



THE MONEY BEHIND OREGON'S 2008 ELECTIONS

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NATIONAL INSTITUTE ON MONEY IN STATE POLITICS

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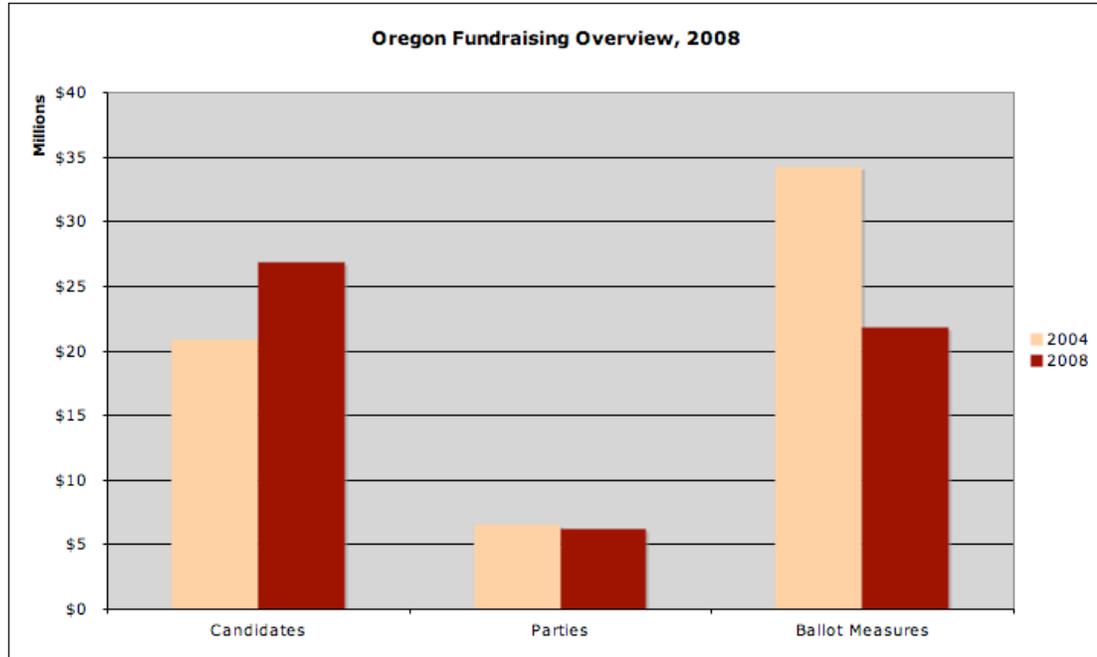


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OVERVIEW

CONTRIBUTIONS TO 2008 STATE-LEVEL POLITICAL CAMPAIGNS IN OREGON TOTALED \$55 million, down 11 percent from the \$62 million raised in 2004, the last comparable election. Measures on the ballot in 2008 attracted \$13 million less than those in 2004, accounting for the difference in the totals raised during the two elections. Candidates actually raised 29 percent more, while political parties raised about the same amount of money.



Three statewide offices—Secretary of State, State Treasurer, and Attorney General—up for election in 2008 showed the largest fundraising increase compared to 2004, when all the current officeholders were running for re-election. The 2008 races raised \$5.7 million, more than triple the \$1.6 million raised in 2004.¹

Business and special interests gave \$19.6 million, or 36 percent of the total raised in 2008. Labor unions came in a close second with \$19.2 million. Individuals gave 11 percent of the contributions. Most of the rest came from candidate self-financing.

Approximately 5,500 individuals, or slightly more than 0.1 percent of Oregon's population, gave money to a candidate, party, or ballot measure during the 2008 election cycle.

¹ The office of Labor Commissioner was also up for election in 2008, but not in 2004. The election was held in 2008 instead of 2010 due to the resignation of Labor Commissioner Dan Gardner in March 2008.

LEGISLATIVE RACES

The average legislative race raised \$124,000, a 51 percent increase from 2004. But even as the total amount raised increased, the actual monetary competitiveness of the races decreased. Incumbents running for re-election are likely to hold on to their seats and fundraising is often lopsided.

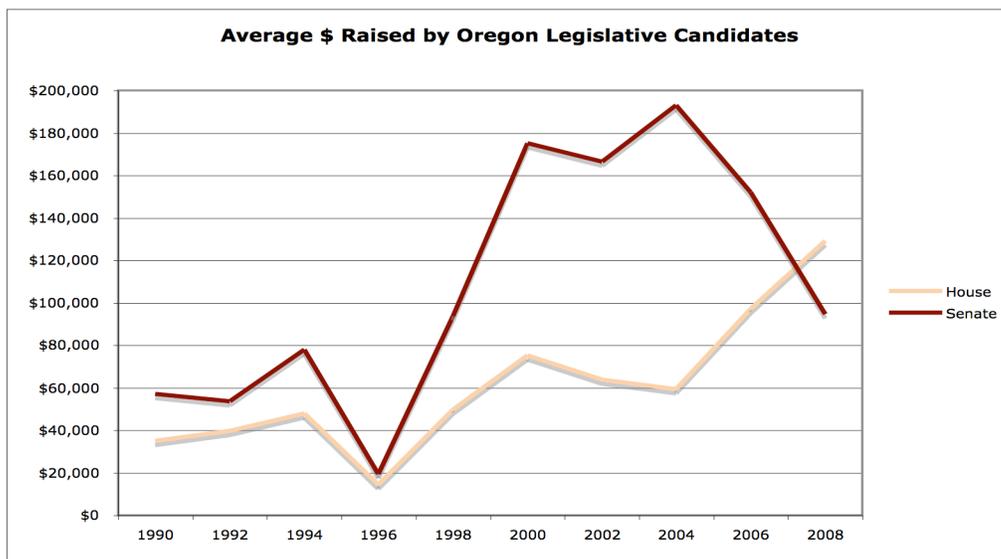
Across the country, the majority of state races are won by incumbents and those who raise the most money (for a detailed analysis, see the Institute's report *Advantage, Incumbent*). This is especially true for those running for office in Oregon.

94 percent of incumbents running for re-election were victorious. Candidates who raised the most money enjoyed a 96 percent success rate. Candidates who had both the money and incumbency advantage enjoyed a 100 percent victory rate. From the other perspective, only 3 of 52 challengers won their races, all of whom raised more money than the incumbents they were challenging.

To compound the incumbent advantage, the current office holder often raises the most. The Institute's PULSE tool shows the clear fundraising advantage that incumbents hold – 90 percent of the incumbents were able to raise more money than their opponents.

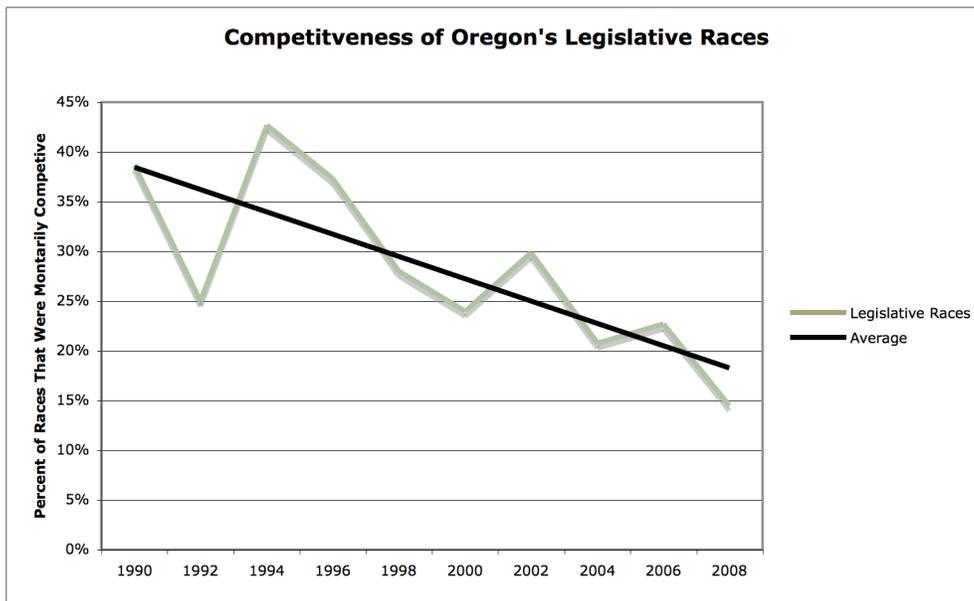
In open races, where no incumbent is running, money is often the kingmaker. The candidate who raised the most money won in 13 of 15 open races.

The National Institute on Money in State Politics began collecting Oregon data in 1990. Since then, Senate races have raised substantially more than House races. However, in 2008, the average House race raised \$130,490—beating the Senate average of \$95,831. The sharp drop in 2008 Senate averages may be due to fewer candidates on the ballot (29 in 2008 versus 40 in 2006), which would normally raise averages, but can also indicate a lower level of competition. There were zero competitive Senate races and eleven competitive House races.



The 2008 elections were the first where the average House race outspent the average Senate race. The dip in 1996 is due to two campaign finance measures approved by voters in November 1994 but overturned by the Oregon Supreme Court in February 1997.² Oregon is one of six states that have no limit on campaign contributions from any source.³

Although 64 percent of Oregon's legislative races were contested (i.e. there was more than one name on the ballot), only 14 percent were monetarily competitive.⁴ Competitiveness varies by year, but has been generally decreasing since 1994, when 43 percent of races were competitive. Oregon ranks 28th in the nation (out of 44 states with legislative races) for monetary competitiveness.

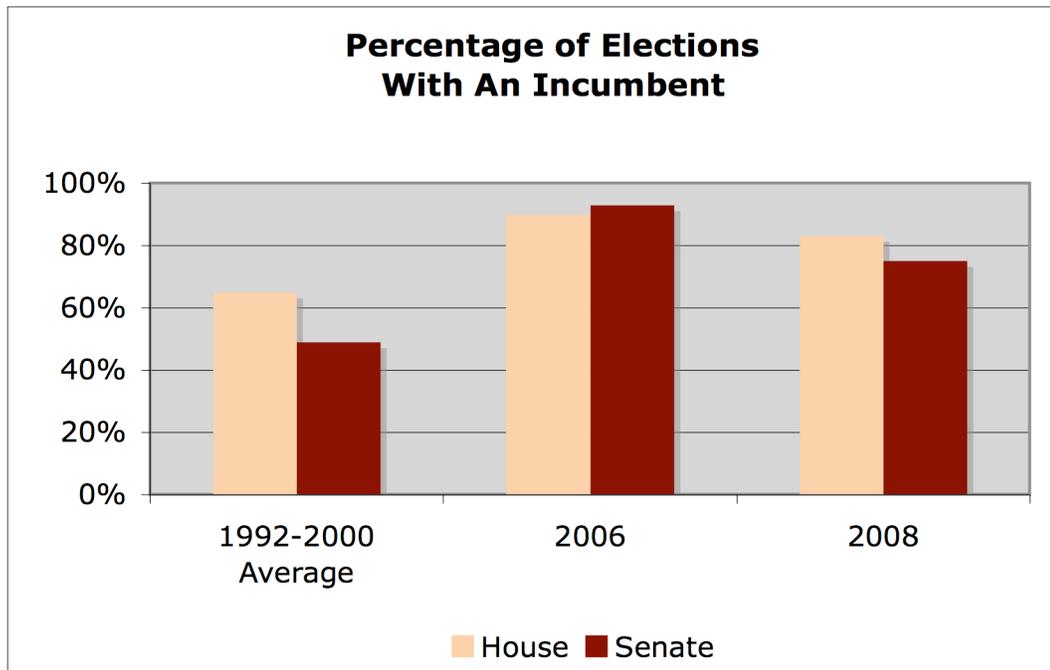


² Melinda Settevendemie, "Campaign Finance Reform in Oregon: A Brief History," *Willamette Center for Governance and Public Policy Research*, Summer/Fall 2000, available from http://www.willamette.edu/dept/pprc/OregonsFuture/PDFvol2no3/2_3sette.pdf, accessed May 7, 2009.

³ "Campaign Contribution Limits:Overview," *National Conference of State Legislatures*, February 5, 2008, available from <http://www.ncsl.org/default.aspx?tabid=16594>, accessed June 3, 2009.

⁴ The Institute considers a race not monetarily competitive if one candidate raises more than double the money raised by the next-highest fundraiser.

Further, legislative races have become increasingly dominated by incumbents running for re-election since term limits were overturned by the Oregon Supreme Court in 2002. Only 4 of the 16 Senate seats were open in 2008, and only 1 of 15 in 2006. The number of races where an incumbent is seeking re-election has increased compared to 1992–2000, when term limits were in effect. Fully half of Senate seats were open while term limits were in effect.



BALLOT MEASURES

Twelve measures appeared on the November ballot in 2008. (Voters also voted on three measures in the May primary.) These ranged in topic and included criminal justice and education reforms, changes to election laws, and a state tax deduction for federal income taxes paid.

Five of the measures were sponsored by Bill Sizemore, executive director of the anti-tax group Oregon Taxpayers United, who has been a force behind many of Oregon's ballot measures.⁵ An additional two measures were sponsored by Kevin Mannix, a former Republican state representative who also ran for attorney general, governor, and the U.S. House of Representatives.

Both Sizemore's and Mannix's measures were primarily funded by Oregon's notable conservative Loren Parks, who, along with his company Parks Medical Electronics, gave \$1.4 million to committees that supported those measures. Parks, who has been a major funder of Sizemore's measures, was the top funder of Mannix's campaigns in 2000 and 2006, and is the "top donor to political causes in Oregon history."⁶

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On the other side of the issue, and raising 10 times more money (\$15.5 million), was the Defend Oregon Coalition interested in defeating Bill Sizemore's measures. Defend Oregon cites a wide variety of member groups, including unions, non-profits, churches, and advocacy groups⁷, though it was funded primarily by unions. Defend Oregon received 89 percent of its money from labor unions and another 8 percent from three affiliated campaigns: Don't Silence Our Voice, Better Way to Fight Crime, and Voting Matters Oregon.

At the polls, voters affirmed Defend Oregon's position, rejecting all the measures sponsored by Sizemore and Mannix, and passing Measures 56 & 57, which were supported by Better Way to Fight Crime and Voting Matters Oregon.

⁵ "Home Page," *Oregon Taxpayers United*, available from <http://www.otu.org/>, accessed May 8, 2009.

⁶ "Loren Parks Funds More Initiatives," *The Oregonian*, Sept. 7, 2007, available from http://blog.oregonlive.com/politics/2007/09/loren_parks_funds_more_initiat.html, accessed June 8, 2009.

⁷ "Who We Are," *Defend Oregon*, available from <http://www.defendoregon.org/whoweare.html>, accessed May 8, 2009; "Defeat Bill Sizemore," Defend Oregon, <http://www.nomoresizemore.com/defeatbill.html>, accessed May 8, 2009.

SOURCES OF THE MONEY

Contributions from labor unions far outweighed the giving from donors within any other economic sector. Unions gave one of every three dollars given during the 2008 election cycle. Most of this money was spent on ballot measures. When ballot measures are excluded, unions only gave 11 percent of all contributions.

Democratic parties and candidates raised \$20.3 million, 64 percent more than the \$12.4 million raised by their Republican counterparts. Some industries strongly supported one party. For example, organized labor, lawyers & lobbyists, and the communications industry all gave at least twice as much to Democrats. Other industries, such as finance, construction, and energy, gave fairly equally to both sides.

CONTRIBUTIONS BY ECONOMIC SECTOR, 2008

ECONOMIC SECTOR	TO DEMOCRATS	TO REPUBLICANS	OTHER	TO BALLOT MEASURES	TOTAL
Labor	\$3,163,805	\$215,893	\$98,700	\$15,770,019	\$19,248,417
Political Parties & Candidates	\$5,085,502	\$2,433,718	\$41,540	\$52,000	\$7,612,760
Ideology/Single Issue Groups	\$940,172	\$905,828	\$10,466	\$2,697,815	\$4,554,281
Health	\$1,572,373	\$999,998	\$13,565	\$1,505,000	\$4,090,936
General Business	\$1,278,117	\$1,838,216	\$46,425	\$307,449	\$3,470,207
Finance, Insurance & Real Estate	\$1,256,253	\$1,213,890	\$17,000	\$411,431	\$2,898,574
Agriculture	\$652,139	\$1,383,387	\$9,100	\$58,050	\$2,102,676
Lawyers & Lobbyists	\$1,276,816	\$125,981	\$24,500	\$85,825	\$1,513,122
Energy & Natural Resources	\$626,694	\$564,604	\$14,875	\$143,750	\$1,349,923
Construction	\$451,778	\$532,985	\$14,700	\$166,750	\$1,166,213
Communications & Electronics	\$531,525	\$236,063	\$12,668	\$154,300	\$934,556
Other ⁸	\$3,425,995	\$1,910,933	\$144,628	\$453,382	\$5,934,938
TOTAL	\$20,261,169	\$12,361,496	\$448,167	\$21,805,771	\$54,876,603

The Institute's Industry Analysis Tool examines contributions from a specific industry. For instance, the health industry's contributions were drastically different than in 2006. In 2008, the medical industry favored Democrats with \$1.6 million, compared to the \$1 million given to Republicans. In sharp contrast, in 2006 Republicans received 2.5 times more than Democrats.

⁸ Includes miscellaneous other interests, unitemized contributions, and contributors that the Institute could not identify, such as those who listed their occupation as "Businessman." The Institute was able to classify 95 percent of contributions.

MAJOR CONTRIBUTORS

In terms of their contributions, the following groups were well-represented at the Oregon State Legislature. Forty donors gave contributions to at least 50 of the 90 legislators. This list was not dominated by unions, but rather by trade associations and companies. These 40 donors gave \$4.1 million to those who would go on to serve in the 2009 legislature, representing 27 percent of the legislators' campaign funds.

CONTRIBUTORS GIVING TO 50 OR MORE 2009 LEGISLATORS

GAVE TO 70 OR MORE LEGISLATORS	GAVE TO 60-69 LEGISLATORS	GAVE TO 50-59 LEGISLATORS
Oregon Health Care Association	Credit Union Legislative Action Fund	Oregon Association Of Mortgage Brokers
Oregon Medical Association	Northwest Natural	PacifiCorp
Oregon Optometric Physicians Association	Oregon Local Grocery Committee	Portland General Electric
Oregon Restaurant Association	Regence BlueCross BlueShield of Oregon	Coalition For A Healthy Oregon
Qwest Communications	American Council Of Engineering Companies - Oregon	Oregon Nurses Association
Associated General Contractors Oregon-Columbia Chapter	Oregon Refuse & Recycling Association	Waste Management
Oregon Beer & Wine Distributors Association	Oregon Association of Realtors	Eli Lilly & Co.
Oregon Bankers Association	Professional Adjusters Interested in Democracy	Georgia-Pacific
Oregon Home Builders Association	Comcast	Idaho Power
Confederated Tribes of the Grand Ronde	Foresight Ophthalmology PAC	Manufactured Housing Communities Of Oregon
	Oregon Manufactured Housing Association	Veterinarians Organized To Elect
	Oregon Soft Drink Association	Weyerhaeuser Co.
		McDonald's Owner-Operators Of Oregon
		Oregon AFSCME Council 75
		Oregon Business Association
		Oregon Lodging Association
		Oregon's Rural Electric Cooperative Association
		Kroger Co./Fred Meyers

The list of top 10 donors shows how money is funneled through a few party organizations. The Future PAC and the Promote Oregon Leadership PAC, which raise money for Democratic and Republican House candidates, respectively, both placed high on the list. The campaign committees of Democratic Speaker of the House Dave Hunt, and House Republican Leader Bruce Hanna, also distributed large amounts to Oregon candidates. The Oregon Victory PAC and Conservative Majority PAC contribute to Republican candidates, but are not affiliated with the Republican Party. According to news reports, the Conservative Majority Project PAC raised almost all its money from Loren Parks.⁹

**TOP 10 CONTRIBUTORS TO
CANDIDATES AND PARTIES, 2008**

CONTRIBUTOR	TOTAL
Future PAC, House Builders	\$2,023,164
Service Employees International Union Local 503	\$1,012,952
Oregon Education Association	\$732,972
Promote Oregon Leadership PAC	\$707,090
Oregon Restaurant Association	\$452,821
Friends of Dave Hunt	\$436,744
Oregon Health Care Association	\$434,340
Oregon Victory PAC	\$400,000
Friends of Bruce Hanna	\$389,972
Conservative Majority Project PAC	\$327,249
TOTAL	\$6,917,304

⁹ "Nevada millionaire bankrolls big bet on Dancer," *The Register-Guard*, Nov. 8, 2008, abstract available online, accessed May 26, 2009.