



DECLINING FORTUNES STATE PARTY FINANCES, 2004

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INTRODUCTION

When Congress passed campaign-finance reform in 2002, lawmakers intended primarily to ban the unlimited contributions that wealthy individuals, large corporations, and unions had made to national political party committees. Yet the effects of this ban were felt far beyond the Beltway. The federal law — known officially as the Bipartisan Campaign Reform Act (BCRA) and informally as the McCain-Feingold Act — effectively cut off millions of dollars to state political party committees, which had grown increasingly reliant on the national parties for a significant source of their funds.

In the campaign-finance world prior to BCRA, national party committees could raise unlimited “soft-money” contributions from wealthy individuals, corporations and unions. They in turn passed much of this money on to the state party committees. A previous Institute study, “*Life Before BCRA: Soft Money at the State Level, 2000 and 2002*,” found that almost half of the \$1 billion in soft money raised by state parties across the country during the 2000 and 2002 election cycles came from the national party committees. The national committees gave \$455 million to the state committees, or 44 percent of the total raised by state parties over the two election cycles.

This soft money could not be used to directly influence the outcome of federal elections but was instead meant to support other party activities. However, *Life Before BCRA* documented that the national party committees used the state committees to move much of this soft money into issue ads or other activities that indirectly supported federal candidates. They also traded their soft dollars with state party committees in return for hard-money dollars they could spend directly on federal candidates and election activities.

Once BCRA was enacted, state party committees had to either replace the national soft money or simply operate on much smaller budgets.

Questions and predictions abounded as to the impacts the new federal law would have on the state parties. Would state parties be able to replace this national soft money? To whom would they turn to fill the void? Would wealthy donors simply shift their giving from the national parties to the state parties, many of which could still receive unlimited soft-money contributions under state laws? Would the nonprofit political committees known as “527s,” which could still raise unlimited amounts of money from almost any source, become a new source of revenue, or would they actually compete with state parties for the largesse of deep-pocket contributors?

To answer these questions and determine how the state parties fared in the post-BCRA world, the Institute examined the money raised and spent by the two main political party committees in each of the 50 states. The study looked at the committees’ finances in 2004 as compared to the 2000 and 2002 election cycles, before BCRA was in effect.

EXECUTIVE SUMMARY

Without the generous contributions of soft money they had received from national party committees in the past, state political party committees saw their revenues dwindle in 2004. The 100 state-level committees across the country raised \$297 million, about two-thirds the amount they raised in the previous presidential-election cycle and about half the amount they raised in 2002.

These numbers indicate most state party committees still have a long way to go to fill the void left by the absence of national party soft money.

Meanwhile, contributions to legislative caucus committees, the partisan fund-raising groups for state legislative candidates, increased by 24 percent from 2000 to 2004 — an increase that was probably due more to the internal politics of the states than to federal campaign reforms.

And some of the main state party committees managed to fare just fine without help from the national parties. Highly competitive state or federal races, such as the 2003 California gubernatorial recall election and the tight gubernatorial race in Indiana, helped some committees attract new money. Other committees, such as those in Massachusetts, Rhode Island and Hawaii, had not relied on national party soft money in previous election cycles, so they were less affected by the sudden drop in national soft money. The state-by-state ranking in Appendix A provides further detail.

Interestingly, the overall soft-money totals for the 50 Democratic and 50 Republican state committees declined by the same percentage between 2000 and 2004, with both parties experiencing a 35 percent decrease in funds.

SOFT MONEY RAISED BY STATE POLITICAL PARTIES, 2000-2004

PARTY	2000	2002	2004
Democratic	\$240,194,138	\$308,663,848	\$155,461,157
Republican	\$217,400,799	\$262,980,225	\$141,277,355
TOTAL	\$457,594,937	\$571,644,073	\$296,738,512

Prior to passage of the McCain-Feingold Act, state party committees raised the bulk of their money from other party sources — primarily national, state or local party committees and candidate campaign committees. These sources made up 64 percent of the total raised in 2000 and 55 percent during the 2002 mid-term cycle. But during the 2004 post-BCRA election cycle, these sources provided just 30 percent of the total, despite an appreciable increase from candidate committees and out-of-state party committees.

An analysis of the giving to state party committees during the 2000 and 2004 presidential-election cycles shows that:

- State-level candidate committees, primarily those of Democratic candidates, almost doubled their giving. Contributions increased from \$20 million in 2000 to \$38.2 million in 2004.

- Other national-level party organizations that focus on state-level elections almost doubled the amount they gave in the 2000 and 2002 election cycles combined, from \$8.6 million to \$16 million in 2004 alone.
- With giving from party sources down, contributions from businesses and special interests made up the largest percentage of party committee funds in 2004.
- Labor unions increased their contributions in 2004, although their giving still represented less than 10 percent of the total funds.
- Individuals contributed slightly more in 2004 than they did in 2000. But the wealthy donors who once gave six-figure checks to the national party committees did not shift their giving to the state parties.
- Although their level of giving changed considerably from 2000 to 2004, the top industries remained quite similar, with lawyers and lobbyists, real estate interests and public sector unions ranking as the top three industries in each election cycle.
- As a direct result of BCRA, state parties spent significantly less on media expenses in 2004, leaving that to the national party committees instead. Yet despite their smaller budgets, they actually increased their support to candidates and local parties from previous election cycles.

As part of its study of state party finances, the Institute also examined the campaign finances of more than 120 legislative caucus committees over the three election cycles. These caucuses, unaccustomed to receiving large sums from the national party committees in the past, were not affected by the federal campaign-finance reforms. In fact, they collectively raised \$114.5 million in 2004, a 24 percent increase from the \$92.4 million they raised in 2000.

More than half of the \$22 million increase, or \$13.9 million, came from candidates who made contributions to the caucuses from their own campaign committees. However, candidates were similarly generous in the 2002 election cycle, before BCRA was the law of the land. They gave \$35.4 million from their campaign accounts in 2002, compared with \$34.5 million in 2004 and only \$20.6 million in 2000.

The next-largest increase in funds to the legislative caucuses came from businesses and special interests, which gave \$6.2 million more to legislative caucuses in 2004 than they did in 2000. The \$40.3 million they gave in 2004 represented 35 percent of the total raised by the caucuses in 2004.

The money raised by these legislative caucus committees is not included in the figures used for this report. However, the data is available on the Institute's Web site at www.followthemoney.org.

FILLING STATE PARTY COFFERS — THEN AND NOW

To determine who funded the state party committees during each of the three election cycles, the Institute divided contributors into two types: “party sources,” primarily national, state and local party committees and candidate committees, and “non-party sources,” such as businesses, special interests, labor unions and individuals.

Prior to passage of the McCain-Feingold Act, party and candidate committees were the funding mainstay for the state parties, making up 64 percent of the total amount they raised in 2000 and 55 percent of their totals during the 2002 mid-term cycle. But post-BCRA, these party sources provided just 30 percent of the \$297 million the committees raised, despite an appreciable increase in giving by candidate committees and out-of-state party committees from 2000 to 2004.

MAJOR TYPES OF CONTRIBUTORS TO STATE PARTY COMMITTEES

PARTY SOURCES	2000	2002	2004
Candidate Committees	\$20,051,375	\$49,490,976	\$38,227,237
In-State Party Committees	\$30,818,303	\$36,194,043	\$30,771,752
Out-of-State Party Committees	\$7,857,362	\$9,622,074	\$17,856,087
The Main National Party Committees	\$236,167,809	\$219,078,622	\$0
NON-PARTY SOURCES			
Businesses & Special Interests	\$71,930,620	\$120,304,858	\$104,946,711
Individuals	\$62,281,294	\$90,145,641	\$65,617,007
Labor Organizations	\$16,046,738	\$28,236,120	\$25,855,615

NON-PARTY DONORS RISE TO THE OCCASION

During the 2000 presidential-election cycle, non-party sources accounted for just 35 percent of the state parties’ contributions. In 2002, that increased somewhat, but still fell below the 50 percent mark. But in 2004, non-party sources were responsible for 69 percent of the total raised by the state parties.

A review of these non-party donors by industry shows that despite the changed financial landscape, the top three industries remained the same during all three election cycles. (See Appendix C for details.) Lawyers and lobbyists ranked first among the top 10 industries, giving more than \$18 million during each of the two presidential cycles and \$29 million during the 2002 mid-term cycle. Real estate interests ranked second in all three election cycles, although they doubled their giving in 2004 to \$17.2 million, up from the \$8.6 million they gave in 2000 but still lower than the \$19.6 million given in 2002. Public sector unions were the third-largest industry in all three election cycles. They gave \$12.5 million in 2004, up from \$8.4 million in 2000 and slightly less than the \$13.6 million they gave in 2002.

Businesses and Special Interests

Businesses and special interests became the largest source of funds for the state parties during the 2004 cycle, increasing their contributions to nearly \$105 million — about \$33 million more than they gave in 2000. Their giving made up 35 percent of the total the committees raised in 2004, compared with 16 percent of the total in 2000. And even though businesses and special interests

gave less in 2004 than in 2002, their contributions still represented a greater percentage of the total in 2004 because national party money was no longer in the equation.

Interestingly, contributions from businesses and special interests posting an address from out-of-state increased by more than \$7 million, from \$15.3 million during the 2000 election cycle to \$22.9 million in 2004. The U.S. Chamber of Commerce, which had not given to the state parties during the 2000 election cycle, led the pack of out-of-state donors in 2004, giving \$2 million to the Illinois Republican Party to help fund the highly competitive state Supreme Court race in Illinois.

Tribal governments were also partially responsible for the large increase from contributors in this category. They gave nearly \$5 million in 2004, a five-fold increase over their 2000 contributions of just under \$1 million and a 67 percent increase over the \$3 million they gave in 2002. The two California state parties were the top recipients of tribal money in 2004; the state GOP received \$1.8 million, while the Democratic Party received just over \$1 million. The Morongo Band of Mission Indians, in particular, increased its contributions in 2004. It gave \$1.1 million, double the \$559,000 given during the previous two election cycles combined.

Labor Unions

Although they gave less in 2004 than in 2002, labor unions increased their contributions from the last presidential-election cycle by 61 percent, from \$16 million in 2000 to almost \$26 million in 2004. Democratic state parties received the lion's share of the funds — 95 percent — in both election cycles. Union funds accounted for 9 percent of the total raised in 2004, compared with 4 percent in 2000 and 5 percent in 2002.

Unions based in Washington, D.C., almost doubled their contributions to the state parties between the two presidential cycles, from \$5.1 million in 2000 to \$9.9 million in 2004. Two Washington-based unions noticeably increased their giving. AFSCME, or the American Federation of State, County and Municipal Employees, was the largest union donor to state party committees. It gave \$2.5 million in 2004, compared with \$846,375 in 2000. The Service Employees International Union, or SEIU, gave \$1.9 million in 2004, about \$1 million more than it gave in 2000.

Individual donors

In the previous two election cycles, individual donors on the whole were not prominent players in the arena of state political party finances — their contributions represented about 14 percent of the total in 2000 and 16 percent of the 2002 total. During the 2004 election cycle, they gave \$65.6 million, comparable to the \$62 million they gave in 2000, but almost one-third less than the \$90 million they gave in 2000. However, their 2004 contributions accounted for 22 percent of the state parties' income.

Some BCRA analysts predicted that wealthy donors who once wrote six-figure checks to the national parties would shift their giving to state parties. A close examination of the contributions from individuals found this did not happen.

Instead, some gave substantial amounts to so-called "527 committees," nonprofit organizations that could still receive unlimited contributions from individuals, corporations and labor unions to spend for political purposes. For example:

- Stephen Bing, a California screenwriter, gave more than \$9 million to the three national Democratic party committees¹ and more than \$600,000 to 10 state parties over the 2000 and 2002 election cycles. In 2004, he gave \$253,684 to the California Democratic Party and almost \$13 million to two prominent 527 committees that actively opposed the re-election of President George W. Bush — \$11.9 million to the Joint Victory Campaign 2004 and almost \$1 million to MoveOn.org's Voter Fund.²
- S. Daniel Abraham of Slim-Fast Foods, who gave \$1.6 million to national party committees in 2000, gave \$1.1 million in 2004 to the Joint Victory Campaign 2004 and an additional \$247,000 to other 527 committees.³ He gave \$250,000 to seven state party committees in 2004, a significant reduction from the \$1.3 million he gave to 17 state parties in 2000.
- Louise Gund of Gund Toys gave more than \$1 million in soft money to the Democratic national parties and \$485,000 to 10 state party committees during the 2000 and 2002 election cycles. In 2004, she gave more than \$1 million to five 527 committees and just \$10,000 to one state party committee — the Texas Democratic Party.

Still, some individuals who shifted their giving from the national party committees to 527 committees maintained their high level of giving to state parties, as well. In fact, six of the top 10 contributors to state party committees in 2004 also wrote six-figure checks to 527 committees:

- The late Jay Van Andel of Michigan, who died in December 2004, was the only person to make the list of top 10 contributors to state parties in all three election cycles. He gave more than \$2 million to the Republican state parties in Florida and Michigan in 2004, as well as \$2 million to the Progress for America Voter Fund, a conservative 527 that supported President Bush's 2004 re-election campaign.
- Richard DeVos Sr. of Florida, Van Andel's Amway business partner and a top contributor to state party committees in 2002 and 2004, also gave \$2 million to the Progress for America Voter Fund in 2004.
- Alex Spanos of California, one of the nation's largest apartment developers and owner of the NFL's San Diego Chargers, gave more than \$1 million to state party committees in 2004 and \$5 million to the Progress for America Voter Fund.

¹ Federal Election Commission [on-line]; available from <http://herndon1.sdrdc.com/cgi-bin/qind/>; Internet; accessed Aug. 31, 2005.

² "Top Individual Contributors to 527 Committees 2004 Election Cycle," Center For Responsive Politics [on-line]; available from <http://www.opensecrets.org/527s/527indivsdetail.asp?ID=11001142278&Cycle=2004>; Internet; accessed Aug. 31, 2005.

³ "Silent Partners," Center For Public Integrity [on-line]; available from <http://www.publicintegrity.org/527/searchform.aspx?act=con&sec=searchind>; Internet; accessed Aug. 31, 2005.

- Bob J. Perry of Perry Homes in Texas gave \$938,000 to seven state party committees in 2004. He also gave more than \$8 million to six 527 committees, most prominently \$4.4 million to the anti-John Kerry Swift Vets & POWs for Truth and \$3 million to the Progress for America Voter Fund.⁴
- Dawn Arnall of California, a new contributor to state party committees who made the top 10 list in 2004 with her \$490,000 to the California Republican Party, gave an additional \$5 million to the Progress for America Voter Fund.
- Fred Eychaner of Newsweb Corp. in Chicago gave \$454,500 to state party committees in 2004. He also gave more than \$3 million to six 527 committees, with a total of \$2 million to America Coming Together and the Media Fund, both pro-John Kerry 527 committees, and \$1 million to Citizens for a Strong Senate, a Democratic issue advocacy group.

The other four top contributors in 2004 either gave very little or nothing at all to 527 committees. James Pederson, a shopping center developer and chairman of the Arizona Democratic Party during the 2002 and 2004 election cycles, topped the list of individual donors in 2002 and 2004, giving nearly \$3.7 million and \$2.3 million, respectively. All but \$1,000 went to the Arizona Democratic Party.

Roland Arnall, chairman of Ameriquest Capital, gave \$490,000 to the California Republican Party in 2004. Alice Roe, also of Arizona, gave \$260,000 to the Arizona Democratic Party and an additional \$50,000 to Defenders of Wildlife. John M. Gregory of King Pharmaceuticals in Tennessee gave \$475,000 to the Republican state parties in Maryland and Tennessee and an additional \$60,000 to the Tennessee Forum, a conservative 527 committee that worked to support Bush during both presidential cycles.

The table on the following page details the contributions to state party committees by the top 10 individual contributors in each of the three election cycles.

⁴ "Top Individual Contributors to 527 Committees 2004 Election Cycle," Center For Responsive Politics [on-line]; available from <http://www.opensecrets.org/527s/527indivsdetail.asp?ID=11001109962&Cycle=2004>; Internet; accessed Aug. 31, 2005.

**TOP INDIVIDUAL SOFT-MONEY CONTRIBUTORS TO STATE PARTY COMMITTEES,
2000-2004**

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Pederson, James E.*	AZ	Real Estate	\$2,257,099	D
Van Andel, Jay*	MI	Amway	\$2,025,000	R
DeVos Sr., Richard M.*	MI	Amway	\$1,545,000	R
Spanos, Alex G.	CA	Real Estate	\$1,081,755	R
Perry, Bob J.*	TX	Home Builders	\$938,000	R
Arnall, Dawn L.**	CA	Real Estate	\$490,000	R
Arnall, Roland E.**	CA	Real Estate	\$490,000	R
Gregory, John M.	TN	Pharmaceuticals & Health Products	\$475,000	R
Eychaner, Fred	IL	TV & Movie Production	\$454,500	D
Roe, Alice F.**	AZ	Pro-Environmental Policy	\$260,000	D
CONTRIBUTOR — 2002				
Pederson, James E.*	AZ	Real Estate	\$3,683,500	D
Perry, Bob J.*	TX	Home Builders	\$960,000	R
Sillerman, Robert F.	NY	Recorded Music Production	\$702,500	D
Perenchio, A. Jerrold	CA	TV & Movie Production	\$580,000	R
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$575,000	D
O'Quinn, John M.	TX	Lawyers & Lobbyists	\$550,000	D
DeVos Sr., Richard M.*	MI	Amway	\$525,040	R
Bing, Stephen L.	CA	TV & Movie Production	\$505,000	D
Van Andel, Jay*	MI	Amway	\$500,000	R
Walton, John T.	AR	Wal-Mart	\$407,000	R
CONTRIBUTOR — 2000				
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$2,150,000	D
Abraham, S. Daniel	FL	Slim-Fast Foods	\$1,306,000	D
Daines, Bernard	WA	Computer Equipment & Services	\$1,177,000	R
Fulton, Stanley	NV	Gambling & Casinos	\$565,000	R
Carter, Donald J.	TX	Retail Sales	\$520,000	R
Hogan, Wayne	FL	Lawyers & Lobbyists	\$442,000	D & R
Van Andel, Jay*	MI	Amway	\$400,000	R
Hamm, Edward H.	FL	Oil & Gas	\$390,000	R
Leininger, James R.	TX	Pharmaceuticals & Health Products	\$375,000	R
Opperman, Vance K.	MN	Securities & Investment	\$319,500	D

* Among the top 10 contributors in more than one cycle.

** First-time contributor in 2004.

A SHIFT IN GIVING BY PARTY SOURCES

In the absence of soft money from the national party committees, state-level candidate committees almost doubled their giving between the two presidential-election cycles, from \$20 million in 2000 to \$38.2 million in 2004. Democratic candidates, who gave substantially more from their campaign accounts than their Republican counterparts during each of the three election cycles, were responsible for 70 percent of the candidate committee money to state parties in 2004. In fact, four Democratic candidates each provided more than \$1 million from their committee funds to state party committees in 2004:

- Michael J. Madigan, Illinois House speaker and chairman of the state party, gave \$1.7 million from his “Friends of Michael J. Madigan” committee to the Illinois Democratic Party.
- John Burton, president pro tempore of the California Senate in 2004, gave \$1.4 million from his committee, “Burton Senate Fund,” to the California Democratic Party.
- Joe Kernan, who lost his bid for re-election as governor of Indiana in 2004, gave \$1.4 million to the Indiana Democratic Party.
- North Carolina Senate Leader Marc Basnight gave \$1.3 million to the North Carolina Democratic Party.

Overall, candidates from three states — California, Iowa and North Carolina — provided 46 percent of the total given by candidate committees during the 2004 election cycle. One of every five dollars came from California candidate committees, which led the pack in each of the three election cycles. Iowa and North Carolina candidates each provided 13 percent of the total in 2004.

Candidate committees weren’t the only ones to increase their contributions to state parties. Unable to turn to the national party committees in 2004 for millions of soft dollars, state parties did receive additional millions from several other national-level party organizations. The Republican and Democratic Governors Associations (RGA and DGA, respectively) gave \$12.2 million to the state party committees across the country, primarily to help fund competitive gubernatorial races. The DGA doled out \$8.8 million to Democratic state parties in 19 states, with \$5.6 million to Missouri and Washington alone. The RGA gave \$3.4 million to state Republican parties in five states — Indiana, Louisiana, Mississippi, Missouri and Washington. Grassroots Democrats, a new party committee formed specifically to raise soft money for state political parties after BCRA, provided \$681,100 of new funds to state parties in 17 states. And the Democratic Attorney Generals Association (DAGA) gave more than \$300,000 to state parties in five states; the bulk of it, \$220,000, went to the Washington State Democratic Party to help fund the race for an open attorney general seat.

Turning to these committees for additional money proved fruitful for the state party committees — the \$16 million they gave in 2004 was almost double the \$8.6 million they gave during the previous two election cycles combined. However, it was still not enough to make a large dent in the loss of soft money from the national party committees.

The table on the following page shows the key 2004 national-level party organizations and their contributions over the three election cycles.

NATIONAL-LEVEL PARTY COMMITTEE CONTRIBUTIONS, 2000-2004

NATIONAL-LEVEL COMMITTEE	2000	2002	2004
Democratic Governors Association/DGA	\$1,668,776	\$3,325,489	\$8,795,606
Republican Governors Association/RGA	\$141,000	\$360,000	\$3,393,602
Democratic Legislative Campaign Committee/DLCC	\$1,492,995	\$896,818	\$1,360,720
Republican State Leadership Committee/RSLC	\$0	\$0	\$737,946
Grassroots Democrats*	\$0	\$0	\$681,100
21st Century Democrats	\$0	\$242,730	\$435,794
Association of State Democratic Chairs/ASDC	\$262,692	\$207,241	\$335,070
Democratic Attorneys General Association/DAGA**	\$0	\$0	\$302,300
TOTAL	\$3,565,463	\$5,032,278	\$16,042,138

* Newly formed during the 2004 election cycle.

** Formed in 2002.

NEW SPENDING HABITS

The Institute also examined the state parties' expenditures to determine any changes in spending patterns. It found that as a direct result of BCRA, state parties spent significantly less on media expenses, leaving that to the national party committees, instead. Before BCRA was enacted, the national committees often sent large sums of soft money to the state party committees, which typically could spend more soft money on issue ads than could national party committees. That transfer allowed the national party committees to conserve their hard-money funds to directly support congressional and presidential candidates. Hard money was harder to raise than soft money, because of strict limits on the amount of hard money any contributor could give.

Because BCRA now requires national party committees to pay for broadcast advertisements with only hard money, the national committees no longer have any reason to send funds to the state parties to pay for such ads. Consequently, broadcast media expenses for the state parties amounted to \$46.6 million in 2004 — not exactly pocket change, but still \$20 million less than the amount the state parties spent on ads in 2000 and \$80 million less than the amount they spent in 2002.

BCRA also changed the rules on how state parties can spend money from their hard-money accounts. In 2004, state parties opted to keep most of their money in their state accounts. This was in sharp contrast to the pre-BCRA days, when they typically moved much of their soft money into their federal accounts, where they could use it to pay for media, staffing and other administrative expenses with a mix of hard and soft money. Transfers to committees' own federal accounts made up just 14 percent of their total expenditures in 2004, a sharp reduction from the 47 percent of their total expenditures in 2000 and 31 percent in 2002.

Despite the significant reduction in their budgets, state parties actually increased their support to candidates and local party committees in 2004, compared with the 2000 presidential cycle. During the 2004 election cycle, state parties spent \$131.7 million on candidate support, which includes both direct contributions and indirect support via mailings, get-out-the-vote efforts, polling and surveys. In comparison, state parties spent \$112.1 million on candidate support in 2000. In 2002, however, they spent \$153.9 million on candidate support. Support to local party committees also increased. State parties gave \$9.9 million to local party committees in 2004, almost double the \$5.3 million they gave in 2000 and 43 percent more than the \$6.9 million they gave in 2002.

STATE-BY-STATE RANKINGS

With essentially no limits on the contributions they can receive, the state party committees in Florida and California led the pack during all three election cycles. Although Florida ranked first during the 2000 and 2002 election cycles, California overtook the Sunshine State in 2004, with almost \$43 million in contributions. The California Republican Party raised an additional \$5.6 million over its 2000 total, to give California an overall increase in party money despite the \$3.4 million decrease the California Democratic Party experienced from its fund-raising levels of 2000.

Florida party committees ranked second in 2004, despite raising \$25.5 million less in soft money than they did in 2000. Their \$36.7 million total in 2004 was enough to push them ahead of all states but California, as Florida remained a hotbed of political activity in the 2004 presidential election. However, as documented in the Institute's concurrent study, *Shifting Gears: State Party Strategies Post-BCRA*, the two Florida state parties partially made up for their smaller soft-money totals with a \$10 million increase over the amount of hard money they received from the two national party committees in 2000. These hard dollars — not included in the figures used in this report — can be used to directly support or oppose any candidate for national, state or local office.

Missouri ranked a distant third in fund raising in 2004 with \$22.2 million, comparable to the \$23.3 million and \$22.9 million the party committees there raised in 2000 and 2002, respectively. (See Appendix A for state-by-state rankings for all 50 states.)

Although BCRA impacted the finances of the state parties, several other factors typically affect the flow of money to state-level party committees, as well. Key factors include the number of competitive state and federal races in a given election cycle and the varying state regulations governing the type and amount of soft money the committees can accept, as well as any loopholes in those restrictions.

Forty-six states hold elections in even-numbered years⁵ and thus experienced a full two-year election cycle following passage of BCRA. In these states, 70 of the 92 state party committees raised less soft money during the 2004 election cycle than during the comparable 2000 presidential cycle, and 75 raised less than they did in 2002. Despite being key battleground states for the presidency in 2004, Florida, Michigan and Ohio ranked first, second and fourth, respectively, among the states whose party committees raised less soft money in 2004 than in 2000. The New York state parties ranked third, with a deficit of \$13.7 million from their 2000 total. (See Appendix B for detailed listings.)

However, 22 committees actually raised more in 2004 despite the absence of national soft money, due to competitive congressional and state races or because they did not previously rely on soft money from the national parties. For example:

- With an additional \$5.6 million, the California Republican Party led the charge of the 22 committees that raised more in 2004 than in 2000. The additional funds can be attributed in large part to the 2003 recall election that removed Democratic Gov. Gray Davis from office and installed Republican Arnold Schwarzenegger in the governor's seat. The Republican Party raised just under \$6 million in 2003, prior to the

⁵ For the four states that hold elections in odd-numbered years — Louisiana, New Jersey, Mississippi and Virginia — pre- and post-BCRA comparisons cannot yet be made because the 2005 election cycle is not yet over and the 2003 election cycle included one year (2002) without federal reforms in effect.

October 2003 recall election, substantially more than the \$2.4 million it raised during the same time period in 1999.

- Second in line was the Arizona Democratic Party, which raised \$4.7 million in 2004, almost five times the \$967,732 it raised in 2000. The increase came primarily from \$2.3 million from James Pederson, developer and then-chair of the Arizona Democratic Party, as well as \$780,500 from six Indian tribes (which had given just \$110,100 in 2000, in comparison).
- With a close gubernatorial race to support and control of the Indiana House of Representatives up for grabs,⁶ the two state parties in Indiana each raised more in 2004. The Republican Party raised nearly \$1.9 million more than it did in 2000, while the Democratic Party raised \$855,700 more.
- With two competitive congressional races⁷ and a new redistricting plan in Georgia that gave Republicans the “best chance they’ve had in decades to make gains” in the Georgia House of Representatives,⁸ the Georgia Republican Party raised an additional \$1.6 million in 2004 over the \$6.2 million it raised in 2000. The state Democratic Party, in comparison, raised \$3 million less in 2004 than in 2000.
- The two state parties in Massachusetts each raised about \$1 million more, as well, although they had not received national soft party money since 1998, due to a state ban on such funds.
- The state parties in Hawaii and Rhode Island also raised more in 2004 than in 2000. However, they had next to no national party soft money to replace, having received less than \$50,000 and \$20,000 in soft money, respectively, from the national parties in 2000.

⁶ “Top 10 State Legislative Election Sites Named,” National Conference of State Legislatures, July 22, 2004 [on-line]; available from <http://www.ncsl.org/programs/press/2004/pr040721.htm>; Internet; accessed July 23, 2004.

⁷ “2004 Competitive House Race Chart,” The Cook Political Report, Oct. 29, 2004 [on-line]; available from http://www.cookpolitical.com/races/report_pdfs/2004_house_chart_oct29.pdf; Internet; accessed Sept. 6, 2005.

⁸ “Top 10 State Legislative Election Sites Named,” National Conference of State Legislatures, July 22, 2004 [on-line]; available from <http://www.ncsl.org/programs/press/2004/pr040721.htm>; Internet; accessed July 23, 2004.

APPENDIX A

STATE-BY-STATE TOTALS AND RANKINGS, 2000-2004

The amounts shown here exclude non-contribution income such as deposit refunds, interest income, the sale of stocks and bonds, and transfers between accounts of the same committee. Totals on the Institute's Web site include all income, not just contributions, and will differ slightly from those in the table below.

STATE	2000 TOTAL	2002 TOTAL	2004 TOTAL	2000 RANK	2002 RANK	2004 RANK
Alabama	\$7,368,661	\$8,395,220	\$2,151,424	21	22	27
Alaska**	\$728,881	\$824,520	\$486,344	45	45	47
Arizona	\$2,257,828	\$11,844,702	\$5,108,167	33	19	17
Arkansas	\$4,516,938	\$18,286,872	\$2,778,829	25	11	22
California	\$40,580,009	\$38,371,466	\$42,824,265	2	2	1
Colorado	\$4,035,117	\$14,024,965	\$763,123	27	16	43
Connecticut	\$1,305,813	\$2,524,574	\$819,229	39	37	41
Delaware	\$5,665,764	\$1,704,543	\$2,243,135	23	40	26
Florida	\$62,294,046	\$77,491,657	\$36,725,172	1	1	2
Georgia	\$14,475,835	\$29,324,509	\$13,074,207	10	5	5
Hawaii	\$483,132	\$2,056,064	\$1,962,302	47	39	29
Idaho	\$765,722	\$394,930	\$433,930	44	48	48
Illinois	\$19,181,840	\$9,901,809	\$10,675,944	9	20	10
Indiana	\$9,554,014	\$9,190,632	\$12,299,376	17	21	7
Iowa	\$9,381,235	\$19,116,631	\$8,642,661	18	10	13
Kansas	\$1,973,551	\$2,534,351	\$1,232,642	34	36	38
Kentucky	\$10,227,705	\$5,377,608	\$2,476,314	14	31	24
Louisiana*	\$1,321,878	\$6,299,399	\$6,125,011	38	25	16
Maine	\$2,864,315	\$5,954,716	\$1,509,917	31	28	32
Maryland	\$432,835	\$5,970,198	\$2,530,722	48	27	23
Massachusetts	\$1,457,037	\$4,008,577	\$3,539,103	37	35	21
Michigan**	\$30,133,833	\$15,347,346	\$7,892,436	3	13	14
Minnesota	\$12,309,888	\$25,250,861	\$7,472,289	12	6	15
Mississippi*	\$816,158	\$1,003,361	\$2,041,934	42	43	28
Missouri	\$23,360,931	\$22,928,890	\$22,176,978	6	8	3
Montana	\$7,432,764	\$4,230,803	\$1,429,025	20	33	34
Nebraska	\$3,480,762	\$877,088	\$681,926	29	44	44
Nevada	\$9,784,328	\$6,309,815	\$2,471,088	16	24	25
New Hampshire	\$3,431,764	\$13,694,809	\$1,400,744	30	18	36
New Jersey*	\$7,255,042	\$30,481,760	\$14,953,466	22	4	4
New Mexico	\$5,000,109	\$6,128,568	\$1,375,236	24	26	37
New York	\$24,988,866	\$24,857,487	\$11,266,788	5	7	8
North Carolina	\$12,555,810	\$14,377,903	\$9,099,663	11	15	12
North Dakota	\$1,721,869	\$5,761,683	\$1,411,047	35	30	35
Ohio**	\$22,491,884	\$15,267,657	\$9,649,701	7	14	11
Oklahoma	\$1,088,518	\$1,233,210	\$765,549	40	41	42
Oregon	\$9,174,542	\$4,611,727	\$1,544,790	19	32	31
Pennsylvania	\$20,916,531	\$16,511,043	\$11,196,950	8	12	9
Rhode Island	\$210,140	\$476,089	\$626,208	50	47	45
South Carolina	\$799,470	\$644,736	\$568,186	43	46	46
South Dakota	\$1,506,455	\$13,927,993	\$923,733	36	17	40

STATE	2000 TOTAL	2002 TOTAL	2004 TOTAL	2000 RANK	2002 RANK	2004 RANK
Tennessee	\$4,173,557	\$4,085,536	\$4,307,361	26	34	18
Texas	\$10,761,928	\$32,079,409	\$4,064,913	13	3	19
Utah	\$3,499,676	\$2,135,114	\$1,501,705	28	38	33
Vermont	\$634,669	\$377,627	\$281,703	46	49	49
Virginia*	\$2,807,203	\$21,244,728	\$3,607,046	32	9	20
Washington	\$25,207,042	\$5,823,505	\$12,757,520	4	29	6
West Virginia	\$265,800	\$147,009	\$126,538	49	50	50
Wisconsin	\$10,015,894	\$7,068,267	\$1,733,068	15	23	30
Wyoming	\$897,344	\$1,162,105	\$1,009,103	41	42	39
TOTAL	\$457,594,937	\$571,644,073	\$296,738,512			

*Data for calendar year 2004 is not included in these figures as it is part of the states' two-year cycle of 2004-2005.

**Not all soft money is reported to the state, so these figures are lower than the actual amounts.

APPENDIX B

SOFT-MONEY TOTALS BY PARTY COMMITTEE, 2000-2004

The amounts shown here exclude non-contribution income such as deposit refunds, interest income, the sale of stocks and bonds, and transfers between accounts of the same committee. Totals on the Institute's Web site include all income, not just contributions, and will differ slightly from those in the table below.

COMMITTEE	2000 TOTAL	2002 TOTAL	2004 TOTAL
Alabama Democratic Party	\$5,385,060	\$5,653,922	\$1,492,983
Alabama Republican Party	\$1,983,601	\$2,741,297	\$658,441
Alaska Democratic Party	\$301,947	\$251,756	\$82,764
Alaska Republican Party	\$426,934	\$572,764	\$403,580
Arizona Democratic Party	\$967,732	\$7,958,661	\$4,689,022
Arizona Republican Party	\$1,290,096	\$3,886,040	\$419,145
Arkansas Democratic Party	\$843,010	\$10,335,644	\$1,538,959
Arkansas Republican Party	\$3,673,928	\$7,951,227	\$1,239,870
California Democratic Party	\$22,547,536	\$22,963,652	\$19,137,910
California Republican Party	\$18,032,473	\$15,407,815	\$23,686,355
Colorado Democratic Party	\$1,549,327	\$8,404,043	\$266,285
Colorado Republican Party	\$2,485,790	\$5,620,922	\$496,838
Connecticut Democratic Party	\$597,005	\$734,823	\$338,184
Connecticut Republican Party	\$708,809	\$1,789,751	\$481,045
Delaware Democratic Party	\$4,196,306	\$954,254	\$1,511,615
Delaware Republican Party	\$1,469,459	\$750,289	\$731,520
Florida Democratic Party	\$24,722,125	\$25,647,403	\$10,924,336
Florida Republican Party	\$37,571,922	\$51,844,253	\$25,800,836
Georgia Democratic Party	\$8,228,979	\$15,868,448	\$5,221,401
Georgia Republican Party	\$6,246,856	\$13,456,060	\$7,852,805
Hawaii Democratic Party	\$200,557	\$1,184,681	\$735,138
Hawaii Republican Party	\$282,575	\$871,383	\$1,227,164
Idaho Democratic Party	\$95,024	\$44,063	\$148,424
Idaho Republican Party	\$670,698	\$350,867	\$285,506
Illinois Democratic Party	\$13,279,951	\$8,088,790	\$6,935,307
Illinois Republican Party	\$5,901,889	\$1,813,020	\$3,740,637
Indiana Democratic Party	\$6,365,638	\$5,891,312	\$7,221,339
Indiana Republican Party	\$3,188,376	\$3,299,320	\$5,078,037
Iowa Democratic Party	\$4,600,504	\$13,487,210	\$5,526,049
Iowa Republican Party	\$4,780,731	\$5,629,421	\$3,116,613
Kansas Democratic Party	\$999,409	\$1,841,364	\$1,082,319
Kansas Republican Party	\$974,142	\$692,987	\$150,323
Kentucky Democratic Party	\$6,032,963	\$3,618,694	\$1,583,777
Kentucky Republican Party	\$4,194,742	\$1,758,913	\$892,537
Louisiana Democratic Party	\$1,180,622	\$3,469,184	\$4,447,245
Louisiana Republican Party	\$141,256	\$2,830,215	\$1,677,766
Maine Democratic Party	\$1,393,104	\$3,596,967	\$622,997
Maine Republican Party	\$1,471,211	\$2,357,750	\$886,920
Maryland Democratic Party	\$64,654	\$4,699,447	\$645,742
Maryland Republican Party	\$368,181	\$1,270,751	\$1,884,979

COMMITTEE	2000 TOTAL	2002 TOTAL	2004 TOTAL
Massachusetts Democratic Party	\$716,159	\$1,653,681	\$1,688,352
Massachusetts Republican Party	\$740,878	\$2,354,896	\$1,850,750
Michigan Democratic Party	\$16,446,000	\$5,569,721	\$2,964,296
Michigan Republican Party	\$13,687,834	\$9,777,625	\$4,928,140
Minnesota DFL Party	\$5,157,639	\$14,808,552	\$4,038,227
Minnesota Republican Party	\$7,152,249	\$10,442,309	\$3,434,062
Mississippi Democratic Party	\$54,937	\$355,510	\$382,671
Mississippi Republican Party	\$761,221	\$647,851	\$1,659,263
Missouri Democratic Party	\$14,832,287	\$12,182,581	\$14,738,101
Missouri Republican Party	\$8,528,644	\$10,746,310	\$7,438,877
Montana Democratic Party	\$3,784,471	\$2,714,812	\$811,173
Montana Republican Party	\$3,648,293	\$1,515,990	\$617,852
Nebraska Democratic Party	\$1,938,670	\$478,254	\$300,220
Nebraska Republican Party	\$1,542,092	\$398,834	\$381,707
Nevada Democratic Party	\$4,562,702	\$2,924,711	\$1,939,886
Nevada Republican Party	\$5,221,626	\$3,385,105	\$531,202
New Hampshire Democratic Party	\$1,433,891	\$7,337,003	\$1,271,812
New Hampshire Republican Party	\$1,997,873	\$6,357,806	\$128,932
New Jersey Democratic Party	\$3,824,547	\$24,219,581	\$12,273,291
New Jersey Republican Party	\$3,430,495	\$6,262,180	\$2,680,175
New Mexico Democratic Party	\$2,302,140	\$3,840,251	\$840,213
New Mexico Republican Party	\$2,697,969	\$2,288,317	\$535,023
New York State Democratic Party	\$13,708,444	\$9,384,639	\$4,269,342
New York State Republican Party	\$11,280,422	\$15,472,848	\$6,997,446
North Carolina Democratic Party	\$6,797,426	\$11,466,761	\$7,643,040
North Carolina Republican Party	\$5,758,384	\$2,911,141	\$1,456,623
North Dakota Democratic Party	\$1,085,997	\$3,948,081	\$956,390
North Dakota Republican Party	\$635,872	\$1,813,602	\$454,657
Ohio Democratic Party	\$10,593,513	\$6,619,910	\$4,598,384
Ohio Republican Party	\$11,898,371	\$8,647,747	\$5,051,317
Oklahoma Democratic Party	\$468,750	\$517,689	\$351,962
Oklahoma Republican Party	\$619,768	\$715,521	\$413,586
Oregon Democratic Party	\$5,094,095	\$1,805,594	\$845,357
Oregon Republican Party	\$4,080,447	\$2,806,134	\$699,433
Pennsylvania Democratic Party	\$14,971,373	\$6,713,795	\$3,948,303
Pennsylvania Republican Party	\$5,945,158	\$9,797,247	\$7,248,647
Rhode Island Democratic Party	\$147,250	\$463,579	\$272,657
Rhode Island Republican Party	\$62,890	\$12,510	\$353,552
South Carolina Democratic Party	\$456,771	\$596,215	\$29,170
South Carolina Republican Party	\$342,699	\$48,521	\$539,016
South Dakota Democratic Party	\$748,460	\$8,251,486	\$381,301
South Dakota Republican Party	\$757,995	\$5,676,507	\$542,431
Tennessee Democratic Party	\$1,353,413	\$1,388,979	\$2,878,121
Tennessee Legislative Campaign Cmte	\$2,820,144	\$2,696,557	\$1,429,239
Texas Democratic Party	\$6,456,476	\$19,617,269	\$1,277,308
Texas Republican Party	\$4,305,452	\$12,462,141	\$2,787,605
Utah Democratic Party	\$1,726,104	\$781,072	\$594,803
Utah Republican Party	\$1,773,572	\$1,354,041	\$906,902

COMMITTEE	2000 TOTAL	2002 TOTAL	2004 TOTAL
Vermont Democratic Party	\$184,843	\$160,346	\$132,072
Vermont Republican Party	\$449,826	\$217,281	\$149,630
Virginia Democratic Party	\$1,229,355	\$10,116,323	\$1,957,038
Virginia Republican Party	\$1,577,848	\$11,128,405	\$1,650,008
Washington State Democratic Party	\$11,774,938	\$3,388,367	\$9,405,865
Washington State Republican Party	\$13,432,105	\$2,435,139	\$3,351,655
West Virginia Democratic Party	\$165,800	\$30,234	\$108,270
West Virginia Republican Party	\$100,000	\$116,775	\$18,268
Wisconsin Democratic Party	\$4,466,303	\$2,353,159	\$384,344
Wisconsin Republican Party	\$5,549,592	\$4,715,107	\$1,348,723
Wyoming Democratic Party	\$159,934	\$281,371	\$27,387
Wyoming Republican Party	\$737,410	\$880,734	\$981,716
TOTAL	\$457,594,937	\$571,644,073	\$296,738,512

APPENDIX C

TOP INDUSTRIES CONTRIBUTING TO PARTY COMMITTEES, 2000-2004

TOP INDUSTRIES — 2004	TOTAL	TO DEMOCRATS	TO REPUBLICANS
Lawyers & Lobbyists*	\$18,790,001	\$14,528,708	\$4,261,293
Real Estate*	\$17,242,814	\$6,380,613	\$10,862,201
Public Sector Unions*	\$12,564,135	\$11,661,620	\$902,515
General Trade Unions*	\$11,003,129	\$10,874,925	\$128,204
Insurance*	\$7,194,265	\$1,553,546	\$5,640,720
Retail Sales	\$6,080,980	\$596,978	\$5,484,002
Securities & Investment*	\$4,903,597	\$1,728,992	\$3,174,606
Tribal Governments	\$4,767,025	\$2,749,700	\$2,017,325
Health Professionals	\$4,434,676	\$1,397,659	\$3,037,018
General Contractors	\$4,327,951	\$1,493,579	\$2,834,372
TOP INDUSTRIES — 2002			
Lawyers & Lobbyists*	\$29,044,950	\$22,471,671	\$6,573,279
Real Estate*	\$19,618,293	\$10,448,563	\$9,169,730
Public Sector Unions*	\$13,622,067	\$12,504,746	\$1,117,321
General Trade Unions*	\$12,194,042	\$11,736,052	\$457,990
Securities & Investment*	\$10,063,990	\$3,272,362	\$6,791,628
Leadership PACs	\$7,589,761	\$4,395,039	\$3,194,721
Insurance*	\$7,426,092	\$2,480,970	\$4,945,122
General Contractors	\$5,911,785	\$2,338,305	\$3,573,480
Health Professionals	\$5,091,058	\$2,100,660	\$2,990,398
Retail Sales	\$4,481,424	\$782,066	\$3,699,358
TOP INDUSTRIES — 2000			
Lawyers & Lobbyists*	\$18,334,852	\$14,300,254	\$4,034,598
Real Estate*	\$8,621,062	\$2,594,643	\$6,026,419
Public Sector Unions*	\$8,431,163	\$7,888,884	\$542,279
Securities & Investment*	\$7,143,900	\$1,601,956	\$5,541,943
General Trade Unions*	\$6,162,739	\$6,029,343	\$133,396
Computer Equipment & Services	\$6,028,872	\$2,962,995	\$3,065,877
Insurance*	\$4,425,207	\$1,229,786	\$3,195,421
Pharmaceuticals & Health Products	\$3,121,303	\$1,698,028	\$1,423,275
Gambling & Casinos	\$2,982,735	\$953,527	\$2,029,208
Electric Utilities	\$2,895,584	\$1,121,261	\$1,774,324

*Among the top 10 in all three cycles.