

C O N T E N T

MCFN News...

- MCFN marches toward non-profit status
- MCFN director steps aside/Office manager hired

ON THE WEB...

- R&R (Recommended Reading)
- Local secrets on the web

NATIONWIDE...

- Facts and figures about the 2000 elections

RESEARCH & ANALYSIS...

- State House candidates snub survey on campaign finance reform and ethics
- MCFN research analyst at work

COMMUNICATIONS & OUTREACH...

- In the Michigan press
 - Editorials for reform
-

MCFN marches toward non-profit status

As the Christmas and New Year's holidays draw near, the Michigan Campaign Finance Network (MCFN) continues to make strides toward establishing itself as a new non-profit organization.

The MCFN became incorporated according to Michigan law on November 16, 2000, and has received its tax identification number from the IRS. Both represent key steps in achieving 501 (c) (3) non-profit status.

MCFN bylaws currently are being drafted, with the goal of completing them by year's end.

The MCFN purpose

...To support the principles of representative democracy, and to promote research and public discussion regarding the vitality of representative democracy in Michigan; the impact of the current campaign finance system on Michigan elections, voter participation, and public policy; and the effects of proposed reforms, including comprehensive public financing of elections..."

[Back to newsletter CONTENT](#)

OPERATIONS UPDATE

MCFN director steps aside Johnston Mitchell, who has been directing the development of the Michigan Campaign Finance Network (MCFN) since its inception in January 1998 has announced his decision to step aside.

The MCFN project was launched in early 1998 with computer-assisted-reporting workshops for the press. In fall 1998, the first meeting of the MCFN coalition was held, with the strategic objective of bringing together individuals and organizations with a common interest in the issue of money in Michigan politics.

Over the course of three years, the MCFN has received grants totaling almost \$600,000. These grants have enabled the MCFN to launch a comprehensive programming agenda including Community Organizing, Coalition Building, Communications & Outreach, and Research & Analysis. The current grant from the Joyce Foundation enables the MCFN to build capacity and a full-fledged operation.

The MCFN now has a database of over 2,000 individuals, including representatives from over 50 organizations. Teams of volunteers are being organized in 19 counties. A research analyst has been hired to undertake projects that will provide the MCFN with data-based, money-in-politics studies for dissemination to Michigan's press. This same information will be used to develop the MCFN's Speakers Bureau.

The MCFN's first office has opened and an office manager has been hired. A research analyst also has been

hired on a project basis. The search for a executive director is underway, with interviews now being conducted. Mitchell's replacement is slated to begin early in the new year.

Office manager hired

Cathy Turley, a Kalamazoo native, joined the Michigan Campaign Finance Network (MCFN) as its office manager in mid November.

Turley will handle the day-to-day operations of the MCFN, including its bookkeeping and event planning. She will provide logistical support for all MCFN programs.

[Back to newsletter CONTENT](#)

Facts and figures about the 2000 elections

Without a doubt, money mattered in the 2000 election. Nationwide, the total spent this year reached \$4 billion. An estimated \$3 billion was spent on congressional and presidential races, with another \$1 billion or more spent for state contests. According to Larry Makinson of the Center for Responsive Politics, these totals represent an increase of almost 50 percent compared to 1996. (A total of \$2.2 million was spent four years ago.)

In New Jersey, Democrat Jon Corzine set a new record in spending \$62 million of his own money to win a U.S. Senate seat.

In Michigan, the U.S. Senate race between incumbent Rep. Spencer Abraham and Dem. Debbie Stabenow was the most expensive in Michigan history at \$27 million. Despite losing, Abraham was the top U.S. Senate recipient of PAC money at \$2.5 million.

According to the Center for Responsive Politics, in the U.S. Senate, 85 percent of the candidates who spent the most money won their races. In the U.S. House, the ratio was even higher: 94 percent (406 out of 431 decided as of the day after the election).

Business interests

Business interests gave huge amounts to both parties - \$496 million to Republicans and \$340 million to Democrats. The Democrats sponsored the biggest, one-night fund-raiser, yielding \$26.5 million in May, breaking the record set one month earlier by Republicans.

Soft Money

Soft Money played an increasingly huge part in the money chase. According to Common Cause, the two national parties raised a record \$393 million in soft money in 1999-2000.

In a poll of 300 business executives done by the Committee for Economic Development, three-fifths of them supported a complete ban on soft money.

Crain's Detroit Business reported in its Oct. 23-29 edition that Michigan ranked ninth in the nation during 1999-2000 with \$6.9 million in soft money donations.

Clean Money initiatives

Clean Money initiatives in Missouri and Oregon lost, by 65 -35 and 59 - 41, respectively. Unexpectedly, Oregon was a presidential battleground. At the same time, there were 26 ballot initiatives, many of them hotly contested. Missouri also was a presidential battleground and had closely fought gubernatorial and senate races. In addition, the current governor, and U.S. Senate candidate, Mel Carnahan was killed with his son and an aide in a plane crash. That story, and the question of whether Gov. Carnahan's wife, Jean, would take her husband's seat in the event that he were, posthumously, to win the U.S. Senate seat, dominated the press in the final weeks before the election.

[Back to newsletter CONTENT](#)

In the Michigan press

Following are excerpts from state newspapers about campaign financing in Michigan's 2000 elections.

An overall look at Michigan's 2000 elections

- In its Dec. 8 story, "Campaign spending accelerates," *The Detroit News* described the escalating costs of campaigns "down the ballot" from statewide races to local counties. The *Detroit News* reported that John McCulloch spent more than \$211,000 to win the race for Oakland County drain commissioner. (His challenger in the Republican primary was current State Sen. Bill Bullard, who spent \$217,540 in his losing bid. Bullard's senate term ends in two years.)

In its analysis of the 1998 Michigan state elections, the MCFN found that more money was raised in the 70 open legislative races versus the 78 with incumbents. In the 78 races with incumbents, a total of \$9,131,773 was raised - an average of \$117,074 per race.

- In the 70 open races, a total of \$10,637,482 was raised - an average of \$151,964 per race.

While term limits increase the number of candidates, do they fuel the chase to raise money for state legislative races? Similarly, do term limited state legislators who run for local races in their districts fuel the money chase at this level?

State House races and MCFN candidate survey

Five regional dailies - the *Saginaw News*, *Mt. Pleasant Morning Sun*, *Battle Creek Inquirer*, *Muskegon Chronicle* and *Port Huron Times Herald* ran stories about the huge amount of money raised and spent in State House districts within their readership markets. The Michigan Campaign Finance Network's News Packet on the 1998 state elections was used to draw a comparison with campaign finances in 2000.

Some of these stories also utilized the results of the MCFN's State House Candidates Survey 2000 in their stories. (To read the news release about the survey's results, please see the Research & Analysis section.)

The Port Huron Times Herald ran four related stories in their November 4 edition. The main story focused on the 81st District State House race, with three other stories reporting on the 82nd, 83rd and 32nd district races. Each story reported on the levels of campaign contributions and spending and also asked the two major-party candidates about their positions on campaign finance reform - including spending limits and soft money.

The incumbent candidate in the 32nd district, Rep. Alan Sanborn, noted that it was unlikely that he would be assigned to the committee targeting campaign finance reform. Sanborn said, "I'll review what the committee suggests. It's pretty clear that this isn't a glamorous topic, but let's look and see what a prudent solution might be."

In the 83rd district, challenger and Dem. Donna Grant, who raised and spent no money, said she wasn't sure who to ask for contributions. "Being a newcomer, how would I know what would be the appropriate special interests to take campaign financing [from]?" She added, "You wouldn't want to be beholden to somebody unless you felt it was the right thing to do."

In the same district, Rep. incumbent Steve Ehardt, who raised \$116,950 as of November 4, said, "I do agree there needs to be some controls on soft money. There should not be unlimited supplies of either corporate money or union dues money." Ehardt also stated that "There has been a lot of discussion, but most of the big money is at the federal level."

Michigan Supreme Court races

According to the *Associated Press* story in the *Argus-Press of Owosso*, over \$16 million was spent on this year's Michigan Supreme Court races. The six major-party candidates running for three seats were expected to raise \$1 million apiece. Most of the \$16 million was spent on "highly partisan ads." The article noted how the "attack ads came from political parties and the Michigan Chamber of Commerce."

2000 State House analysis

MCFN analysis of this year's State House elections is underway. Initial research focuses on the 10 most expensive House races. The second part of this study will include a comprehensive review of all State House races in 2000.

[Back to newsletter CONTENT](#)

Editorials for reform

Several Michigan newspapers published post-election editorials focused on campaign finance reform.

In its official editorial, the *Menominee Eagle Herald* said that "While most of our readers are probably drained of election talk by now, it's not tiresome to continue harping about a segment of the election process.. We're talking about campaign finance reform."

A reform referendum in Wisconsin

The *Eagle Herald* noted how Wisconsin voters in 58 of its 72 counties (representing 86 percent of the state's population) were asked in a non binding referendum if they would support "limits on campaign spending and contributions" and "full and prompt disclosure of election-related activities." The referendum won by a 6 -1 margin: 1.6 million voters supported it, with just 230,000 in opposition.

Health care and campaign finance reform

In its OUR VIEW of November 22, 2000 entitled "Health care cure lies with campaign finance reform," the *Traverse City Record Eagle* characterized the problem of rising health care costs as "Excedrin headache 2000." The Record Eagle said this dilemma would not be solved until "we cure the sickness in our campaign finance laws."

In their opinion piece, the *Record Eagle* used the following points to make its argument for reform:

- A new study revealed that prescription drugs accounted for 44 percent of the increase in health costs last year. (New York Times article, "Rise in health care costs rests largely on drug prices.")
- The drug lobby spent more than \$80 million to keep Democrats from regaining control of the U.S. Congress. (Wall Street Journal article, "Drug lobby wins big with massive spending.")
- In the 26 U.S. House races targeted this fall by the drug industry, only four of the candidates backed by this industry lost.
- Drug makers contributed \$19 million, mostly to Republican candidates and that party. Drug makers spent more than \$50 million on TV ads nationwide and millions more on radio, newspaper and direct-mail ads during this election cycle. They gave the U.S. Chamber of Commerce \$10 million more to run similar ads under the chamber's name.

[Back to newsletter CONTENT](#)

R&R (Recommended Reading)

www.brennancenter.org

At the Web site of the Brennan Center for Justice at the New York University School of Law, check out the following documents on soft money under the link, DEMOCRACY:

- Under Campaign Finance Reform...
- In the righthand column, scroll down to: "Banning 'Soft Money' and Regulating So-Called 'Issue Ads'" within the Brennan Center's action papers.
- In the left-hand column, under PRESS RELEASES, look for "Soft Money Ban is Constitutional: Brennan Center Dispels Argument That Banning Million Dollar Contributions Abridges Free Speech." Under OP-EDS, search for "How Can Soft Money Be Justified" and "Defending Soft Money Regulations in the Courts."

[Back to newsletter CONTENT](#)

Local Secrets on the Web

You know all about your congressional candidates. Now take your campaign finance search to the next level and find out candidates closer to home at www.opensecrets.org and other sites.

By Kathleen Cashel

Until recently, information on state elections was accessible only to the diligent few who were willing to pore through reams of campaign finance reports at the state board of elections.

That's starting to change. Now voters can turn to several web sites for state info, including the "Get Local" section (www.opensecrets.org/states) of the Center for Responsive Politics. You can find out which presidential candidate your state and metro area are supporting financially, the local zip codes responsible for the most money, and the top contributors and leading industries in your state. Included are links to other state-related Web sites, from official government sites to those of good-government watchdog groups.

The heart of the "Get Local" section is each state's "supersite," which seamlessly integrates state and federal elections data and offers an overview of where campaign contributions are coming from ("Who Gives"), a detailed analysis of where each elected official received campaign cash ("Who Gets"), and a look at how money in politics affects all of us ("Who Cares").

Nearly all the data in these supersites comes from the Montana-based National Institute on Money in State Politics. If you want to go straight to the source, their own web site (www.followthemoney.org) is a monumental resource for local contribution data.

Investigative Reporters & Editors "Campaign Finance Information Center" (www.campaignfinance.org) caters to journalists, but also has compelling features for the casual Web visitor, including a database of campaign finance stories. There are also dozens of sites covering various states, cities, and counties.

(c) Capital Eye, published by the Center for Responsive Politics, www.opensecrets.org. Reprinted with permission.

[Back to newsletter CONTENT](#)

State House candidates snub survey on campaign finance reform and ethics

Editor's Note: On August 22, 2000, the Michigan Campaign Finance Network sent a survey on campaign finance reform and ethics to all 256 candidates running in the general election for the Michigan House of Representatives.

Those responding support reasonable limits on campaign finance spending and soft money ban

Almost three quarters of State House candidates running in Michigan's 2000 general election failed to respond to a survey on ethics and campaign finance reform, according to the Michigan Campaign Finance Network (MCFN).

Just 67 (26 percent) responded, while 189 did not.

"We are extremely disappointed in the lack of response to our survey by so many candidates wanting to represent Michigan citizens," said Johnston Mitchell, director of the MCFN. "Our letters, calls and e-mail messages appear to have gone unheeded. The public's keen interest in reform has been rejected."

A national Gallup poll conducted in October 1999 found that a total of 64 percent of respondents said that the campaign finance system needs a complete or major overhaul --- higher than the 57 percent and 58 percent who expressed the same opinion about Medicare and Social Security in a June 1999 poll. A poll conducted by the Mellman Group for Public Campaign in March 2000 found that majorities of Republicans (53 percent), Democrats (62 percent), and independents (64 percent) want to see major changes made to the current system.

The March 2000 Mellman Group poll also found that the public desire for campaign finance reform is substantial and rising. A clear majority (59 percent) favors major changes in the system, up from 52 percent in a similar poll conducted by the Mellman Group in August 1996. This same percentage believes the problems with the current system are getting worse.

Respondents' Viewpoints

Of the 67 State House candidates responding to the MCFN's survey, more than half ranked campaign finance

reform at eight or higher on a 10-point scale.

Among the various types of reform proposals, support was greatest for contribution limits as long as all candidates felt they were playing by the same rules.

Over 90 percent of Democrat and 78 percent of Republican respondents said they would agree to limit their total campaign spending to a reasonable amount for an election, if they knew their opponent would do the same. Nearly half (47 percent) also expressed support for full public funding for candidates who agree to voluntary spending limits.

This support among respondents dovetails with another key finding of the March 2000 Mellman poll: Voters had clear ideas about what constitutes reform. Over half (51 percent) wanted to keep the current contribution limits (\$1,000) for congressional candidates, while almost a third (30 percent) favored reducing the limit to \$500.

"It is clear that the overwhelming majority of the State House candidates who responded to the MCFN survey are eager to get out of the trap of escalating campaign spending that threatens to put all of them in debt to large financial contributors. But it's also clear that this can only happen if there is a certainty that all candidates are playing by the same financial rules and limits," said former state legislator Lynn Jondahl.

Banning soft money was also widely supported by State House survey respondents on a bipartisan basis. Nearly 73 percent of Democrats and two-thirds of Republicans agreed or strongly agreed that soft money -- unregulated contributions to political parties -- should be banned.

To access the Michigan Campaign Finance Network's News Packet for the State House Candidates Survey 2000, visit our Web site at: www.mcfn.org.

[Back to newsletter CONTENT](#)

MCFN research analyst at work

The Michigan Campaign Finance Network has begun working with Barbara Moorhouse to conduct research on money in Michigan politics.

Moorhouse is a member of the League of Women Voters of Michigan and has been active in community organizing and other campaign finance reform activities over the past several years. She also has extensive experience with Michigan politics as a staff person for State Sen. Pan Godchaux (Rep.).

Current Research & Analysis projects include a study of fundraising by candidates to the Michigan Supreme Court. What is the history of fundraising in Supreme Court races over the last three elections, including this year's record spending races? (See related story on Communications & Outreach page.)

A second project focuses on fundraising for the 2000 election cycle by candidates in 10 key State House districts. What is the power of incumbency? Of raising the most money? Do term limits have any effect on the money being raised in state legislative races? How much money is contributed by individuals, PACs, caucus committees and party committees?

[Back to newsletter CONTENT](#)
