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Make People Matter



More Than Money!

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Study: WDC plan ‘extraordinarily powerful’

A Washington, D.C.-based academic research institute issued a report in early July exploring the possibilities for public financing of election campaigns in the wake of recent U.S. Supreme Court rulings allowing unlimited outside interest group spending and striking down citizen-driven efforts to counter the onslaught of special interest campaign advertising.

The national Campaign Finance Institute’s research is based on an analysis of data from recent elections in six Midwestern states including Wisconsin.

The institute’s study includes an analysis of the Democracy Campaign’s new campaign reform proposal dubbed *Ending Wealthfare*, concluding that the “combination of policies would have extraordinarily powerful effects.”

CFI estimates WDC’s plan would increase the proportion of campaign money coming from \$100-and-under donors from the current 19% to as much as 91% of the total. At the same time, the role of \$1,000-or-more donors would be cut from the current 34% to 6%, while the role of special interest political action committees (PACs) would shrink from 9% to only 1%.

In anticipation of another damaging ruling by the U.S. Supreme Court in *Arizona Free Enterprise Club v. Bennett* and likely negative legislative actions in state

budget deliberations in Wisconsin, the Democracy Campaign put forward the *Ending Wealthfare* plan in May to focus attention on the need for a totally new approach to election financing.

The plan features strong incentives for candidates to seek support from the communities they will represent if elected rather than outside interests, and incentivizes greater participation by small donors who live where the candidates are running.

The centerpieces of the initiative are a public matching program for small-dollar political donations, a tax credit for small contributions, tighter limits on the size of campaign donations and enhanced disclosure of campaign giving and spending as well as greater accountability for special interest electioneering groups.

The full plan is available on the Democracy Campaign’s website at www.wisd.org/endingwealthfare.php.

The combination of policies in WDC’s plan would have “extraordinarily powerful effects.”

Records fall in recall elections

In unprecedented state senate recall elections, the number of legislators removed from office in this manner over the 163-year history of Wisconsin was doubled in a single summer. A third of Republican senators targeted for recall were ousted, while two others narrowly survived election-day scares. All three of the targeted Democratic senators were returned to office by comfortable margins.

Republicans maintained control of the senate, but saw their majority whittled down to 17-16.

The real winners of these elections were the TV stations, which reaped a massive windfall as candidates and interest groups poured tens of millions of dollars into television advertising.

Campaign spending was off the charts and will end up in the neighborhood of \$40 million once final tallies are made. To put that mammoth figure in perspective, consider:

- Overall spending in the nine recall elections was *more than twice as much* as candidates and outside interest groups spent in all 116 legislative races combined in 2010.
- Six of the nine contests broke the previous record of \$3 million for total spending in a state senate race. Milwaukee's 8th district race topped \$9 million, while the 14th district north of Madison saw close to \$6.5 million in spending. Northwestern Wisconsin's 10th district and the 12th district in the northeastern part of the state both were in the \$5.5 million range. The Fond du Lac area's 18th district will approach \$4 million and the 32nd district in the La Crosse area will be close to \$3.5 million.
- Outside groups spent more than \$31 million sponsoring their own advertising, swamping candidate spending by nearly a 6-to-1 margin despite the fact that two candidates – Milwaukee's Alberta Darling and La Crosse's Dan Kapanke – easily broke the previous record for spending by an individual senate candidate.
- Registered interest groups reported spending \$15.6 million in the nine races, which compares to \$3.75 million such groups spent in all 116 legislative elections in 2010. Unregistered groups that do not report their spending are estimated to have spent over five times as much as they did in 2010 legislative races across the state.

Mass protests, historic recall elections put WDC in demand

When massive demonstrations erupted in Wisconsin in mid-February in response to controversial legislation eliminating most collective bargaining rights for government workers, one of the offshoots of this public reaction was the initiation of citizen boycotts of businesses whose top executives are major donors to Governor Scott Walker and his allies in the legislature. Boycott websites and Facebook pages like "Boycott Scott Walker Contributors" with more than 23,000 followers directed people to the Democracy Campaign's website for listings of donors. This caused a huge spike in traffic to wisdc.org and thrust WDC into the protest spotlight.

Website hits totaled more than 13.1 million in the most recent six-month period. Combined with the 4.4 million hits in the previous six months, there were over 17.5 million hits to wisdc.org in the last year, a 473% increase in web traffic from the year before. The number of newspaper articles mentioning WDC's work went up 42% over the previous year. Radio and TV stories were up 92%. The size of our statewide e-mail list increased 147% in the last six months. The number of people following us on Twitter increased 125% in six months. Our Facebook following also grew rapidly. Invitations to speak at forums and other events were up 54% over last year.

In addition to widespread coverage by Wisconsin newspapers, radio and TV stations, in recent weeks WDC staffers were interviewed for stories about the senate recall elections by the *New York Times*, *Washington Post*, ABC News, NBC News, *Wall Street Journal*, *USA Today*, *Chicago Tribune*, Al Jazeera, *Christian Science Monitor*, Minnesota Public Radio, KSTP-TV in Minneapolis, Bloomberg News, Reuters News Service, Politico.com, *Mother Jones* magazine and the *Washington Times*.



Democracy Campaign calls out partisan redistricting scheme

With rumors swirling at the Capitol that Republicans who control both houses of the Wisconsin Legislature had finished work on state redistricting maps but were keeping them under wraps, the Democracy Campaign filed open records requests in late June with legislative leaders to try to bring the plans out into the open. Senate and Assembly leaders ignored the requests for nearly two weeks and then finally made their plans public late on Friday, July 8.

In a state evenly divided between Democratic and Republican voters, the GOP redistricting plan packed most Democratic voters into 40 of the state's 99 assembly districts, creating a profound electoral advantage for legislative Republicans.

The Democracy Campaign put forward an alternative redistricting plan on July 12 showing it is possible to create a large number of toss-up districts that could be won by either Republicans or Democrats. Based on how Wisconsin voters cast their ballots in 2008 – a strong Democratic year – and 2010 – a strong Republican year, 80 of the 132 assembly and senate districts under WDC's plan have partisan splits of 10 percentage points or less.

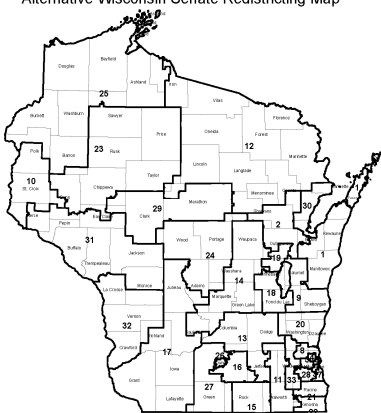
That is impressive considering that over the last decade, the largest number of competitive legislative elections Wisconsin has seen is 29, and there have been as few as 10 races decided by 10 percentage points or less.

WDC director Mike McCabe testified at a public hearing on July 13, calling the legislative redistricting plan a “power grab” and a “Republican gerrymander, pure and simple.”

Both houses of the Legislature approved the GOP plan the following week and Governor Scott Walker signed it into law on August 9.

WDC supports a legislative proposal introduced as Assembly Bill 198 that would take redistricting out of the hands of legislators and have two nonpartisan agencies draw the maps.

Wisconsin Democracy Campaign
Alternative Wisconsin Senate Redistricting Map



Impartial Justice Act repealed

Worker rights were not the only thing that came under attack during this year's state budget deliberations. Wisconsin's new system of full public financing for state Supreme Court elections also was targeted for elimination.

Governor Scott Walker sought to eliminate a key funding source for the Impartial Justice Act. The Republican-controlled Legislature went even farther, repealing the law and eliminating all funding for public financing of elections in Wisconsin, including not only the new system for Supreme Court elections but also the 34-year-old program for other state offices. The governor signed those changes into law in late June.

The Democracy Campaign led a decade-long effort to promote judicial independence that culminated in 2009 with the enactment of the Impartial Justice Act. The system was in effect for the 2011 Supreme Court election, and it enabled the candidates to campaign without having to solicit private special interest donations.

But the law was effectively operating at half strength as a key feature of the law entitling candidates to extra public funds if they face excessive spending by privately financed opponents was not operational because rules that would have required disclosure of that spending were tied up in court.

Nevertheless, in an April 4 editorial entitled “The law is working,” the *Milwaukee Journal Sentinel* argued the new system was enabling high court candidates to focus on reaching out to voters rather than concentrating on raising large sums of money from private interests, and was thereby freeing them from potential conflicts of interest.

WDC flags Walker contributions

The Democracy Campaign filed complaints in early July accusing Republican Governor Scott Walker and 10 wealthy contributors of 24 violations of state campaign finance law. A WDC review of Walker's campaign reports covering activity July 1, 2008 through December 31, 2010 shows 10 contributors, including a donor Walker later chose as his state insurance commissioner, exceeded the \$10,000 maximum that each was allowed to contribute to the campaign during the period.

Railroad executive convicted

A major donor to Governor Scott Walker first flagged by the Democracy Campaign back in April 2010 for making illegal contributions was convicted in a Washington County court in July and sentenced to probation and community service. Wisconsin & Southern Railroad president and chief executive officer William Gardner pleaded guilty to two felonies for exceeding campaign contribution limits in support of Governor Scott Walker's campaign and laundering additional donations through company employees and associates by giving them company or personal funds so they could make contributions on his behalf.

On the same day Gardner was criminally charged in April of this year, Governor Walker announced more than \$25 million in new state rail subsidies, with over half the money going to Gardner's company.

Loan shark broke law, got break

The Democracy Campaign filed a complaint in mid-June against the owner of an auto title loan company that got a break in the proposed 2011-2013 state budget to let his business resume in Wisconsin. The complaint accused Robert Reich of Deerfield Beach, Florida who owns Community Loans of America which does business at 22 locations here as Wisconsin Auto Title Loans of giving \$13,250 in 2010 to legislative candidates and a political committee, well in excess of the legal limit of \$10,000 in a calendar year to state and local candidates and political committees.

The budget-writing Joint Finance Committee inserted a proposal in the state budget to allow auto title loans to resume being made in Wisconsin. The budget provision repealed part of a law effective January 1 that banned those kinds of loans.



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