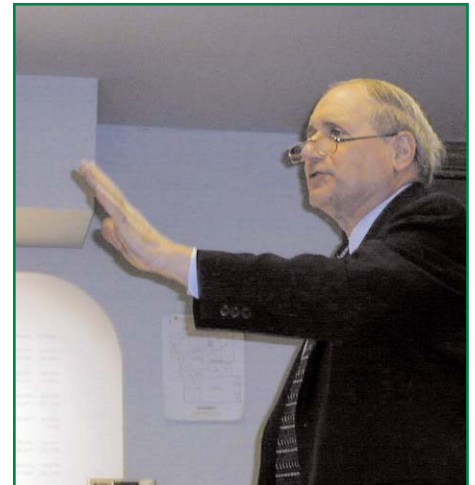
Senator Levin's presentation featured a recounting of the benefits of access that accrue to big-money contributors to the Republican and Democratic national committees. Such privileges as events with the President and Vice-President, lunch with the Congressional committee chairman of the contributor's choice, and participation in international trade missions are offered to top contributors. The Senator pointed out that such access does have value, otherwise the big contributions would not be forthcoming.

Senator Levin's overall assessment was that prospects are favorable for passage of McCain-Feingold in a form that would represent some real progress in campaign finance reform. The core of the bill, about which Senator Levin said there could be no compromise, is the proposed ban on soft money. He characterized the alternative proposal to cap but continue to allow soft money as a deal breaker.

The Senator characterized the bill's provisions on issue advertising, which have become controversial with many interest groups, as imperfect but an improvement. He acknowledged that there will be many attempts to pass 'poison pill' amendments to kill the bill, but stated that he was optimistic that there is a filibuster-proof majority that can force a vote, and a majority that supports genuine campaign finance reform.

The one substantive amendment about which Senator Levin expressed the possible need for some compromise related to raising the limits on individual contributions, which have been in place since the post-Watergate reforms of the 1970's.

On March 19, Senator Mitch McConnell of Kentucky began the debate on McCain-Feingold by saying that the American public cares about campaign



Above: Senator Levin at the Kalamazoo town hall meeting. Top: Senator Levin meets a constituent in Traverse City.

finance reform "about as much as they care about static cling." Time will tell whether that is an accurate reading.

Public Funding Amendment Defeated

Senator Paul Wellstone of Minnesota offered a 'states' rights' amendment to the McCain-Feingold bill (S. 27) that would have changed the Federal Election Campaign Act to give states the latitude to apply public funding to their federal elections. The amendment was defeated by a vote of 36 yeas to 64 nays.

The vote on this amendment was predictable. However, it was a calculated

move by Senator Wellstone to make sure that the Senate debate on campaign finance reform included a discussion of publicly funded elections.

MCFN was one of more than 60 state and national organizations that supported the Wellstone amendment. Michigan Senators Carl Levin and Debbie Stabenow voted to pass the amendment.

MCFN Leadership Council to meet April 28th

The Michigan Campaign Finance Network Leadership Council will convene on April 28th from 10:00 a.m. to 3:00 p.m. in the Lansing area. The purposes of the meeting will be to preview the MCFN summary analysis of the 2000 elections with activists and volunteers from across the state and to launch our 2001 outreach and public education campaign.

Our summary analysis will cover the dramatic effects of unlimited contributions to political parties (see Soft Money in Michigan Elections in this newsletter), contribution data and analysis of the 2000 Michigan Supreme Court elections and the state House elections, and a reform agenda for 2001. The report will be released at a Lansing news conference the week of April 30th. We will be asking regional volunteers and activists to

work in partnership with MCFN staff to deliver the message of the report to their local newspaper's editorial board, talk radio and public affairs television programming. We also will provide activists with a portable presentation that would be suitable for service clubs, faith-based groups, high school or college classrooms, local officials or any organization with which they have contact.

We are seeking volunteers to participate in the Leadership Council from around the state. If you are part of a local, county or regional campaign finance reform group or clean election committee, we hope that two or three members of your group will be able to attend. If you are not currently part of an organized group, but you would like to help with public education on the issue, we would like you to con-

sider attending and perhaps we can help you to organize a local group. We will provide you with the information tools to succeed and a plan to deliver the important message that we need campaign finance reform in Michigan just as badly as we need it at the federal level.

A meeting of the Leadership Council had been planned previously for last December. If you already had indicated that you were interested in attending that meeting, we will follow up by phone with you to confirm that you are still interested in participating. Otherwise, please submit the attached registration form if you would like to attend the April 28th meeting. You will be able to help make a difference on this critically important political issue, and you will meet a great group of people who share your concern.

Leadership Council registration



Yes! Sign me up to attend the Leadership Council Meeting on April 28, 2000 in the Lansing area.

Name:

Address:

City:

State: Michigan

Zip code:

Tel. (day):

Tel. (evening):

County:

Email Address:

If you are active with a campaign finance group, please tell us about your group:

Other groups you are a member of:



Submit your registration to:

Michigan Campaign Finance Network
1310 Turner Street, Suite B Lansing, MI 48906
(517) 482-7198 • Fax: (517) 482-6132 • Email: mcfn@mcfn.org

If you have already joined the Leadership Council, we will call you to confirm your participation.

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www.mcfn.org

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Want more timely information on campaign finance reform?

MCFN sends email news and information on campaign finance reform to a list of several hundred subscribers. In recent weeks we have used our email broadcasts to alert activists and volunteers about a series of town hall meetings around the state with Senator Carl Levin on the McCain-Feingold bill and campaign finance reform.

We invite you to send us your email address so we can include you in our electronic information network. Just send a message to mcfn@mcfn.org and ask to be placed on our list, or go to our world wide web site, www.mcfn.org, and subscribe to email updates. We will not share your email address with other groups.

New Executive Director appointed

On February 1st, Rich Robinson became the executive director of the Michigan Campaign Finance Network. He brings the organization considerable experience in the non-profit sector and some in the political sphere, as well. Most importantly, he brings a passion for campaign finance reform. In the short time he has been with us, he has traveled around the state to the town hall meetings with Sen. Carl Levin, meeting many of you in the process. He looks forward to guiding MCFN as it starts its ambitious research, education and advocacy efforts.

Rich is a graduate of the University of Michigan's School of Natural Resources and Environment and Institute for Public Policy Studies (now the Gerald R. Ford School of Public Policy). Prior to coming to MCFN, Rich was with Columbia University's Center for International Earth Science Information Network for seven years, and the Michigan House of Representatives for two years. He is a native of Sault Ste. Marie and formerly a long-time resident of Saginaw. He and his two children reside in East Lansing.