



SHIFTING GEARS

STATE PARTY STRATEGIES POST-BCRA

By

THE INSTITUTE ON MONEY IN STATE POLITICS

SEPTEMBER 2005

The Institute's political party committee work is supported by:

The Pew Charitable Trusts, *State Policy and Education Fund*
Carnegie Corporation of New York, *Strengthening U.S. Democracy Program*
Ford Foundation, *Program on Governance and Civil Society*
Joyce Foundation, *Program on Money and Politics*
Rockefeller Brothers Fund, *Program on Democratic Practice*

833 N. LAST CHANCE GULCH, SECOND FLOOR • HELENA, MT • 59601
PHONE 406-449-2480 • FAX 406-457-2091 • E-MAIL institute@statemoney.org
www.followthemoney.org

TABLE OF CONTENTS

Executive Summary 5

 Study Findings..... 7

 How Party Committees Adapted 8

 Changes in Spending Patterns 12

 Conclusion 13

 Methodology 14

An In-Depth Look at the 13 States..... 15

 California 16

 Florida 23

 Illinois 29

 Massachusetts 36

 Michigan 42

 Minnesota 49

 Missouri 55

 New York 65

 North Carolina 71

 Oregon 77

 Texas 84

 Washington 90

 Wisconsin 97

EXECUTIVE SUMMARY

When Congress passed the federal McCain-Feingold campaign-finance reform bill, many hailed it as a way to restore the integrity of the federal contribution limits by banning the unlimited “soft-money” contributions made by wealthy individuals and large corporations to the national party committees.

The soft-money ban turned off a main spigot of funds not only for the national committees, but also for state political parties, which previously received millions of dollars of that soft money from the national committees. During the 2000 presidential-election cycle, for example, the six national party committees gave more than \$236 million in soft money to the 100 state Democratic and Republican party committees across the country, accounting for 51 percent of the \$459 million in soft money these committees raised in that election cycle.

In the comparable presidential-election cycle of 2004, these state party committees raised about \$297 million, showing just how dramatically they were affected by the loss of soft money from their national counterparts.

Prior to the new law’s passage, the six national party committees¹ could raise two types of money — federal, or so-called “hard” money, and non-federal, or “soft” money. Hard money could be used to directly influence U.S. congressional and presidential elections and was subject to strict contribution limits. Soft money, on the other hand, could be raised through unlimited contributions but was to be used only for “party-building” activities, such as staff salaries, issue advocacy and administrative costs.

To determine the effects the federal reforms had on state-level party committees, the Institute closely examined how state political party committees and legislative caucuses in 13 selected states changed the ways in which they raised and spent soft money during the 2004 election cycle. This was the first election cycle since enactment of the Bipartisan Campaign Reform Act (BCRA), more commonly known as the McCain-Feingold Act.

The Institute found that during the 2004 election cycle, state party committees in the 13 study states generally had to cinch their belts and operate on smaller soft-money budgets than in pre-BCRA days. During the 2000 presidential cycle, these 26 committees had received more than \$116 million in soft money from the national party committees, accounting for 35 percent of the \$332 million they raised. On the other hand, the legislative caucus committees that raise money for state legislative candidates were generally unaffected by BCRA. In fact, 29 of the 36 caucuses in the study raised more in 2004 than during the previous presidential-election cycle.

However, as many committees demonstrated, state parties are quickly adapting to the new campaign-finance landscape, becoming adept at raising the money they need to get their candidates elected, with or without help from their national counterparts. To offset the loss of national soft money, state party committees increased their intake of federal dollars and turned to new and existing national-level committees that can still receive, and thus give, soft money. State-

¹ The Democratic and Republican parties each have three national committees: the Democratic National Committee (DNC); Democratic Senatorial Campaign Committee (DSCC); Democratic Congressional Campaign Committee (DCCC); Republican National Committee (RNC) and its soft-money account, the Republican National State Elections Committee (RNSEC); the National Republican Senatorial Committee (NRSC); and the National Republican Congressional Committee (NRCC).

level candidates and party committees also stepped up to the plate in many states, as did individual donors, businesses, labor groups and special interests.

The loss of 35 percent of their income did not prove disastrous for the state parties in the 13 states, in part because the soft money from the national parties was not used primarily to fund their general operations. Instead, as the Institute previously reported in a 2003 study, "*Passing the Bucks*," much of it was used to finance political advertisements. State parties held an advantage when it came to buying these ads because they could spend a much higher percentage of soft dollars on the advertisements than could national party committees. National parties had to use more hard money, which was subject to strict contribution limits and harder to raise. By letting state committees purchase the issue ads, the national committees were able to conserve their hard dollars for other purposes related to directly supporting their candidates.

With less money sent to them by the national parties to air advertisements, the state parties consequently spent much less on advertising, leaving that to the national committees instead. Other spending patterns changed, as well, the Institute's analysis found. Some state parties in the 13 study states sent less money to state candidates and local party committees, which were thus indirectly impacted by the federal reform. Further, because BCRA changed the rules regarding how state parties can spend money from their federal accounts, they opted to keep most of their money in their state accounts. This was a sharp contrast to the pre-BCRA days when state parties typically moved a majority of their soft money into their federal accounts, where they could use it to pay for staffing, media and other administrative expenses with a mix of hard and soft money.

At the same time BCRA turned off one spigot of funds, it turned up another, by increasing the amount of hard money individuals could give to both state and national party committees. Individuals can now give \$25,000 per year to national parties and \$10,000 to state parties, up from \$20,000 and \$5,000, respectively.

While at first glance a \$5,000 annual increase per individual might not seem enough to replace millions of soft dollars, the 2004 election revealed otherwise. The Republican National Committee and the Democratic National Committee actually raised 76 percent more hard money in 2004 than they raised in both hard and soft money combined during the comparable 2000 election cycle — \$787 million in 2004, compared with \$446 million in 2000.² This translated to an increase for the state parties, as well; committees in nine of the 13 states received more hard money from the national parties than they had in the past. The most stunning example occurred in Florida, where the two state parties received \$10 million more in hard money from the two national party committees than they received in 2000.

The Institute also found that many state parties enjoyed a substantial increase of hard dollars from individuals during the 2004 election cycle. This helped ease the loss of national soft money.

In addition to raising more federal dollars, state parties targeted other sources to bolster their soft-money contributions. Several other party organizations that work on state-level races nationwide stepped forward with new or increased funds. The Republican and Democratic Governors Associations, for example, provided millions of dollars for the state parties in Missouri, Washington, California and North Carolina to help fund the highly competitive gubernatorial races in those states. Grassroots Democrats, a new party committee, was formed specifically to raise soft money for state political party committees after the national parties no longer could. Business

² "Party Financial Activity Summarized for the 2004 Election Cycle," Federal Election Commission, March 14 2005, [on-line]; available from <http://www.fec.gov/press/press2005/20050302party/Party2004final.html>; Internet; accessed July 15, 2005.

interests and labor organizations also increased their contributions in several states, as did state-level candidate and party committees.

Other factors independent of BCRA also enabled the state parties to raise funds for their operations. In Illinois, for example, a contentious state Supreme Court race and a change in state leadership greatly influenced the financing of the state parties. In both Missouri and Washington, heated gubernatorial races and major labor issues attracted millions of dollars from contributors both in and out of the state. And in California, the 2003 gubernatorial recall election brought in new money the parties did not previously have at their disposal.

STUDY FINDINGS

Of the 26 state party committees examined in the 13 selected states, 21 had smaller soft-money budgets to operate with during the 2004 election cycle than they did during the comparable 2000 presidential-election cycle. In fact, 13 saw their budgets cut by more than half.

The legislative caucuses, on the other hand, were unaccustomed to receiving large sums of soft money from the national party committees and thus were relatively unaffected by BCRA. In fact, 29 of the 36 caucuses studied actually raised more in 2004 than they did in 2000.

The reductions in state party budgets were bipartisan — the 13 Democratic state parties on the whole saw a 58 percent reduction in their soft-money totals, while the Republican state parties experienced a slightly higher 64 percent drop. In some states, the parties raised a mere fraction of the soft money they had brought in during the last presidential cycle. For example:

- In Wisconsin, the Democratic Party raised \$384,300, just 9 percent of the \$4.5 million it raised in 2000. The Republican Party raised \$1.3 million, 24 percent of the \$5.5 million it raised in 2000.
- Both Oregon state parties raised just 17 percent of their 2000 totals. The Oregon Democratic Party raised about \$845,350, which was \$4.2 million less than it raised in 2000; the Oregon Republican Party's \$699,400 total in 2004 was almost \$3.4 million short of its 2000 total.
- The two state party committees in Michigan, a key battleground state during both presidential elections, raised \$22 million less in soft money than they did in 2000. The Michigan Democratic Party raised \$2.9 million, or 18 percent of the \$16.4 million it reported in 2000, while the Michigan Republican Party raised \$4.9 million, or 36 percent of the nearly \$13.7 million it reported raising during the 2000 cycle.
- The two state party committees in Florida, a hotbed in both presidential elections, raised \$25.5 million less in soft money than the \$62.3 million they raised in 2000. The Democratic Party raised \$10.9 million, or 44 percent of its \$24.7 million total in 2000. The Republican Party raised \$25.8 million, 69 percent of its \$37.6 million in 2000.

There were exceptions to this rule, however. For example, both party committees in Massachusetts more than doubled their 2000 contribution levels, receiving \$3.5 million, compared with the almost \$1.5 million raised in 2000. Massachusetts passed its own ban on national party soft money in 1998. Since then, the party committees have had three election cycles, not just one, to learn how to do without those funds.

The California Republican Party also raised more in 2004 than it did in 2000, nearly \$23.7 million compared with slightly more than \$18 million.

The North Carolina Democratic Party raised nearly \$845,000 more than its 2000 total, despite having to do without almost \$4 million it had received from the national parties in 2000.

And the Missouri Democratic Party was able to hold steady, raising about \$14.8 million during each presidential cycle, despite being without almost \$8 million it had received from the Democratic national committees in 2000.

HOW PARTY COMMITTEES ADAPTED

Despite the overall reduction in their budgets, a closer look at the data reveals that the state party committees are adapting to the new campaign landscape through a variety of methods. Some increased their intake of hard money, while others received new or additional cash from other national-level party committees that still can receive, and thus dole out, soft money. State-level candidate campaign committees and party committees also stepped up to the plate in many states, as did individual contributors, businesses, labor groups and special interests. Amy Casterline, executive director of the Oregon Republican Party, noted that the loss of all the soft money “didn’t hinder our ability to do what we wanted to do.”³

The following is a detailed analysis of the creative ways the party committees in these 13 states raised soft money to fund their operations in the new, post-BCRA world.

Raising More Federal Dollars

Just looking at soft-money totals raised by the state parties provides an incomplete picture of their finances. An analysis of the hard money they raised completes the picture. To counter the loss of soft money, some state parties raised more hard money from the national party committees and from individuals, a task made easier by BCRA’s doubling of the hard-money contribution limits for individuals giving to state party committees, from \$5,000 per calendar year to \$10,000.

Fourteen of the 26 state party committees studied saw a significant increase in the hard money they raised during the 2004 election cycle. For example:

- The two state parties in Florida enjoyed a \$10 million increase of hard money from the two national party committees over the amount they received in the 2000 elections. The RNC gave \$11.3 million of hard money to the Florida GOP in 2004, \$7.5 million more than it gave in 2000. The Florida Democratic Party received \$6.4 million of hard money from the DNC in 2004, well up from the \$3.6 million it received in 2000. In addition, each of the two state parties raised about \$1 million more in hard money from individual donors.
- The Michigan Democratic Party intentionally bolstered its efforts to raise more hard money, according to Chairman Mark Brewer. The party raised an additional \$5 million in hard money. However, the increase came not from the national party committees, which actually gave less federal money, but rather from individual donors, who gave almost \$7 million in 2004. That’s almost triple the \$2.5 million they gave during the comparable 2000 election cycle.

³ Telephone interview, July 13, 2005.

- The Washington State Democratic Party raised \$4.2 million more in hard money, due to an additional \$1.6 million from individuals, another \$756,000 from the Democratic Senatorial Campaign Committee, and \$650,000 from the Kerry for President campaign.

However, 12 party committees raised less in hard-money contributions — both the Republican and Democratic committees in New York, California, Missouri and Illinois, along with the Republican state committees in Michigan, Washington and North Carolina and the Texas Democratic Party.

Other National-Level Committees Pitch In

Several national-level organizations that can and still do raise soft money increased their giving to some state party committees, helping to ease some of the soft-money losses. In particular, the Republican and Democratic Governors Associations (RGA and DGA, respectively,) provided millions of dollars to help fund highly competitive gubernatorial races. Closely watched gubernatorial races in Missouri and Washington gained the attention of both associations, which together gave nearly \$5 million in Missouri and \$2.9 million in Washington. The DGA also gave \$50,000 to the California Democratic Party and \$49,000 to the North Carolina Democratic Party.

Grassroots Democrats, a new political organization established to “perform critical tasks that the new national campaign finance law prevents national political party committees from undertaking,”⁴ gave \$80,000 to the Washington State Democratic Party in 2004, \$75,000 to the Minnesota Democrats, \$67,500 to the Michigan Democrats, and \$65,000 to the Oregon Democratic Party.

The 21st Century Democrats, a national organization that works to elect progressive candidates at all levels of government,⁵ gave the Minnesota Democratic-Farmer-Labor Party \$408,400 in 2004 and the Michigan Democrats another \$17,360.

The Democratic Legislative Campaign Committee gave \$395,400 to the North Carolina Democratic Party, nearly \$248,000 to the Oregon Democrats, and \$200,000 to the Washington Democratic Party. Its Republican counterpart, the Republican State Leadership Committee, gave \$182,500 in Illinois, \$100,000 in North Carolina, \$20,000 in Missouri and \$10,000 in Minnesota.

MoveOn.org, another committee that came to the forefront in the 2004 elections, focused its resources on supporting Democratic presidential candidate John Kerry in key battleground states. During the 2004 election cycle, MoveOn.org gave \$250,000 to the Washington Democratic Party and \$25,000 to the Senate Democratic Campaign Committee in Texas. Another new organization, America Coming Together, which also worked in support of Kerry in 2004, gave \$60,000 to the Florida Democratic Party.

In-State Party Committees Weigh In

Local party committees, legislative caucuses and the two main state party committees are major contributors to each other’s accounts. This was especially true during the 2004 election cycle, when in-state party committees in eight of the 13 study states increased their level of giving from 2000 to 2004. For example:

⁴ Grassroots Democrats [on-line]; available from <http://www.grassrootsdemocrats.com/aboutus.asp>; Internet; accessed June 28, 2005.

⁵ 21st Century Democrats [on-line]; available from <http://www.21stcenturydems.org>; Internet; accessed June 28, 2005.

- Contributions from local Democratic Party committees in Missouri increased from about \$12,200 to more than \$940,000 between 2000 and 2004. Republican committees from within the state also increased their giving, from \$25,400 to \$444,800.
- Washington party committees increased their contributions to each other, most notably the legislative caucuses and political action committees (PACs) associated with those caucuses. Funds from in-state party committees went from nearly \$1.3 million in 2000 to \$1.9 million in 2004.
- Minnesota party committees gave nearly \$2.1 million in 2004, compared with just \$1.1 million in 2000. Much of this money came from the four legislative caucuses to the main state parties.
- Two local party committees in New York gave almost \$1 million to the state Democratic Party in 2004. The Nassau County Democratic Committee gave \$541,300, almost four times the \$140,700 it gave during the three previous cycles *combined*. The Suffolk County Democratic Committee, which gave nothing to the state party in 2000, gave nearly \$365,000 in 2004.

Candidates to the Rescue

Ironically, although state parties exist to get their candidates elected, they rely heavily on contributions from the campaign committees of these candidates to do so. This was particularly true for party committees in eight of the 13 states, where contributions from state-level candidate committees increased noticeably from 2000 to 2004. In particular:

- Massachusetts candidates increased their giving in 2004, topping out at nearly 20 times the 2000 levels. This was due to an action-reaction scenario between the two parties. In the 2004 election cycle, the Massachusetts Republican Party received a boost from the efforts of Gov. Mitt Romney, who took an active role in legislative elections, urging 92 Republicans to run⁶ and campaigning on their behalf.⁷ Democrats combated Gov. Romney's influence "by marshalling Democratic forces, pulling resources and funds from unchallenged legislators with hefty campaign accounts, labor unions, and the state's congressional delegation."⁸
- Illinois candidate committees nearly doubled their contributions from the 2000 election cycle — from almost \$3.8 million in 2000 to nearly \$7.5 million in 2004, due almost entirely to an increased level of giving by the four current legislative leaders.
- Democratic candidate committees in Michigan tripled their giving, from \$482,700 in 2000 to \$1.47 million in 2004.

⁶ Frank Phillips, "Romney Uses Business Links to Swell GOP Coffers; Critics Say Loophole Lets Donations Flow," *Boston Globe*, Sept. 19, 2004, sec. A, p. 1.

⁷ Frank Phillips and Raphael Lewis, "DiMasi Vows Tough Fight Against GOP," *Boston Globe*, Sept. 30, 2004, sec. A, p. 1.

⁸ *Ibid.*

- In North Carolina, the Democratic Party received a dramatic \$3.3 million increase from candidate committees

Individual Donors Dig Deeper

State-level party committees apparently took a page from the national party playbook, relying more heavily on contributions from individuals to help make up for their loss of national soft money. The Institute found that party committees in seven of the 13 states raised considerably more in soft-money donations from individual donors. In Florida for example, individuals gave \$2 million more than they gave in 2000. In Massachusetts, they gave \$1.1 million more. Individuals also dug deeper in Missouri, Washington, Illinois, North Carolina and Wisconsin.

When asked how BCRA has affected fund raising, Kelley Willett, finance director for the Wisconsin Republican Party, described the committee's strategy to replace national soft money as focused on "more rigorous grassroots fund raising."⁹

As *Washington Post* columnist David Broder pointed out, BCRA "did not, as many of us critics feared, weaken political parties or stifle political debate. Instead, it played at least a supportive role in the greatest upsurge ever recorded in the number of small contributors."¹⁰

Labor and Corporate Money on the Rise

BCRA was designed, in part, to "reinforce long-standing prohibitions against the use in elections of money from the treasuries of corporations and labor unions — as opposed to money from their PACs."¹¹ In the political world after BCRA, corporations and labor unions could no longer write six-figure soft-money checks to the national parties. However, state laws, not BCRA, dictate what they can give to state-level party committees.

This study found that labor organizations increased their contributions to state parties in eight of the 13 states studied. Most notably:

- Labor contributions to Missouri Democrats more than tripled, with 2004 contributions totaling nearly \$5 million and accounting for more than 60 percent of the \$8 million that labor gave to state party committees in the past four election cycles. However, Missouri Democratic Party Executive Director Corey Dillon said the party did not seek labor money to fill the BCRA gap. Instead, labor giving increased because unions wanted to counter the increasing legislative majority of the Republican Party and feared losing the governor's mansion.¹²
- In California, organized labor increased its giving from \$1.8 million in 2000 to \$4.9 million in 2004.
- Labor groups in New York increased their giving by 41 percent, from \$4.3 million in 2000 to just over \$6 million in 2004.

⁹ Telephone interview, June 24, 2005.

¹⁰ David Broder, "Giving small donors a bigger voice," *Kansas City Star*, Feb. 7, 2005, sec. B, p. 5.

¹¹ Michael Malbin, *The Election After Reform: Money, Politics, and the Bipartisan Campaign Reform Act*, Campaign Finance Institute, 2005, [draft book on-line]; available from http://www.cfinst.org/studies/bcrabook/pdf/1_web.pdf; Internet; accessed July 15, 2005.

¹² Telephone interview, June 13, 2005.

With BCRA's ban on corporate soft money in place, many political observers predicted that corporations would pour their money into the 15 "corporate" states that allow unlimited corporate contributions to party committees.¹³ Eight of the study states were among these 15 states — California, Florida, Illinois, Missouri, New York, Oregon, Texas and Washington.¹⁴ The prediction that corporate giving would increase proved true in four states:

- In California, contributions from business and special-interest groups increased dramatically, from \$5.5 million in 2000 to nearly \$24 million in 2004.
- In Missouri, businesses nearly tripled their giving, from \$3.4 million in 2000 to \$9.8 million in 2004.
- In New York, out-of-state business interests in particular significantly increased their contributions, from \$2.4 million in 2000 to \$3.9 million in 2004, a 62 percent increase.
- In Illinois, businesses increased their giving from \$7.6 million in 2000 to \$10 million in 2004. However, this increase was due less to BCRA than to a fractious 2004 state Supreme Court race. Cindi Canary, director of the nonpartisan Illinois Campaign for Political Reform, said while BCRA had little effect on the financing of the state parties, the Illinois Supreme Court race most certainly did, as evidenced by the U.S. Chamber of Commerce's \$2 million in contributions to the state GOP. To fund this race, the money was coming into the state one way or the other, Canary said, adding: "It's like squeezing a balloon."¹⁵

CHANGES IN SPENDING PATTERNS

Keeping Their Money Stateside

Prior to the 2004 election cycle, state party committees typically transferred the vast majority of their money into their federal accounts, where they could use it to pay for several types of expenses with a mix of soft money and hard money. These expenses included issue ads, staffing and overhead costs, activities that promoted or opposed both federal and state candidates, and fund-raisers that raised both hard and soft money.

But since BCRA changed the rules regarding how state parties can spend money from their federal accounts, the parties sent very little to these accounts during the 2004 election cycle. Instead, expenses such as broadcast advertising and staffing — paid for in the past out of their federal accounts — were paid for directly from their state accounts.

Buying Fewer Ads

Several state parties also spent considerably less on media expenses. As noted earlier, the state parties often bought issue ads with money the national parties gave to them earmarked for that express purpose. But BCRA changed the rules of the game. Now that the national parties must pay

¹³ National Conference of State Legislatures [on-line]; available from <http://www.ncsl.org/programs/legman/about/ContribLimits.htm>; Internet; accessed March 29, 2005.

¹⁴ In California, New York, Texas and Washington, corporate contributions to state party committees are unlimited if given for purposes other than directly supporting candidates.

¹⁵ Telephone interview, June 23, 2005.

for broadcast issue ads entirely with hard money, they no longer need to send that money to the state parties first.

For example, in its earlier study, the Institute found that Michigan's two state political parties bought \$29 million worth of issue ads in 2000, using a combination of soft and hard money sent to them from the national party committees. However, without that soft money from the national parties in 2004, the state parties' media programs were basically non-existent.

The amount the North Carolina parties spent on advertising also decreased. Combined advertising expenditures for both parties totaled \$2.1 million in the 2000 cycle, but dropped to about \$328,000 in the 2004 cycle. And media spending by the Texas parties was also down in 2004. They spent about \$41,000 on broadcast media in the recent election cycle, down from \$1.5 million in 2000.

Giving Less to Others

With smaller budgets to work with, the state parties in the 13 study states simply had less money to give to state candidates and local party committees. Committees in seven states — Florida, Illinois, Massachusetts, Michigan, Minnesota, Texas and Wisconsin — gave less to candidates and/or local party committees in 2004. Below are a few examples:

- In Florida, the Democratic Party gave \$1.3 million less to its candidates, while the GOP gave \$1.1 million less. Local Democratic committees received almost \$70,000 less from the state party than the approximately \$166,500 they received in 2000.
- The Michigan Democratic Party gave state candidates about \$78,500 in 2004, less than half the \$176,000 it gave in 2000. Republican candidates saw a much sharper decline, receiving just \$23,600 in 2004, or 11 percent of the \$216,500 they received in 2000. The Michigan Democratic Party also made no contributions to local party committees. In comparison, it gave about \$333,500 to 22 local Democratic committees in 2000.
- Contributions to Texas state candidate committees decreased significantly, from \$1.6 million in 2000 to just under \$500,000 in 2004. In addition, transfers to local party committees dropped from \$153,600 in 2000 to about \$83,900 in 2004.

CONCLUSION

Disproving the adage that you can't teach an old dog new tricks, many of the state party committees demonstrated during the 2004 cycle that they are well on the way towards adapting to the new post-BCRA landscape. However, a review of just one election cycle is probably not sufficient to determine how these state parties will fare in the long haul.

Jack Oliver, national finance vice chairman of the Republican National Committee's Victory 2004 group, predicted the long-term effects are yet to be seen: "We need to wait until 2006 when there's not a presidential campaign on the ballot and see what the impact really is, because I think that will be more telling in an off-year election cycle on the impact the law really has on the parties."¹⁶

¹⁶ Comment made during a panel entitled "The Political Parties after BCRA," held as part of the Campaign Finance Institute's Campaign Finance Reform Forum, Jan. 14, 2005.

However, a study of party committee fund raising in Massachusetts provides a unique opportunity to observe the effects of the absence of soft money from national parties over a period of time. When BCRA went into effect following the 2002 election cycle, Massachusetts had already been prohibiting national soft money for four years, since 1998. Three election cycles after the ban, Massachusetts party committees have largely replaced the national money they lost, as individuals and political candidates have filled the void.

METHODOLOGY

The Institute collected the campaign finance reports filed with state agencies by 26 state political parties and 36 legislative caucuses in 13 states from 1998 through 2004.

Because state parties work to get both state and federal candidates elected, they must conform to both state and federal regulations. Thus they typically operate two accounts: a federal account, used to support congressional and presidential candidates, and a state account, used to support candidates for state-level office ranging from the Legislature to the governor's office. They report the activity of their federal accounts to the Federal Election Commission and the activity of their state-level accounts to their respective state disclosure agencies.

Some state parties reported a portion or all of their federal money to both the FEC and to their state agency, either because it was required by the state or because the committee chose to report more than was required. To the extent the Institute could identify the federal money in state reports, it was removed.

The 13 study states were chosen based on several criteria designed to provide a balanced geographic representation and to include battleground presidential states. States also were chosen on the basis of the availability and quality of their campaign-finance data.

AN IN-DEPTH LOOK AT THE 13 STATES

This study examines the finances of state-level political party committees in the following states: California, Florida, Illinois, Massachusetts, Michigan, Minnesota, Missouri, North Carolina, New York, Oregon, Texas, Wisconsin and Washington.

The following section provides a detailed, state-by-state look at how the committees in each state raised and spent their money.

It provides not only an overview of how the committees' finances were affected, but also looks at which new contributors stepped in to provide an infusion of new money and which traditional contributors stepped up their giving. It also looks at how the committees changed their spending to adjust to their new financial realities.

Each chapter contains:

- A breakdown of contributions to each party committee over four election cycles.
- A breakdown of the amounts various types of contributors gave to the committees in each election cycle.
- A listing of top business and labor contributors in each election cycle.
- A listing of top individual contributors in each election cycle.

CALIFORNIA

By Linda Casey

Contributions to California's state party committees clearly changed between the presidential-election cycles of 2000 and 2004, with the state Democratic Party raising less in soft money and the Republican Party raising more. But are those changes the result of BCRA or the costly October 2003 gubernatorial recall election?

CONTRIBUTIONS TO CALIFORNIA POLITICAL PARTY COMMITTEES, 1998-2004

COMMITTEES	1998	2000	2002	2004
California Democratic Party	\$18,848,497	\$22,547,536	\$22,963,652	\$19,137,910
California Republican Party	\$11,054,811	\$18,032,473	\$15,407,815	\$23,686,355
ELECTION-CYCLE TOTAL	\$29,903,308	\$40,580,009	\$38,371,467	\$42,824,265

Not a presidential battleground state in either 2000 or 2004, California still attracted its share of attention. Most Californians didn't flinch when the national spotlight was on their state during the media frenzy caused by the 2003 recall election. The recall process brought out an impressive and interesting list of 135 so-called "replacement candidates" that included movie stars, sports figures, state lawmakers and the lieutenant governor. When the smoke cleared and the recall was successful in removing Democratic Gov. Gray Davis, Republican Arnold Schwarzenegger emerged as the victor and claimed the governor's office.

In 2004, with the recall election behind them and little doubt California would remain in the blue-state column, the state parties had no statewide races to focus on. So they set their sights on getting their legislative candidates elected. To bolster their chances of winning the 80 Assembly seats and 20 Senate seats up for election, the parties gave an unprecedented amount of direct contributions to candidates — a whopping \$7 million, compared with just under \$900,000 in 2000. Despite raising less in 2004 than in 2000, the Democratic Party matched Republicans dollar for dollar in direct contributions to candidates.

Although the recall election lasted only a brief few months, it significantly impacted contributions in the 2004 election cycle. California Democratic Party Finance Director Michelle Maravich said contributions made in late summer and early fall 2003 "had a lot to do with the recall," adding: "It was extremely divisive, and the party mobilized all efforts to get a 'No' on recall."¹⁷

Maravich also said BCRA affected the party's hard- and soft-money fund raising — evidenced by the fact that Democrats raised \$3.4 million less in 2004 than in 2000 despite the interest caused by the recall election. BCRA "made it more complicated and donors shied off because it was so complicated and because of concerns about disclosure," she said.

Despite the drop in its overall contributions, the Democratic Party raised more in the late summer and early fall of 2003 than in the comparable period during the 2000 election cycle. From Aug. 1 through Oct. 7, 2003, the Democratic Party raised more than \$1.7 million, compared with only \$41,200 in the same time period in 1999. The Republican Party raised nearly \$1.6 million from Aug. 1 through Oct. 7, 2003, compared with only \$227,660 in that same period in 1999.

¹⁷ Telephone interview, July 26, 2005.

In just the seven days leading up to and including the recall in October, both parties showed remarkable increases in the money they raised. Democrats reported contributions of \$856,525 from Oct. 1 through Oct. 7, compared with only \$17,500 for those seven days in 1999. Likewise, Republicans reported \$565,822 for 2003 and only \$3,685 in 1999.

The recall and the dramatic contribution increases during this period raised the question: Were these changing dynamics the result of BCRA or the recall election? While the California Democrats credited the recall campaign with the increased contributions in 2003, repeated calls to the California Republican Party for answers to the same questions went unanswered. But the increase in money raised by both parties in the summer and fall of 2003 would indicate the recall election had a major impact on the fund raising for that period.

WHO GIVES TO THE CALIFORNIA STATE PARTIES?

Contributions from several sources increased between 2000 and 2004. Business and special-interest group contributions increased nearly five times, while labor organizations more than doubled their giving. And the contributions candidates made through their campaign accounts increased almost 39 percent.

Of the top 75 business, special-interest and labor contributors in 2004, 61 gave more in 2004 than they did in 2000. In fact, some doubled their giving, while others gave more than 10 times the amount they gave in 2000, and still others gave for the first time with contribution totals that moved them into the list of top 10 contributors.

MAJOR TYPES OF CONTRIBUTORS TO CALIFORNIA STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$3,188,139	\$5,534,622	\$13,377,070	\$7,688,197
In-State Party Committees	\$2,412,222	\$5,196,535	\$1,207,546	\$272,963
Out-of-State Party Committees	\$430,000	\$515,600	\$1,378,500	\$93,700
The Main National Party Committees	\$3,883,435	\$15,555,487	\$1,805,968	\$0
NON-PARTY SOURCES				
Business/Special Interests	\$11,399,577	\$5,497,827	\$11,254,160	\$23,950,647
Individuals	\$2,724,157	\$6,417,088	\$5,021,151	\$5,679,461
Labor Organizations	\$2,536,965	\$1,783,605	\$4,020,995	\$4,930,785

Businesses and Special Interests

In 2004, the California Republican Party received 72 percent of the nearly \$24 million given by business and special-interest contributors, up from the 60 percent it received from this in 2000. Historically, contributors from the banking and finance, insurance and real estate industries monopolize the top spots in California state party contributor lists. That remained the case following passage of BCRA.

However, the degree to which each of these sectors contributed did change. Banking, finance and real estate interests gave more in 2004 than *all* business and special-interest group contributions combined in the 2000 election cycle. This group accounted for nearly \$6 million in 2004. In contrast, all business and special-interest contributions in 2000 were just under \$5.5 million. Contributors represented in this sector continued to favor the Republican Party by a 3:1 ratio, with 75 percent of their money going to the California Republican Party in both 2000 and 2004.

Amerquest Capital, a mortgage company out of Orange, Calif., was among the top 10 business and labor contributors for the first time in 2004, splitting its contributions but favoring the Republican Party. In 2000, Amerquest's only contribution was \$15,000 to the California Democratic Party. In 2002, it gave \$175,000 to the Democratic Party and only \$2,500 to Republicans. But in 2004, it gave more than two-thirds of its \$750,000 in party contributions to the GOP.

Ironically, the giving by Amerquest chair and co-chair, Roland E. and Dawn L. Arnall, is more partisan than that of their company. A *Washington Post* article about contributors to the Bush inaugural described the Arnalls as "more than contributors to the inauguration [of Bush]. They are also the single biggest source of financial support for Bush since 2002."¹⁸ In fact, they reached Ranger and Super Ranger status in 2004. The Rangers are a group of deep-pocket, high-profile contributors to George W. Bush's campaign who committed to raise at least \$200,000 each for the Bush re-election effort. Dawn Arnall also served as co-chair of the New York Republican Convention Host Committee, and both Arnalls were named as honorary co-chairs of the inaugural fund-raising committee, the *Post* reported, noting: "Amerquest and others, in what is known as the sub-prime mortgage industry, are seeking legislation that would set national standards preempting tougher laws in a number of states."¹⁹

Labor Organization Contributions

Unions are typically high on contributor lists and typically favor the Democratic Party. In 2004, once again, organized labor came forward with large contributions, increasing its giving from \$1.8 million in 2000 to \$4.9 million. Interestingly, the number of labor organizations contributing to the state party committees nearly doubled. In 2000, 56 labor organizations contributed; the number jumped to 109 in 2004. The lion's share of money continued to come from the larger unions. But the top 10 contributing unions accounted for only 63 percent of labor's money in 2004, compared with 87 percent in 2000, suggesting an increased interest by organized labor as a whole.

The largest portion of labor's increase came from public sector unions, led by the California Teachers Association (CTA), which remained the top labor donor in 2004.

The recall election played a role in CTA's contribution decisions. In 2003, CTA President Barbara Kerr noted that the union was opposed to the recall of Gray Davis, but added: "If the recall passes, teachers want to know which candidate has the best plan to protect public education. We know that Lt. Gov. Bustamante has a long history of supporting students, teachers and public schools. He will fight to provide our schools with the resources they need."²⁰ In September 2003, CTA gave the Democratic Party \$110,000.

Individuals

Top contributors in both presidential-election cycles gave exclusively to Republicans with only one exception — Stephen L. Bing. While total contributions from individuals dropped slightly from 2000 to 2004, interesting changes occurred among the players. Six of the top 10 individual contributors in 2004 were among the top 10 in other years, but three were new on the scene and all three made significant contributions — Roland and Dawn Arnall and Stephen Bing.

¹⁸ Thomas B. Edsall and Jeffrey H. Birnbaum, "Big-Money Contributors Line Up for Inauguration," *The Washington Post*, Jan. 13, 2005, sec. WP-Bus.

¹⁹ *Ibid.*

²⁰ "CTA Opposes Recall of Gov. Davis, Endorses Lt. Gov. Bustamante as Successor Should Recall Pass," California Teachers Association [on-line]; available from http://www.cta.org/News/2003/20030821_1.htm; Internet; accessed July 19, 2005.

Bing, a movie producer and owner of Shangri-La Entertainment, gave the California Democratic Party nearly \$253,700 in the 2004 election cycle. He shows up for the first time in the party's reports in 2004 but is a big Democratic supporter, according to the Democratic Party's Maravich, who said Bing gives to candidates, Democratic causes and the party at all levels. When asked about the \$100,000 contribution Bing made on Oct. 1, 2003, just days before the recall election, Maravich said the contribution was made because of the recall election.²¹

Real estate developer Alexander G. Spanos, a past contributor, topped the list of individual donors in 2004. Spanos is another Bush supporter and a member of the Bush Pioneers. The Pioneers, similar to the Rangers, committed to raise a minimum of \$100,000 each for Bush's presidential campaigns. Spanos is also the owner of the San Diego Chargers football team. He gave \$25,000 in July 2003, and then, shortly after the October recall election, gave the Republican Party \$990,000, accounting for nearly all of his \$1.1 million in contributions during the 2004 election cycle.

HOW HARD MONEY FIT IN

Both state party committees saw a drop in the hard money they raised in 2004. The Republican Party suffered the biggest loss, from more than \$20 million in 2000 to just over \$13 million in 2004. The Democratic Party's hard-money total decreased from \$10.6 million in 2000 to \$8.1 million in 2004. While hard-money contributions from individuals were up slightly for both parties, neither party exceeded their overall hard-money totals between 2000 and 2004.

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.

HOW THE COMMITTEES SPENT THEIR MONEY

Both political parties spent more in 2004 than 2000, but changed their spending strategies by giving more as direct candidate support and — in the Republican Party's case — more to local party committees. Both committees spent about \$18.5 million in 2000. In 2004, Democrats increased their spending to \$24 million and Republicans to \$27 million.

Candidate support has always been a top expenditure for both parties, close behind the transfer of funds the parties make from their soft- or hard-money accounts. But after BCRA, the parties reduced their transfers and spent a much larger percentage of their funds on candidate support, specifically as direct contributions to legislative candidates.

Both parties targeted legislative races in 2004, giving about \$3.5 million each to their legislative candidates. In 2000, the Democrats spent about \$219,200 on direct candidate contributions, while the Republicans spent \$685,000.

The state Republicans increased their giving to local party committees from only \$68,335 in 2000 to more than \$1.4 million in 2004. The California Democratic Party's giving to local party committees is small in comparison. In 2000, local Democratic Party committees received only \$21,500 from the state party. That amount dropped to \$10,750 in 2004.

²¹ Telephone interview, July 26, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN CALIFORNIA, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Morongo Band of Mission Indians *	\$580,400	\$554,500	\$1,134,900
ChevronTexaco	\$50,000	\$1,075,000	\$1,125,000
California Teachers Association/CTA ABC *	\$1,066,600	\$20,000	\$1,086,600
William Lyon Homes	\$0	\$1,075,000	\$1,075,000
Ameriquet Capital	\$225,000	\$525,000	\$750,000
AT&T	\$329,218	\$270,000	\$599,218
San Manuel Band of Mission Indians *	\$94,800	\$500,000	\$594,800
21 st Century Insurance *	\$0	\$500,000	\$500,000
California State Council of Service Employees/SEIU*	\$481,915	\$0	\$481,915
California Correctional Peace Officers/CCPOA *	\$242,100	\$174,000	\$416,100
CONTRIBUTOR – 2002			
California Teachers Association/CTA ABC *	\$919,105	\$50,000	\$969,105
California School Employees/CSEA PACE	\$444,000	\$0	\$444,000
Pacific Bell/Pacific Telesis Group	\$210,000	\$170,285	\$380,285
Morongo Band of Mission Indians*	\$34,000	\$325,000	\$359,000
Yes on Proposition 52	\$358,408	\$0	\$358,408
Viejas Tribal Government	\$0	\$304,000	\$304,000
21 st Century Insurance*	\$2,500	\$285,000	\$287,500
California State Council of Service Employees/SEIU*	\$250,000	\$0	\$250,000
Milberg Weiss Bershad Hynes & Lerach *	\$250,000	\$0	\$250,000
Agua Caliente Band of Cahuilla Indians	\$48,070	\$192,000	\$240,070
CONTRIBUTOR – 2000			
California Teachers Association/CTA ABC *	\$675,000	\$25,000	\$700,000
Service Employees/SEIU (National)	\$350,000	\$0	\$350,000
Edison International	\$105,000	\$85,050	\$190,050
Irvine Company	\$0	\$163,134	\$163,134
Californians for Indian Self-Reliance	\$0	\$135,000	\$135,000
National Rifle Association/NRA	\$0	\$135,000	\$135,000
Consumers Against Fraud & Higher Insurance Costs	\$0	\$110,000	\$110,000
E & J Gallo Winery *	\$105,000	\$0	\$105,000
Andersen Consulting	\$100,000	\$0	\$100,000
California Correctional Peace Officers/CCPOA *	\$90,000	\$10,000	\$100,000
Fletcher Jones Management Group	\$0	\$100,000	\$100,000
Fletcher Jones Motor Cars	\$0	\$100,000	\$100,000
Maxim Integrated Products	\$0	\$100,000	\$100,000
Milberg Weiss Bershad Hynes & Lerach *	\$100,000	\$0	\$100,000
Petersen Properties	\$0	\$100,000	\$100,000
Sierra Pacific Industries	\$0	\$100,000	\$100,000

TOP BUSINESS AND LABOR CONTRIBUTORS IN CALIFORNIA (CONT.)

CONTRIBUTOR — 1998	TO DEMOCRATS	TO REPUBLICANS	TOTAL
No on 9 Coalition	\$500,000	\$500,000	\$1,000,000
California Teachers Association/CTA ABC *	\$807,500	\$5,000	\$812,500
Boyd Gaming	\$0	\$500,000	\$500,000
Morongo Band of Mission Indians *	\$365,000	\$110,000	\$475,000
California Correctional Peace Officers/CCPOA *	\$230,105	\$181,000	\$411,105
Rumsey Rancheria PAC	\$185,000	\$190,000	\$375,000
Agenda for the 90s	\$322,500	\$0	\$322,500
E & J Gallo Winery *	\$210,000	\$100,000	\$310,000
Emily's List	\$295,000	\$0	\$295,000
San Manuel Band of Mission Indians *	\$155,500	\$121,500	\$277,000

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

TOP INDIVIDUAL CONTRIBUTORS IN CALIFORNIA, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Spanos, Alex G. *	CA	Real Estate	\$1,081,755	R
Arnall, Dawn L. **	CA	Ameriquest Capital	\$490,000	R
Arnall, Roland E. **	CA	Ameriquest Capital	\$490,000	R
Bing, Stephen L. **	CA	TV & Movie Production	\$253,684	D
Eichenberg, Robert J. *	CA	Retail Sales	\$125,000	R
Perenchio, A. Jerrold (Jerry) *	CA	TV & Movie Production	\$125,000	R
Schwab, Charles R. *	CA	Charles Schwab Corp.	\$100,000	R
Stephenson, Thomas F. *	CA	Securities & Investment	\$90,024	R
Folino, Paul F. *	CA	Computer Equipment & Services	\$87,500	R
Rowe, George W.	CA	Finance	\$80,000	R
CONTRIBUTOR — 2002				
Perenchio, A. Jerrold (Jerry) *	CA	TV & Movie Production	\$570,000	R
Spanos, Alex G. *	CA	Real Estate	\$255,000	R
Moores, John	CA	Finance	\$250,000	D
Folino, Paul F. *	CA	Computer Equipment & Services	\$135,000	R
Hanna, David	CA	Securities & Investment	\$125,000	R
Siebel, Tom	CA	Computer Equipment & Services	\$125,000	R
Lester, W. Howard	CA	Williams Sonoma	\$110,000	R
Stephenson, Thomas F. *	CA	Securities & Investment	\$110,000	R
Burkhardt, Alvina	CA	Retired	\$100,000	R
Jones, G. Bradford	CA	Securities & Investment	\$100,000	R
Ludwick, Andrew	CA	Finance	\$100,000	R
McNeil, Carole	CA	Real Estate	\$100,000	R
Palmer, Geoff	CA	Real Estate	\$100,000	R
Schwab, Charles R. *	CA	Charles Schwab Corp.	\$100,000	R

TOP INDIVIDUAL CONTRIBUTORS IN CALIFORNIA (CONT.)

CONTRIBUTOR — 2000	STATE	INDUSTRY	TOTAL	PARTY
Zilkha, Selim K.	CA	Oil & Gas	\$275,000	R
Daines, Bernard	WA	Computer Equipment & Services	\$250,000	R
Coppola, Michelle	NY	TV & Movie Production	\$230,000	R
Schwab, Charles R. *	CA	Charles Schwab Corp.	\$212,500	R
Bren, Donald	CA	Real Estate	\$155,000	R
Carter, Donald J.	TX	Retail Sales	\$150,000	R
Stephenson, Barbara	CA	Homemaker	\$125,000	R
Stephenson, Thomas F. *	CA	Securities & Investment	\$125,000	R
Perenchio, A. Jerrold (Jerry) *	CA	TV & Movie Production	\$120,000	R
Eichenberg, Robert J. *	CA	Retail Sales	\$110,000	R
CONTRIBUTOR — 1998				
Gund, Louise L.	CA	Gund Toys	\$345,000	D
Burkle, Ronald	CA	Securities & Investment	\$200,000	D
Lindner, Carl H.	OH	Insurance	\$200,000	R
Gelbaum, David	CA	Securities & Investment	\$145,000	D
Murdoch, Rupert	CA	Printing & Publishing	\$100,000	R
Cotchett, Joseph W.	CA	Lawyers & Lobbyists	\$76,250	D
Russell, Madeleine H.	CA	Finance	\$75,000	D
Day, Robert A.	NY	Securities & Investments	\$50,000	R
Hambrecht, William R.	CA	Securities & Investments	\$50,000	D
Koza, John R.	CA	Securities & Investments	\$50,000	D
Tsakopoulos, Angelo K.	CA	Real Estate	\$50,000	D
Wang, Charles B.	NY	Computer Services & Equipment	\$50,000	R

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

** First-time contributor in 2004.

FLORIDA

By Denise Roth Barber

The Sunshine State once again found itself in the eye of the political storm during the 2004 presidential-election cycle, as one of just a handful of states that would ultimately determine who would reside in the White House. Unlike the 2000 election cycle, however, the two state party committees in Florida had significantly less soft money at their disposal to spend on the election.

The two state parties received more than \$26 million of soft money from the national party committees during the 2000 presidential cycle. Absent that source of funds in 2004, the total soft money raised by the state parties plummeted by 40 percent, from \$62 million in 2000 to almost \$37 million in 2004.²²

The Florida Democratic Party suffered the biggest loss, raising \$13.8 million less than the \$24.7 million it raised during the 2000 presidential cycle. The gap between the two cycles was due entirely to the \$13 million in soft money given by the three Democratic national parties in 2000 that was no longer available in 2004.

The Republican Party of Florida also had to do without \$13 million of soft money from the national party committees that it received in 2000, yet it raised \$11.7 million less during the 2004 cycle. Thus, it was able to at least partially fill the hole by raising an additional \$2 million in soft money from other sources, primarily individuals and businesses.

CONTRIBUTIONS TO FLORIDA POLITICAL PARTY COMMITTEES, 1998-2004

COMMITTEES	1998	2000	2002	2004
Florida Democratic Party	\$11,897,817	\$24,722,125	\$25,647,403	\$10,924,336
Florida Republican Party	\$29,269,818	\$37,571,922	\$51,844,253	\$25,800,836
ELECTION-CYCLE TOTAL	\$41,167,635	\$62,294,047	\$77,491,656	\$36,725,172

Despite the increased giving by some groups, the two state party committees still had smaller soft-money budgets in 2004, resulting in state-level candidates receiving \$2.4 million less from the state parties during the 2004 election cycle than they did in 2000. The state Democratic Party gave \$1.3 million less, while the state GOP gave \$1.1 million less.

Local Democratic committees also were also impacted by the state party's smaller budget, receiving almost \$70,000 less than the \$166,500 the state party contributed in 2000. Local Republican committees, on the other hand, received just under \$500,000 during the 2004 election cycle, which was \$190,000 more than the \$253,500 the state party doled out in 2000, despite the state GOP's smaller 2004 budget.

Although this analysis primarily compares the soft money raised and spent during the two presidential cycles of 2000 and 2004, the sharp increase in funds raised by the Republican Party in 2002 is worth noting. This stemmed primarily from the party's work on Gov. Jeb Bush's re-election campaign, as well as successful efforts to win the offices of attorney general and agriculture commissioner. Both of those seats — previously held by Democrats — were open races, with no incumbents seeking re-election.

²² The Florida Democratic Party reported to the Florida Division of Elections at least some, if not all, of the federal, or hard money, it raised. To the extent the Institute could identify the hard money in the state's database, it was removed.

WHO GIVES TO THE FLORIDA STATE PARTIES?

In the absence of soft money from the national party committees, contributions from non-party sources became critically important to Florida's party committees. They accounted for 95 percent of the total soft money raised by the two state parties in 2004, compared to just over half their soft-money funds in 2000.

Under Florida law, individuals, political action committees (PACs), corporations and unions are limited to giving \$500 to candidates for each election, primary or general. However, they can make unlimited contributions to the state's political parties. Consequently, these entities have always been a major source of funds to the state parties.

While businesses, special interests and labor unions gave comparable amounts between the 2000 and 2004 election cycles, individual donors — particularly those from out-of-state — gave \$2 million more in 2004 than in 2000.

MAJOR TYPES OF CONTRIBUTORS TO FLORIDA STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$1,360,289	\$586,417	\$818,317	\$965,450
In-State Party Committees	\$51,081	\$247,650	\$127,786	\$645,191
Out-of-State Party Committees	\$455,530	\$763,670	\$1,436,867	\$234,550
The Main National Party Committees	\$2,635,232	\$26,826,572	\$16,095,271	\$0

NON-PARTY SOURCES				
Businesses/Special Interests	\$25,689,968	\$24,920,748	\$40,862,687	\$24,331,388
Individuals	\$10,036,271	\$6,403,543	\$13,436,717	\$8,402,075
Labor Organizations	\$929,605	\$2,518,250	\$3,969,026	\$2,070,465

One out-of-state donor alone provided the state GOP with \$1 million of new campaign cash — Jay Van Andel of Grand Rapids, Mich., a co-founder of Amway with Florida's Richard Devos Sr., another major contributor. Van Andel, who passed away in December 2004, was a longtime contributor to the Michigan Republican Party and the Republican National Committee. However, he gave to the Florida GOP for the first time in 2004. His 10 contributions of \$100,000 each, from July through October 2004, helped pay for a massive get-out-the-vote effort in a state that Bush needed to win.²³

Three other new large donors from out-of-state together provided \$400,000 of new money to the two state parties, making good on the prediction that state parties would turn to wealthy donors to help make up for the loss of soft money from the national parties. Frederick Baron, a Texas attorney who took a sabbatical from the Baron & Budd law firm to work on raising money for the Democratic presidential ticket of John Kerry and John Edwards,²⁴ gave \$200,000 to the Florida Democratic Party. Fred Kuykendall, an Alabama lawyer with Kuykendall & Associates, also was a new contributor to the Florida Democrats, giving \$100,000. Jane Forbes Clark, a philanthropist from New York, gave an additional \$100,000 of new money to the Florida Republican Party.

²³ "Amway chief gave state GOP \$1 million," Adam C. Smith, *St. Petersburg Times Online*, Feb. 8, 2005; available from http://www.sptimes.com/2005/02/08/news_pf/State/Amway_chief_gave_stat.shtml; Internet; accessed June 17, 2005.

²⁴ "Sweet Sixteen," Alison Frankel, *The American Lawyer*, Dec. 1, 2004 [on-line]; available from <http://www.judicialaccountability.org/lawfirmstop16.htm>; Internet; accessed June 17, 2005.

These four non-Floridians were among many out-of-state donors who gave to both state parties during the 2004 election cycle. The state GOP raised \$1.9 million from individuals who resided out of state, almost four times more than the \$500,000 it raised in 2000. The state Democratic Party raised \$2.3 million, about six times more than the \$400,000 it raised in 2000.

Florida residents, on the other hand, actually gave less to the state GOP in 2004 — the \$2.3 million they gave was almost half the \$4.2 million given in 2000. Those residents who gave to the Florida Democratic Party, on the other hand, actually dug deeper into their pockets, giving \$1.9 million in 2004, up from \$1.3 million in 2000. And that is one trend the Florida Democrats are working to maintain. Steve Schale, communications director for the Florida House Democratic Caucus, said BCRA has resulted, in part, in the party substantially increasing its small donor program, a move he said will broaden the party's base by attracting more donors who give \$200 or less.²⁵

Although contributions from party sources overall represented a small portion of the total soft money raised, candidates and in-state party committees did increase their levels of giving from 2000 to 2004. The increase from in-state party committees came almost entirely from a new Democratic committee formed in April 2003, House Victory Inc., which gave \$513,750 in 2004. Jeff Ryan, the committee's spokesman, said it can be described as a legislative caucus, formed to help Democratic candidates get elected to the House and to assist current incumbents.²⁶

While both parties reduced their giving to candidates, they nonetheless enjoyed an increase in contributions from candidates, who gave almost \$387,000 more from their campaign accounts in 2004 than during the 2000 election cycle. Republican candidate committees gave \$636,500 in 2004, compared with about \$364,000 in 2000, while Democratic candidates gave nearly \$337,000, compared with about \$222,500 in 2000.

However, the Democratic Party had to do without more than \$500,000 it had raised from out-of-state party committees in 2000. Notably absent was the Democratic Legislative Campaign Committee, which gave \$500,000 in 2000.

HOW HARD MONEY FIT IN

The 2004 soft-money contributions to Florida's state party committees were at an all-time low for the study period. But the two parties made up for the deficit, in part, with a \$10 million increase from the levels of so-called federal, or hard, money they received from the two national party committees in 2000.

Because Florida was once again one of the key battleground states in the presidential contest, the Republican National Committee gave \$11.3 million of hard money to the Florida GOP in 2004. That amount was \$7.5 million more than was given in 2000 and significantly more than was given to any other state in 2004. Pennsylvania was second, with \$4.2 million.²⁷

The Florida Democratic Party received \$6.4 million of hard money from the Democratic National Committee in 2004, 78 percent more than the \$3.6 million it received in 2000. In addition, each of

²⁵ Telephone interview, July 19, 2005.

²⁶ Telephone interview, June 14, 2005.

²⁷ Federal Election Commission, "Party Financial Activity Summarized For The 2004 Election Cycle," March 14, 2005 [on-line]; available from <http://www.fec.gov/press/press2005/20050302party/Party2004final.html>; accessed June 14, 2005.

the two state parties raised about \$1 million more in hard-money contributions from individual donors.²⁸

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.

This additional hard money, however, did not completely offset the loss of national party soft money the two state parties had received in the past. The Florida Democratic Party raised a total of about \$23 million in hard and soft money in 2004, compared with its 2000 total of \$33.1 million. The Republican Party's combined total was \$48.6 million in 2004, compared with \$51.9 million in 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

Prior to the 2004 election cycle, the two state party committees transferred much of their money into their federal, or hard-money, accounts for “allocable expenses,” or expenses paid for with a mix of hard and soft money and reported to the Federal Election Commission. For example, in 2000, they transferred more than \$22 million into their federal accounts, representing about 48 percent of their total expenses. Most of those transfers then went to pay for broadcast issue advertisements.

However, BCRA now requires state and federal parties to pay for activities that mention federal candidates with only hard money, not a mix of soft and hard dollars. According to Steve Schale, who was the campaign director of the state Democratic House races during the 2004 cycle, BCRA's biggest impact was on the party's ability to produce communications that mentioned both state and federal candidates.²⁹ “In the past, we could pay for those with mostly soft money, but now, if it mentions a federal candidate, it has to be paid for with all federal money,” says Schale, adding that the change has resulted in an explosion of independent groups running such ads.

As a result of BCRA, the party committees put only about \$4 million into their hard-money accounts during the 2004 election cycle, representing about 12 percent of their expenses. Instead, the parties kept most of their soft money in their state-level accounts and spent it supporting candidates and paying for administrative expenses, such as staffing and rent.

²⁸ Review of annual reports filed by the two state party committees with the Federal Election Commission.

²⁹ Telephone interview, July 19, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN FLORIDA, 1998-2004

CONTRIBUTOR — 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Florida Association of Realtors	\$48,500	\$332,500	\$381,000
Teco Energy*	\$105,000	\$266,912	\$371,912
Electrical Workers/IBEW (National)	\$355,050	\$0	\$355,750
AT&T*	\$50,700	\$274,247	\$324,947
Florida Fire Fighters District 1	\$41,250	\$244,500	\$285,750
Florida Home Builders Association	\$171,500	\$112,000	\$283,500
Florida Medical Association	\$150	\$283,000	\$283,150
BellSouth*	\$33,500	\$230,500	\$264,000
Florida Power Corp.*	\$45,000	\$218,500	\$263,500
Florida Power & Light/FPL*	\$92,500	\$164,000	\$256,500
CONTRIBUTOR — 2002			
Alliance for Quality Nursing Home Care	\$158,000	\$725,000	\$883,000
AT&T*	\$180,500	\$406,000	\$586,500
Florida Academy of Trial Lawyers/FLAG	\$523,687	\$44,526	\$568,213
Cruise Industry Community Fund	\$42,500	\$515,000	\$557,500
AFSCME (National)	\$516,393	\$0	\$516,393
Service Employees/SEIU (National)	\$505,000	\$0	\$500,000
Sprint*	\$188,313	\$288,300	\$476,613
Florida Education Association	\$447,415	\$0	\$447,415
BellSouth*	\$104,939	\$327,829	\$432,767
Florida Power & Light/FPL*	\$206,500	\$196,000	\$402,500
CONTRIBUTOR — 2000			
Teco Energy*	\$159,500	\$363,618	\$523,118
Grand Building Corp.	\$0	\$500,000	\$500,000
AT&T*	\$114,907	\$371,581	\$486,489
BellSouth*	\$120,604	\$288,500	\$409,104
Florida Power Corp.*	\$83,849	\$305,335	\$389,184
Sprint*	\$122,934	\$241,488	\$364,422
Blue Cross Blue Shield of Florida	\$36,000	\$292,688	\$328,688
Florida Police Benevolent Association	\$139,500	\$170,700	\$310,200
Walt Disney Co.*	\$52,440	\$225,000	\$277,440
Associated Industries Insurance Services	\$114,228	\$162,870	\$277,098
CONTRIBUTOR — 1998			
Teco Energy*	\$187,500	\$242,000	\$429,500
Bankers Insurance Group	\$0	\$311,500	\$311,500
Sprint*	\$99,000	\$177,743	\$276,743
BellSouth*	\$85,109	\$186,087	\$271,196
Walt Disney Co.*	\$75,250	\$184,000	\$259,250
Florida Power & Light/FPL*	\$80,270	\$175,944	\$256,214
Florida Power Corp.*	\$74,000	\$178,750	\$252,750
AT&T*	\$67,759	\$152,500	\$220,259
Florida Fire Fighters	\$102,500	\$105,250	\$207,750
United States Sugar Corp.	\$61,100	\$144,784	\$205,884

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

TOP INDIVIDUAL CONTRIBUTORS IN FLORIDA, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Van Andel, Jay**	MI	Amway	\$1,000,000	R
DeVos Sr., Richard M.	FL	Amway	\$515,000	R
Hogan, Wayne*	FL	Lawyers & Lobbyists	\$250,800	D
Baron, Frederick M.**	TX	Lawyers & Lobbyists	\$200,000	D
Parrillo, Richard	FL	Insurance	\$137,500	D & R
Spearman, Guy M.	FL	Lawyers & Lobbyists	\$125,883	D & R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$125,000	D
Barley, Mary Lynn	FL	Pro-Environmental Policy	\$100,000	D
Clark, Jane Forbes**	NY	Nonprofit Institutions	\$100,000	R
Eckerd, Jack*	FL	Retail Sales	\$100,000	R
Kuykendall, Frederick T.**	AL	Lawyers & Lobbyists	\$100,000	D
CONTRIBUTOR — 2002				
Walton, John T.	AR	Wal-Mart	\$375,000	R
DeGeorge, Lawrence*	FL	Securities & Investment	\$288,060	R
Asher, Hank*	FL	Computer Equipment & Services	\$220,000	D & R
Fisher, Richard	PA	Securities & Investment	\$200,000	R
Robertson Jr., Julian	NY	Securities & Investment	\$200,000	R
Sussman, S. Donald	CT	Securities & Investment	\$200,000	D
Jones, Sonia M.	CT	Securities & Investment	\$190,000	D
Pugh Jr., James H.*	FL	Real Estate	\$180,000	D
Eychaner, Fred	IL	TV & Radio Stations	\$170,000	D
MacDougald, James*	FL	Insurance	\$165,000	R
CONTRIBUTOR — 2000				
Hogan, Wayne*	FL	Lawyers & Lobbyists	\$441,000	D & R
Kirsch, Steven T.	CA	Computer Services & Equipment	\$300,000	D
Meyerson, Robert F.	OH	Electronics	\$250,000	R
Mas, Jorge	FL	Telecommunications	\$205,000	R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$120,000	D
Jaeb, Lorena*	FL	Real Estate	\$104,210	R
Kirtley, John F.	FL	Securities & Investment	\$100,000	R
MacDougald, James*	FL	Insurance	\$100,000	R
Kerrigan, Robert G.	FL	Lawyers & Lobbyists	\$91,500	D
Eckerd, Jack*	FL	Retail Sales	\$91,000	R
CONTRIBUTOR — 1998				
DeGeorge, Lawrence*	FL	Securities & Investment	\$150,000	R
Pugh Jr., James H.*	FL	Real Estate	\$130,000	D
Hogan, Wayne*	FL	Lawyers & Lobbyists	\$127,500	D & R
Asher, Hank*	FL	Computer Equipment/Services	\$115,000	D
Ansary, Hushang	TX	Oil & Gas	\$100,000	R
Eckerd, Jack*	FL	Retail Sales	\$100,000	R
Sykes, John	FL	Computer Equipment & Services	\$100,000	R
Steinbrenner III, George M.	FL	New York Yankees	\$85,000	D & R
Jaeb, Lorena*	FL	Real Estate	\$84,500	R
Dauer, Edward	FL	Health Professional	\$81,000	R

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

** First-time contributor in 2004.

ILLINOIS

By Denise Roth Barber

A contentious state Supreme Court race appears to have helped the Illinois state political parties bring in money from new sources — primarily business interests and lawyers — to offset the loss of soft money from national party committees in the 2004 election cycle.

However, these new donors couldn't fill the gap created by BCRA. The national party committees gave Illinois committees \$12.5 million in soft money during the 2000 presidential-election cycle. And that's a lot of money to replace, even in a state that currently places no restrictions on the size or source of campaign contributions.

The two main state party committees raised about \$8.5 million less in 2004 than they did during the 2000 presidential-election cycle. The Illinois Democratic Party raised \$6.9 million — almost half of what it raised in 2000 and the lowest amount it has raised since the Institute began studying the finances of state party committees in 1998. The Illinois Republican Party raised \$3.7 million, about double the amount it raised in 1998 and 2002 but well below the \$5.9 million it raised in the comparable 2000 presidential-election cycle.

CONTRIBUTIONS TO ILLINOIS POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES*	1998	2000	2002	2004
Illinois Democratic Party	\$9,251,746	\$13,279,951	\$8,088,790	\$6,935,307
Senate Democratic Fund	\$1,178,437	\$1,116,172	\$1,853,991	\$4,235,464
TOTAL	\$10,430,183	\$14,396,123	\$9,942,781	\$11,170,771
REPUBLICAN COMMITTEES				
Illinois Republican Party	\$1,913,521	\$5,901,889	\$1,813,020	\$3,740,637
Republican Senate Campaign Cmte	\$3,949,007	\$3,698,562	\$3,060,788	\$3,850,640
House Republican Campaign Cmte	\$ 5,584,319	\$4,368,596	\$1,896,424	\$389,671
House Republican Organization**	\$0	\$0	\$0	\$2,610,681
TOTAL	\$11,446,847	\$13,969,047	\$6,770,232	\$10,591,629
ELECTION-CYCLE TOTAL	\$21,877,030	\$28,365,170	\$16,713,013	\$21,762,400

* Democrats have no caucus committee for the House.

**Formed in January 2003

The effects of BCRA were keenly felt at the local level, as well, at least for Democratic Party committees. With a much smaller budget and a costly Supreme Court race to support, the Illinois Democratic Party sent just \$4,500 to two local party committees in 2004. This is in sharp contrast to the tens of thousands of dollars the state party sent to multiple local committees in previous election cycles. Take the last presidential cycle for comparison, when the state party contributed \$132,150 to 57 local committees. And in 2002, 64 committees received \$112,600 from the state party. Even back in 1998, the state party sent \$88,800 to 34 local party committees.

While overall giving to the state-level party committees was down about \$6.6 million from 2000, contributions increased in 2004 for two legislative caucus committees, which raise funds to support their legislative candidates. The Senate Democratic Fund saw a big jump in funds, raising \$4.2 million in 2004, compared to \$1.1 million in 1998 and 2000 and \$1.8 million in 2002. The 2004 increase was due primarily to \$2 million that Senate President Emil Jones Jr. transferred from his candidate committee, Citizens for Emil Jones Jr., to the Senate Democratic Fund.

The Republican Senate Campaign Committee also saw an increase in contributions, from \$3.6 million in 2000 to \$3.8 million in 2004, although it was still below its 1998 total of \$3.9 million. Senate Minority Leader Frank Watson, the new chairman of the committee, moved \$811,100 during the 2004 cycle from his candidate committee, Citizens for Frank Watson, a large increase from the \$9,500 he moved during the 2000 cycle and the \$10,500 his committee gave in 2002.

Although potent, BCRA wasn't the only influence on these committees' campaign finances in 2004. Two other major factors also were at play:

- The state Supreme Court race between Republican Lloyd Karmeier and Democrat Gordon Maag, whose contest ended up being the most expensive judicial race in the country.
- A shake-up in the make-up of the "Four Tops" — a moniker by which the state's four legislative leaders are known — when Democrats took control of the state Senate after the 2002 elections.

The Supreme Court contest "drew national attention and big money because it was seen as a litmus test of sorts on tort reform."³⁰ The two candidates raised about \$9.4 million for the contest, far outpacing any previous state Supreme Court race in the country.

The two state parties raised — and spent — millions on this race alone, and much of it was new money. Lawyers and law firms gave \$2.8 million to the Illinois Democratic Party in the 2004 cycle, compared with \$1.7 million during the previous three cycles *combined*. And the U.S. Chamber of Commerce, which had never given to Illinois state parties before, gave \$2 million to the Republican Party. A major proponent of tort reform across the country, the U.S. Chamber's affiliate, Institute for Legal Reform, identified Illinois as one of the worst states in the country in legal fairness.³¹ Cindi Canary, director of the nonpartisan Illinois Campaign for Political Reform, said BCRA had little effect on the financing of the state parties. Instead, she said the Illinois Supreme Court race was a significant influence, as evidenced by the U.S. Chamber of Commerce's contribution to the state GOP.

The Supreme Court race dominated the spending agenda of the two state parties, as well. The Illinois Democratic Party spent \$2.8 million supporting Democrat Gordon Maag,³² accounting for 39 percent of its total expenses in 2004. Of that amount, \$1.9 million was used to purchase TV ads.³³ The Illinois Republican Party spent \$1.9 million supporting Lloyd Karmeier's successful bid

³⁰ Paul Hampel, "Big-Money Race Sets Record for a U.S. Judicial Contest," *St. Louis Post-Dispatch*, Nov. 1, 2004, sec. A, p. 1.

³¹ Institute for Legal Reform, "U.S. Chamber: Illinois Drops Again in State Legal Rankings," March 8, 2005 [on-line]; available from http://www.instituteforlegalreform.org/newsroom/display_release030805e.html; Internet; accessed June 8, 2005.

³² According to campaign finance reports filed by the candidate with the State Board of Elections during the 2003-2004 election cycle.

³³ Brennan Center for Justice, "BUYING TIME 2004: Television Advertising in State Supreme Court Elections," [on-line]; available from [http://www.brennancenter.org/programs/downloads/buyingtime_2004/Illinois%20\(11-18-04\).pdf](http://www.brennancenter.org/programs/downloads/buyingtime_2004/Illinois%20(11-18-04).pdf); Internet; accessed March 8, 2005.

for office,³⁴ accounting for 46 percent of the party's total spending. Most of the party's financial support — \$1.39 million — purchased TV advertising for the Supreme Court race.³⁵

Party finances at the state level also felt the effects of a change in the state's political winds. In 2002, Democrats took control of the state Senate for the first time in 10 years, causing a shift in legislative leadership. Republicans saw the fall of its two "Tops" — former Senate President James "Pate" Philip and former House Speaker Lee Daniels. And Democrat Emil Jones — after being Senate minority leader for the past 10 years — stepped up to become Senate president.

In Illinois, these legislative leaders head up the state's legislative caucus or party committees. The leaders also often funnel their own campaign funds into the legislative caucus committees and into other candidates' campaign accounts.

The change in leadership greatly impacted the campaign finances of the party committees that the "Four Tops" control. For example, during each of the two previous election cycles, Jones gave the Illinois Democratic Party more than \$2 million from his candidate committee and his Senate Democratic Fund. Yet as Senate president during the 2004 cycle, Jones sent not so much as one penny to the state party, explaining in part why the state party had to cinch up its belt and why the Senate Democratic Fund was flush in 2004. Coincidentally or not, Jones feuded publicly with fellow Democrat Mike Madigan — House speaker and chairman of the state party — during the 2004 election cycle, particularly over the state's 2005 budget.³⁶

On the Republican side, former House Speaker Lee Daniels — under federal investigation for use of state employees and other resources for campaign purposes — used the House Republican Campaign Committee (HRCC), which he chaired, primarily to pay legal fees. Of the nearly \$389,700 raised by the HRCC during the 2004 election cycle, 95 percent, or \$369,900, was spent on legal fees.³⁷ Since the HRCC was no longer a vehicle for helping Republican candidates get elected to the state House, the new House Republican Organization (HRO) formed to fill that void.³⁸ During the 2004 election cycle, the HRO raised \$2.6 million and spent \$1.6 million supporting state House candidates.

With BCRA's ban on corporate soft money in place, some political observers predicted that corporations would pour their money into "corporate" states such as Illinois, one of 15 states that allow unlimited corporate contributions to party committees.³⁹ However, while the largest business and labor contributors in 2004 did differ radically from the previous three election cycles, this difference was due not so much to BCRA but rather the 2004 state Supreme Court race. Six of the

³⁴ According to campaign finance reports filed by the candidate with the State Board of Elections during the 2003-2004 election cycle.

³⁵ Brennan Center for Justice, "BUYING TIME 2004: Television Advertising in State Supreme Court Elections," [on-line]; available from [http://www.brennancenter.org/programs/downloads/buyingtime_2004/Illinois%20\(11-18-04\).pdf](http://www.brennancenter.org/programs/downloads/buyingtime_2004/Illinois%20(11-18-04).pdf); Internet; accessed March 8, 2005.

³⁶ Rich Miller, "Emil Jones looking for R-E-S-P-E-C-T all over again," *Daily Southtown*, Feb. 27, 2005 [newspaper on-line]; available from <http://www.dailysouthtown.com/southtown/columns/miller/x27-mlr1.htm>; Internet; accessed April 11, 2005.

³⁷ According to campaign finance reports filed by the HRCC with the State Board of Elections during the 2003-2004 election cycle.

³⁸ According to the Illinois State Board of Elections, another Republican House committee has also formed. The Illinois House Victory Fund, chaired by House Republican Leader Tom Cross, gave the \$182,900 it raised during the 2004 election cycle to the HRO.

³⁹ National Conference of State Legislatures [on-line]; available from <http://www.ncsl.org/programs/legman/about/ContribLimits.htm>; Internet; accessed March 29, 2005.

top 10 contributors in 2004 were law firms, and the largest contributor by far was the U.S. Chamber of Commerce.

Another BCRA prediction not fulfilled in Illinois was that wealthy donors who wrote six-figure checks to the national parties in the past would shift their giving to state parties in 2004. Five of the top 10 contributors in the 2004 cycle — Rex Carr, Randall Bono, Barry Julian, James Sokolove and James Reynolds — were new givers to the state parties. However, all but Reynolds were trial lawyers, indicating the effect the state Supreme Court race, not BCRA, had on the parties' ability to attract new donors.

WHO GIVES TO THE ILLINOIS STATE PARTIES?

Contributions from party and candidate committees remained an important source of funds for the state parties during the 2004 election cycle. However, the \$8.3 million raised in 2004 from all party sources was significantly lower than the \$17.8 million raised during the comparable presidential-election cycle in 2000. The difference was due primarily to the absence of soft money from the national party committees, which gave \$12.5 million in soft money in 2000.

MAJOR TYPES OF CONTRIBUTORS TO ILLINOIS STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$6,339,184	\$3,775,371	\$5,642,623	\$7,465,039
In-State Party Committees	\$723,343	\$1,121,231	\$808,425	\$713,356
The Main National Party Committees	\$4,266,907	\$12,521,844	\$1,486,887	\$0
NON-PARTY SOURCES				
Businesses/Special Interests	\$7,414,514	\$7,655,112	\$6,199,886	\$10,066,325
Individuals	\$1,145,681	\$1,299,165	\$884,990	\$1,678,665
Labor Organizations	\$1,251,669	\$1,484,417	\$1,236,893	\$1,466,953

Although party money overall was significantly lower in 2004 compared to the 2000 election cycle, candidate committees in 2004 nearly doubled their contributions — from nearly \$3.8 million in 2000 to \$7.4 million in 2004. This sharp increase was due entirely to an increased level of giving by the four current legislative leaders, who contributed money from their own campaign accounts. Leading the charge was Senate President Emil Jones Jr., who sent \$2 million in 2004 from his candidate committee, compared to the \$1.1 million he gave in 2000. House Speaker and Chairman of the Illinois Democratic Party Michael Madigan gave \$1.7 million from his candidate committee, Friends of Michael J. Madigan, to the state party committees in 2004, more than double the \$700,000 he gave in 2000.

The two new Republican leaders also stepped up their giving considerably. Minority Leader Frank Watson's candidate committee, Citizens for Frank Watson, gave \$812,250 to Republican party committees in 2004, compared to just \$15,000 in 2000. And new House Minority Leader Tom Cross moved \$703,500 from his committee, Citizens to Elect Tom Cross, to these party committees in 2004, compared with just \$10,000 in 2000.

Contributors from businesses and special interests gave dramatically more in 2004 than they had in the previous three cycles. Whether this continues as a trend in future cycles remains to be seen, however, since the increases in 2004 by both these sectors were likely due to the extremely tight state Supreme Court race. For example, the increase in the contributions from general businesses was due entirely to \$2 million from the U.S. Chamber of Commerce. Without that money, general businesses would have given just \$1.3 million, the lowest amount over the four election cycles,

instead of the highest. The same holds true for lawyers and lobbyists, who gave \$3.5 million in 2004 alone, comparable to the \$3.6 million they had given during the previous three cycles *combined*.

HOW HARD MONEY FIT IN

Neither Illinois state party committee raised more federal, or so-called “hard,” money during the 2004 election cycle to help make up for the loss of soft money from the national parties. This hard money — 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.

The Democratic Party raised \$3.5 million less than in 2000, due to receiving significantly less from the Democratic National Committee, which gave \$1.4 million of hard money in 2000, yet just \$93,300 in 2004. It also received \$1.1 million less from individual donors, who gave \$2.1 million in 2000 but just over \$1 million in 2004. The decrease from the national party was expected, since on a national level, “Illinois was a fly-over state,” according to Steve Brown, spokesman for House Speaker and Illinois Democratic Party Chairman Michael Madigan. “The only part of Air Force One’s plane that we saw was its belly as it flew over us.”⁴⁰

The state GOP raised \$1 million less in hard money, due largely to significantly less money from the Republican National Committee, which gave just \$400,000 in 2004, down from \$1.1 million in 2000. However, individual donors, allowed under BCRA to double their federal contributions to the Illinois state parties from \$10,000 per election cycle to \$20,000, increased their contributions. They gave the state GOP \$2.6 million, up from \$1.6 million in 2000. The state party focused in 2004 on raising more hard money from individuals, not the national committees, to at least partially offset the effects of BCRA, according to Randy DePree, director of operations for the Illinois Republican Party.⁴¹

HOW THE COMMITTEES SPENT THEIR MONEY

Prior to the 2004 cycle, both state party committees transferred the vast majority of their money into their federal accounts, where they could use it to pay for several types of expenses with a mix of hard and soft money. These expenses included issue ads, staffing and overhead costs, activities that promoted or opposed both federal and state candidates, and fund-raisers that raised both hard and soft money.

Because BCRA changed the rules regarding how state parties can spend money from their federal accounts, the committees transferred very little money during the 2004 election cycle. Instead, expenses such as broadcast advertising and staffing — paid for in the past out of their federal accounts — were paid for directly from their state accounts.

⁴⁰ Telephone interview, July 8, 2005.

⁴¹ Telephone interview, June 23, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN ILLINOIS, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
U.S. Chamber of Commerce**	\$0	\$2,050,000	\$2,050,000
SimmonsCooper LLC**	\$406,200	\$0	\$406,200
Illinois Council of Service Employees/SEIU*	\$287,500	\$7,250	\$294,750
Lakin Law Firm	\$260,000	\$0	\$260,000
Power Rogers & Smith	\$215,000	\$0	\$215,000
Illinois Hospital & Health Systems Association*	\$75,000	\$122,750	\$197,750
Clifford Law Offices	\$195,000	\$0	\$195,000
Cooney & Conway	\$155,000	\$0	\$155,000
Illinois State Medical Society*	\$30,000	\$92,000	\$122,000
Carey & Danis**	\$120,000	\$0	\$120,000
CONTRIBUTOR – 2002			
Illinois State Medical Society*	\$35,000	\$178,000	\$213,000
Illinois Hospital & Health Systems Association*	\$75,000	\$90,000	\$165,000
Illinois Manufacturers Association*	\$1,500	\$103,500	\$105,000
Illinois Federation of Teachers	\$87,950	\$17,000	\$104,950
Illinois Council on Long-Term Care	\$78,500	\$17,000	\$95,500
Electrical Workers/IBEW* (National)	\$95,100	\$0	\$95,100
Exelon	\$32,000	\$58,950	\$90,950
Illinois Council of Service Employees*	\$85,000	\$0	\$85,000
Illinois Bankers Association*	\$45,000	\$38,250	\$83,250
United Distillers & Vintners	\$45,000	\$36,991	\$81,991
CONTRIBUTOR – 2000			
Illinois State Medical Society*	\$0	\$316,500	\$316,500
Illinois Hospital & Health Systems Association*	\$92,500	\$212,750	\$305,250
Illinois Manufacturers Association*	\$2,500	\$254,900	\$257,400
Illinois Power Co. *	\$74,000	\$107,300	\$181,300
Commonwealth Edison*	\$35,700	\$90,750	\$126,450
Electrical Workers/IBEW* (National)	\$116,600	\$0	\$116,600
AFSCME Council 31	\$113,500	\$2,500	\$116,000
Cable TV & Communications Association	\$40,000	\$74,000	\$114,000
Illinois Bankers Association*	\$50,000	\$50,000	\$100,000
Carpenters & Joiners/UBC*	\$100,000	\$0	\$100,000
CONTRIBUTOR – 1998			
Illinois State Medical Society*	\$15,000	\$437,600	\$452,600
Illinois Manufacturers Association	\$2,500	\$220,900	\$223,400
Illinois Hospital & Health Systems Association*	\$57,500	\$155,750	\$213,250
Chicago Teachers Union	\$152,598	\$0	\$152,598
Illinois Power Co.*	\$50,200	\$93,076	\$143,276
Illinois State Federation of Labor	\$122,295	\$0	\$122,295
Carpenters & Joiners/UBC*	\$116,400	\$0	\$116,400
Commonwealth Edison*	\$26,000	\$79,450	\$105,450
Ryan Holding Corp.	\$0	\$100,000	\$100,000
MCI Communications	\$46,000	\$44,800	\$90,800

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

** First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN ILLINOIS, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Bono, Randall A.	IL	Lawyers & Lobbyists	\$106,500	D
Callis, Lance	IL	Lawyers & Lobbyists	\$103,500	D
Carr, Rex**	IL	Lawyers & Lobbyists	\$100,000	D
Eychaner, Fred*	IL	TV & Radio Stations	\$100,000	D
Julian, Barry**	IL	Lawyers & Lobbyists	\$95,000	D
Sokolove, James G. **	MA	Lawyers & Lobbyists	\$90,000	D
McCormack, Robert C.	IL	Securities & Investment	\$55,000	R
Reynolds, James**	IL	Securities & Investment	\$41,000	D
Stuart Jr., Robert D.*	IL	Real Estate	\$40,000	R
Smith, Harold B.*	IL	Manufacturing	\$40,000	R
CONTRIBUTOR — 2002				
Levine, Stuart P.*	IL	Lawyers & Lobbyists	\$60,000	R
Ryan, Patrick G.*	IL	Insurance	\$40,000	R
Duchossois Fortino, Dayle*	IL	Manufacturing	\$37,500	R
Duchossois, Kimberly*	IL	Manufacturing	\$37,500	R
Kindlon, Joseph F.*	IL	Securities & Investment	\$35,000	R
Duchossois, Richard Bruce*	IL	Manufacturing	\$30,000	R
Eychaner, Fred*	IL	TV & Radio Stations	\$30,000	D
Roeser, John O.	IL	Construction Services	\$22,500	R
Ahlberg, Harold L.	TX	Securities & Investment	\$20,000	D & R
Gidwitz, Ronald Jay*	IL	Securities & Investment	\$19,500	R
CONTRIBUTOR — 2000				
Eychaner, Fred*	IL	TV & Radio Stations	\$80,000	D
Krehbiel, Frederick	IL	Manufacturing	\$55,000	R
Stuart Jr., Robert D.*	IL	Real Estate	\$50,200	R
Carter, Donald J.	TX	Retail Sales	\$50,000	R
Ryan, Patrick G.*	IL	Insurance	\$45,000	R
Taylor, Deborah	IL	Unknown	\$45,000	R
Smith, Harold B.*	IL	Manufacturing	\$35,000	R
Gidwitz, Ronald Jay*	IL	Securities & Investment	\$35,000	R
Kindlon, Joseph F.*	IL	Securities & Investment	\$26,000	R
Fletcher, James L.*	IL	Lawyers & Lobbyists	\$21,000	R
Hamilton, Allan J.	IL	Real Estate	\$21,000	R
CONTRIBUTOR — 1998				
Smith, Harold B.*	IL	Manufacturing	\$65,000	R
Levine, Stuart P.*	IL	Lawyers & Lobbyists	\$47,500	R
Huizenga, Peter H.	IL	Securities & Investment	\$40,400	R
Fletcher, James L.*	IL	Lawyers & Lobbyists	\$39,950	R
Eychaner, Fred*	IL	TV & Radio Stations	\$35,000	D
Duchossois, Craig J.	IL	Manufacturing	\$27,500	R
Duchossois Fortino, Dayle*	IL	Manufacturing	\$25,000	R
Duchossois, Kimberly*	IL	Manufacturing	\$25,000	D
Duchossois, Richard Bruce*	IL	Manufacturing	\$25,000	R
Gidwitz, Ronald Jay*	IL	Securities & Investment	\$25,000	R

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

** First-time contributor in 2004.

MASSACHUSETTS

By Megan Moore

A study of Massachusetts' party committee fund raising is a unique opportunity to observe the effects of the absence of soft money from national parties over a period of time. When BCRA went into effect following the 2002 election cycle, Massachusetts had already been prohibiting national soft money for four years, since 1998. Three election cycles after the ban, Massachusetts party committees have largely replaced the national money lost, as individuals and political candidates have stepped up their giving to fill the void.

This examination of party committees focuses on the raising and spending of soft money⁴² during the four election cycles from 1998 through 2004. All 200 General Court seats were up for election in each cycle, and statewide candidates were chosen in 1998 and 2002. Parallels are drawn between cycles in which comparable races were held.

In 1998, national party soft money accounted for \$1.96 million of the \$4.17 million in soft money that the two state parties raised, or nearly 50 percent of the funds. By 2002, the second cycle following the ban, the two state party committees were raising funds at nearly 1998 rates. The Republican Party actually raised more in 2002 than in 1998, while the Democratic Party fell slightly behind 1998 levels. This is not unexpected considering that the Massachusetts Democratic Party was left with a bigger deficit to fill after the ban on national party soft money. The state Democrats received almost \$1.2 million of national soft money in 1998, compared to the little more than \$800,000 given by the Republican national committees.

In contrasting fund raising in the 2000 and 2004 presidential-election cycles, it appears that it took one cycle for the state party committees to get back on their feet after the preclusion of national party money. In 2000, their combined fund-raising total was less than half of the amount raised in any other cycle. By 2004, however, the state party committees had more than doubled their 2000 levels, receiving nearly \$3.6 million, compared to the almost \$1.5 million raised in 2000.

CONTRIBUTIONS TO MASSACHUSETTS POLITICAL PARTY COMMITTEES, 1998-2004

COMMITTEES	1998	2000	2002	2004
Massachusetts Democratic Party	\$1,837,585	\$716,159	\$1,653,681	\$1,688,352
Massachusetts Republican Party	\$2,332,785	\$740,878	\$2,354,896	\$1,850,750
ELECTION-CYCLE TOTAL	\$4,170,370	\$1,457,037	\$4,008,577	\$3,539,102

In the 2004 election cycle, the Massachusetts Republican Party received a boost from the efforts of Gov. Mitt Romney. In a state where Democrats often outnumber Republicans on Beacon Hill, Republican Gov. Romney took an active role in legislative elections, urging 92 Republicans to run⁴³ and campaigning on their behalf.⁴⁴ Democrats combated Gov. Romney's influence "by

⁴² Denis Kennedy of the Office of Campaign and Political Finance says state party committees may receive one check for contributions to both the state and federal accounts. When contribution amounts exceeded the limit, the excess money was removed and assumed to have been transferred to the federal, or hard-money, account.

⁴³ Frank Phillips, "Romney Uses Business Links to Swell GOP Coffers; Critics Say Loophole Lets Donations Flow," *Boston Globe*, Sept. 19, 2004, sec. A, p. 1.

⁴⁴ Frank Phillips and Raphael Lewis, "DiMasi Vows Tough Fight Against GOP," *Boston Globe*, Sept. 30, 2004, sec. A, p. 1.

marshalling Democratic forces, pulling resources and funds from unchallenged legislators with hefty campaign accounts, labor unions, and the state's congressional delegation."⁴⁵

Although the Massachusetts Democratic Party garnered more support from candidate committees in all four election cycles, Romney's influence seems to have helped the Republican Party close the gap in 2004. The Republican Party received \$359,800 in 2004, compared with just about \$12,000 in 2000.

While Republicans received an increased percentage of funds from candidate committees, the Democratic strategy of tapping labor unions for contributions seems to have paid off. Labor unions continued to give more generously to Democrats, as is the general trend. In the 2004 election cycle, the Democratic Party received \$208,500, nearly triple the \$70,300 contributed by labor organizations in 2000. The Democratic share of labor money also increased by about 14 percent, from 84 percent in 2000 to 98 percent in 2004; the Republican Party received just \$4,750 of the \$213,235 in labor contributions in 2004.

The Massachusetts state party committees' recent fund raising demonstrates that they have recovered from the initial shock of losing national party soft money. While other states adjust to life without soft-money assistance from the national party committees, Massachusetts stands as an example of how to raise soft money even with contribution limits. Indeed, the Massachusetts Republican Party has become so accustomed to doing without national party soft money that it is a non-issue. When asked how fund raising has changed, Deputy Finance Director Jinara Reyes said it has not been a factor for her because the ban went into effect before her employment with the party began.⁴⁶

WHO GIVES TO THE MASSACHUSETTS STATE PARTIES?

Since the state's own ban on national party soft money eliminated a major funding source long before BCRA went into effect in November 2002, the Massachusetts party committees have had three cycles to develop alternate sources. An analysis of party and non-party sources reveals that contributions from individuals, labor groups and candidate committees have been on the rise, making up for some of the deficit created after the state's prohibition of national soft money.

Although Massachusetts limits individual contributions to \$5,000 per party committee per year,⁴⁷ individuals are an increasingly important source of income for the Massachusetts party committees. In 2002 and 2004, individuals gave twice as much as they did in 1998 and 2000. The \$1.5 million given by individuals in 1998 only accounted for 36 percent of the \$4.17 million raised that cycle. In 2002, the second cycle following the ban on national money, individuals gave \$3.4 million, or 84 percent of the \$4 million that the state parties raised. Likewise, the \$2.1 million that individuals gave in 2004 is more than double the \$987,600 given in 2000.

Initially the increase in individual money was a result of larger contributions, but then the tide turned towards a greater number of individuals giving smaller amounts. In 2002, there were 741 fewer individual contributions than in 1998 and the number of contributions of \$100 or less declined by about 40 percent. Conversely, the number of individual donations more than doubled from 2000 to 2004 when there were 2,636 and 7,381 individual givers, respectively. The number

⁴⁵ Ibid.

⁴⁶ Telephone interview, May 25, 2005.

⁴⁷ Annual Contribution Limits, Commonwealth of Massachusetts Office of Campaign and Political Finance [online]; available from <http://www.mass.gov/ocpf/limits.pdf>; Internet; accessed May 10, 2005.

of contributions of \$100 or less also increased more than three-fold during the same period, from 1,718 in 2000 to 6,136 in 2004.

In addition to the increase in funds from individuals, money from labor organizations has also risen, more than doubling from both 1998 to 2002 and 2000 to 2004. However, labor money still only accounts for about 6 percent of the funds raised.

MAJOR TYPES OF CONTRIBUTORS TO MASSACHUSETTS STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$95,442	\$47,455	\$94,653	\$933,097
In-State Party Committees	\$9,295	\$16,472	\$20,837	\$28,986
Candidates' Own Money	\$1,378	\$3,048	\$39,240	\$12,221
The Main National Party Committees	\$1,959,429	\$0	\$0	\$0

NON-PARTY SOURCES				
Individuals	\$1,538,834	\$987,596	\$3,391,083	\$2,131,234
Labor Organizations	\$121,869	\$83,781	\$254,348	\$213,235
Unitemized Contributions	\$398,757	\$286,115	\$144,813	\$153,555
Businesses/Special Interests	\$45,287	\$32,570	\$56,648	\$58,975

Prior to the state ban of national party soft money, party money accounted for about half of the total money raised in Massachusetts — a little more than \$2 million of the \$4.17 million raised. The national parties contributed 95 percent of that amount, or \$1.96 million of the \$2.07 million raised in 1998. In the 2000 and 2002 election cycles following the ban, total party money plummeted, making up 5 percent or less of the total each cycle, or about \$67,000 in 2000 and \$161,700 in 2002.

The 2004 election cycle was characterized by a resurgence in party money, to 28 percent of total funds. This is due in large part to a sharp increase in candidate committee contributions. After an initial decrease in candidate committee money in 2000 and a return to 1998 levels in 2002, candidate committees stepped up their giving in 2004, topping out at nearly 20 times the 2000 levels. This leap in candidate committee contributions may be attributed in part to the lack of limits on contributions to party committees from non-statewide candidates and their committees; these are the only unlimited sources of party funding.⁴⁸

Because of the \$5,000 per year limit on individual contributions to party committees, a list of top individual contributors is largely comprised of those individuals who gave a total of \$10,000 in a two-year period.⁴⁹ A majority of the top contributors gave to the Republican Party. Across the four election cycles studied, top contributors accounted for \$958,500, of which \$813,000 was given to the Republican Party.

With individual contributions on the rise, 2004 saw an increase in individual contributors giving the maximum amount. Thirty-eight individuals gave \$10,000 or more in 2004, compared with 20 in 2000. In addition to the continuing support of nine individuals giving the maximum amount in

⁴⁸ Non-statewide candidates include those running for county, legislative or municipal office according to Annual Contribution Limits, Commonwealth of Massachusetts Office of Campaign and Political Finance [on-line]; available from <http://www.mass.gov/ocpf/limits.pdf>; Internet; accessed May 10, 2005.

⁴⁹ Due to contribution limits, top contributors were too numerous to list. Top individual contributors can be easily found on the Institute's Web site, at www.followthemoney.org.

at least one of the previous cycles, state parties also attracted nine first-time contributors giving \$10,000 or more during the 2004 cycle.

During the 2004 cycle, for the first time in the study period, two individuals contributed more than \$10,000 because they gave to both party committees. Robert Kraft, owner of the New England Patriots and a first-time contributor in 2004, gave \$10,000 to the Massachusetts Republican Party and \$5,000 to the Massachusetts Democratic Party. Robert L. Beal, a real estate investment firm executive, contributed \$8,500 to the Republican Party and \$5,000 to the Democratic Party.

Individuals contributing the maximum \$10,000 per cycle from the securities and investment industry were more prevalent in 2004 than in previous cycles, a fact likely attributable to Gov. Romney's ties to the business community.⁵⁰ Prior to 2004, individuals from the securities and investment industry who gave \$10,000 accounted for less than 3 percent of total top contributions. In 2004, however, those contributors made up 46 percent of top individual contributions, all \$180,000 supporting the Republican Party.

Although some predicted that an absence of national party soft money would lead to increased levels of out-of-state money, this has not been the case in Massachusetts. For the most part, top contributors have resided in the state of Massachusetts. Only two of the 95 top individual contributors over the four election cycles listed a non-Massachusetts address, and their contributions were made in 1998, before the ban on national party soft money.

While top individual donors tended to give to the Republican Party, top business and labor contributors gave overwhelmingly to the Democratic Party. A list of top business and labor contributors is largely a list of top labor contributors, as corporations are forbidden to give campaign funds from their corporate treasuries. Contributions from political action committees representing the employees of corporations are permitted and subject to the same \$5,000 limit as other PACs.⁵¹

The 2004 election cycle saw an increase in local and regional, rather than national or international, labor contributions. Organizations that were top contributors in previous election cycles — such as the American Federation of State, County and Municipal Employees (AFSCME), the United Food and Commercial Workers (UFCW), and Laborers' International Union of North America (LIUNA) — did not give any money from their national or international treasuries or PACs in 2004.

The only new non-individual top contributors in 2004 were local labor organizations. AFSCME Council 93 gave \$14,000 to rank second-highest among top business and labor contributors, and the Utility Workers Local 369 gave \$8,500. Other local labor organizations, such as Boston Carmen's Local 589, Operating Engineers Local 4, and Food & Commercial Workers Local 1445 also increased their contributions in 2004.

Six of the top 10 non-individual contributors in 2004 were among the top 10 in previous cycles. Massachusetts Laborers District Council and Mintz Levin PAC were the only contributors in the top 10 for all four election cycles. Massachusetts Laborers District Council increased its giving from \$11,600 in 1998 to \$25,000 in 2002 and from \$12,300 in 2000 to \$12,500 in 2004. Mintz

⁵⁰ Frank Phillips, "Romney Uses Business Links to Swell GOP Coffers; Critics Say Loophole Lets Donations Flow," *Boston Globe*, Sept. 19, 2004, sec. A, p. 1.

⁵¹ Annual Contribution Limits, Commonwealth of Massachusetts Office of Campaign and Political Finance [online]; available from <http://www.mass.gov/ocpf/limits.pdf>; Internet; accessed May 10, 2005.

Levin PAC, the political action committee of a law firm, was also the only non-labor contributor among the top 10 in any election cycle.

HOW HARD MONEY FIT IN

While soft-money contributions to Massachusetts state parties initially declined following the state prohibition of national party soft money, hard-money contributions to both party's federal accounts increased from both 1998 to 2002 and 2000 to 2004. In 2002, the second election cycle after the ban and the first cycle comparable to 1998, the total hard money received by the Massachusetts state party committees was more than twice the 1998 level. Even with a near recovery of soft-money contributions to state parties, federal money receipts continued to grow from 2000 to 2004.

The Massachusetts Republican Party more than tripled its hard-money contributions, from \$1.21 million in 2000 to \$3.95 million in 2004 with 97 percent of the money in 2004 coming from individuals. The state Democratic Party, with \$1.26 million in 2004, nearly doubled its hard money from the \$626,057 raised 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.

With increases in both hard- and soft-money contributions, the Massachusetts state parties had considerably larger treasuries in 2004 than in 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

Compared with the 2000 election cycle, an increase in soft-money contributions to state party committees in 2004 allowed the committees to spend more money all around. The Massachusetts Democratic and Republican parties more than doubled their expenditures in 2004, to a combined \$3.5 million, compared with only \$1.5 million in 2000.

With bigger budgets in 2004, the Massachusetts state party committees spent \$2 million on candidate support, considerably more than the meager \$111,200 doled out in 2000. Increased expenditures for candidate support, including expenses such as mailing, consulting, polling costs and get-out-the-vote efforts, were not unique to 2004. In 2002, the state parties spent nearly \$1.5 million on candidate support, compared with about \$288,300 in 1998.

Although local party committee contributions to the state party committees more than doubled from 2000 to 2004, the state parties gave less to local party committees in 2004. Until 2004, only the Democratic Party contributed to local committees. Then in 2004, the Republican Party gave \$5,160 to local committees while the Democratic Party reduced its giving to only \$440. Such a small amount from the Democratic Party is somewhat surprising, considering the \$9,000 it gave to local committees in 2000, when it operated on a much tighter budget.

TOP BUSINESS AND LABOR CONTRIBUTORS IN MASSACHUSETTS, 1998-2004

CONTRIBUTOR — 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Government Employees/NAGE* (National)	\$15,000	\$0	\$15,000
AFSCME Council 93**	\$14,000	\$0	\$14,000
Massachusetts Laborers District Council/LIUNA*	\$10,000	\$2,500	\$12,500
Boston Carmen's Local 589/ATU	\$10,870	\$0	\$10,870
New England Regional Council of Carpenters/UBC*	\$10,000	\$0	\$10,000
Operating Engineers Local 4/IUOE*	\$10,000	\$0	\$10,000
Utility Workers Local 369/UWA**	\$8,500	\$0	\$8,500
Food & Commercial Workers Local 1445/UFCW	\$8,375	\$0	\$8,375
Mintz Levin PAC*	\$0	\$7,500	\$7,500
Boston Teachers Union*	\$7,250	\$0	\$7,250
CONTRIBUTOR — 2002			
Massachusetts Laborers District Council/LIUNA*	\$15,000	\$10,000	\$25,000
Electrical Workers/IBEW (National)	\$15,000	\$0	\$15,000
AFL-CIO (National)	\$14,999	\$0	\$14,999
AFSCME (National)*	\$14,900	\$0	\$14,900
Massachusetts Extended Care Federation*	\$14,800	\$0	\$14,800
Laborers/LIUNA (National)*	\$14,400	\$0	\$14,400
New England Regional Council of Carpenters/UBC*	\$10,110	\$0	\$10,110
Mintz Levin PAC*	\$5,000	\$5,000	\$10,000
Massachusetts Federation of Teachers/MFT*	\$9,500	\$0	\$9,500
Massachusetts State Council of Service Employees/SEIU*	\$9,500	\$0	\$9,500
CONTRIBUTOR — 2000			
Massachusetts Laborers District Council/LIUNA*	\$5,800	\$6,500	\$12,300
Mintz Levin PAC*	\$5,000	\$7,000	\$12,000
New England Regional Council of Carpenters/UBC*	\$9,500	\$0	\$9,500
AFSCME (National)*	\$6,500	\$0	\$6,500
Communications Workers/CWA (National)	\$5,000	\$0	\$5,000
Food & Commercial Workers/UFCW (National)*	\$5,000	\$0	\$5,000
Government Employees/NAGE (National)*	\$5,000	\$0	\$5,000
Laborers/LIUNA (National)*	\$0	\$5,000	\$5,000
Massachusetts State Council of Service Employees/SEIU*	\$5,000	\$0	\$5,000
Massachusetts Corrections Officers Federal Union/MCOFU	\$4,000	\$0	\$4,000
CONTRIBUTOR — 1998			
Massachusetts Federation of Teachers/MFT*	\$16,850	\$0	\$16,850
AFSCME (National)*	\$14,900	\$0	\$14,900
Massachusetts Laborers District Council/LIUNA*	\$6,600	\$5,000	\$11,600
Food & Commercial Workers/UFCW (National)*	\$10,000	\$0	\$10,000
Mintz Levin PAC*	\$5,000	\$5,000	\$10,000
Massachusetts State Council of Service Employees/SEIU*	\$9,000	\$0	\$9,000
Massachusetts AFL-CIO	\$8,775	\$0	\$8,775
Painters District Council 35/IUPAT	\$6,500	\$0	\$6,500
Boston Teachers Union*	\$5,000	\$0	\$5,000
Government Employees Unit 6/NAGE	\$5,000	\$0	\$5,000
Massachusetts Extended Care Federation*	\$5,000	\$0	\$5,000
Needletrades Industrial & Textile Employees/UNITE!	\$5,000	\$0	\$5,000
Operating Engineers Local 4/IUOE*	\$5,000	\$0	\$5,000

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

** First-time contributor in 2004.

MICHIGAN

By Denise Roth Barber

The two state parties in Michigan failed to fill the gaping \$19.5 million hole left by BCRA's ban on soft money from the national party committees, despite a sharp increase in giving from political candidates. The state legislative caucuses on the other hand, unaccustomed to receiving money from the national committees, were generally unaffected by BCRA.

The Michigan Democratic Party reported raising just under \$3 million of soft money during the 2004 presidential cycle, 82 percent less than the \$16.4 million it reported in 2000.⁵² This major reduction was due primarily to the lack of soft money from the national party committees, whose \$12.2 million in 2000 made up 74 percent of the state party's total contributions.

The Michigan Republican Party didn't fare any better, reporting \$4.9 million in soft money in 2004, \$8.7 million less than the \$13.7 million it reported raising during the 2000 cycle. Once again, the reduction was due primarily to the lack of soft money from the national party committees, which had given \$7.3 million in 2000.

CONTRIBUTIONS TO MICHIGAN POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Michigan Democratic Party	\$4,865,156	\$16,446,000	\$5,569,721	\$2,964,296
Michigan House Democratic Fund	\$1,063,742	\$1,347,233	\$914,553	\$1,921,682
Senate Democratic Fund	\$566,668	\$326,162	\$790,859	\$566,943
TOTAL	\$6,495,566	\$18,119,395	\$7,275,133	\$5,452,921
REPUBLICAN COMMITTEES				
Michigan Republican Party	\$8,375,114	\$13,687,834	\$9,777,625	\$4,928,140
House Republican Campaign Cmte	\$1,602,207	\$2,237,290	\$2,121,847	\$2,311,918
Senate Republican Campaign Cmte	\$1,377,485	\$1,146,596	\$1,676,448	\$1,472,175
TOTAL	\$11,354,806	\$17,071,720	\$13,575,920	\$8,712,233
ELECTION-CYCLE TOTAL	\$17,850,372	\$35,191,115	\$20,851,053	\$14,165,154

With smaller soft-money budgets to work with, the two state party committees also had less to give to both state-level candidates and local party committees. For example, the Michigan Democratic Party gave state candidates about \$78,500 in 2004, less than half the \$176,000 it gave in 2000. Republican candidates saw a much sharper decline in giving from the state party, receiving just \$23,600 in 2004, 11 percent of the \$216,500 they received in 2000.

Local Democratic Party committees were also heavily impacted by BCRA. With much less to give in 2004, the Michigan Democratic Party made no contributions to local party committees. In comparison, it gave about \$333,500 to 22 local Democratic committees during the 2000 election cycle. Local Republican committees, on the other hand, were less affected. In 2004, the state party gave about \$26,000, about one-third less than the \$38,000 it gave in 2000.

⁵² The contributions used in this analysis and reported to the state by the two state party committees are not all the contributions the two state party committees raised. According to Jane Filipiak, analyst with the state's Bureau of Elections, the committees are not required to report the money they raise and put into their administrative accounts, because it is to be spent on "non-political" purposes

There was also a marked difference in how the committees spent their money in the 2004 election cycle. In an earlier study, the Institute found that Michigan's two state political parties bought \$29 million worth of issue ads in 2000, using a combination of soft and hard money sent to them from the national party committees.⁵³ However, without that soft money from the national parties in 2004, the state parties' media programs were basically non-existent. Instead, two independent political action committees (PACs) spent almost \$3 million on broadcast ads that ran in Michigan to influence the outcome of the presidential campaign. Progress for America, a conservative pro-Bush organization, spent \$2.2 million. The Media Fund spent \$722,000 on anti-Bush ads.⁵⁴

WHO GIVES TO THE MICHIGAN STATE PARTIES?

Individual donors, able to make unlimited soft-money contributions to Michigan's party committees and up to \$20,000 each year to legislative caucuses, have always been an important source of funds to the state's party committees, making up 25 percent to 50 percent of the total contributions raised. Even in 2004, when soft-money contributions from individuals were the lowest, the \$7.1 million given by individuals was 50 percent of the total raised.

However, contrary to some predictions that wealthy donors would shift their largesse to the state parties, no major new individual donors appeared in Michigan in 2004. In fact, individual donors as a whole gave \$1.1 million less to the state Republican Party in 2004 than in 2000, and about \$567,000 less to the state Democratic Party.

MAJOR TYPES OF CONTRIBUTORS TO MICHIGAN STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$810,167	\$784,601	\$1,504,779	\$2,101,215
State Leadership Committees	\$302,904	\$408,260	\$1,222,520	\$865,085
In-State Party Committees	\$1,228,195	\$380,854	\$2,185,200	\$313,553
The Main National Party Committees	\$2,112,570	\$19,611,684	\$2,646,820	\$0

NON-PARTY SOURCES				
Individuals	\$7,765,850	\$8,808,579	\$8,156,182	\$7,077,466
Businesses/Special Interests	\$3,231,188	\$3,555,821	\$3,243,665	\$3,007,387
Labor Organizations	\$1,983,766	\$1,512,150	\$1,201,825	\$662,660

Candidate and state leadership committees (PACs connected to state-level officials) were the only two entities that significantly increased their giving in 2004. Democratic candidate committees, in particular, nearly tripled their giving, from \$476,650 in 2000 to almost \$1.5 million in 2004. Republican candidates, by comparison, gave about \$623,000 from their campaign accounts in 2004, more than double the \$308,000 they gave in 2000.

⁵³ This amount was determined using H4 expenditure schedules submitted by state committees to the Federal Election Commission and cross-referencing those with the hard- and soft-money transfers from the national committees, provided by the Federal Election Commission.

⁵⁴ "Electioneering Communications: Outside groups spend millions on ad buys," *Center For Public Integrity* [online]; available from <http://www.publicintegrity.org/527/db.aspx?act=elect&sub=MI>; Internet; accessed June 20, 2005.

Although down from 2002 levels, giving by state leadership committees on both sides of the aisle increased, from about \$408,300 in 2000 to \$865,000 in 2004. Five candidates, in particular, gave substantially through their candidate and leadership committees:

- Democratic Gov. Jennifer Granholm gave \$244,900 to the state Democratic Party through her three committees — the Granholm Leadership Fund, Granholm for Attorney General, and Granholm for Governor. She also gave another \$20,000 to the Michigan House Democratic Fund through her committees.
- House Democratic Leader Dianne Byrum gave about \$161,000 to the three Democratic party committees from her committees — the Byrum Leadership Fund and Citizens for Dianne Byrum.
- Former Speaker of the House Rick Johnson, a Republican who did not seek re-election in 2004, gave \$140,000 to the Michigan Republican Party and the House Republican Campaign Committee through his two committees — Common Cents North and the Committee to Elect Rick Johnson.
- Newcomer Kathy Angerer, who narrowly but successfully ousted incumbent Republican Matt Milosch of House District 55, gave \$100,000 to the Michigan Democratic Party and another \$20,000 to the House Democrats from her campaign account.
- Kwame Kilpatrick, a former Democratic state representative who became mayor of Detroit in 2002, gave \$100,300 from his mayoral campaign to the state party and another \$2,500 to the House Democrats.

Labor unions, on the other hand, long a major donor to the Michigan Democratic Party, gave far less to the state Democratic Party during the 2004 election cycle — just over half a million dollars in 2004 compared with \$1.2 million in 2000. This was due primarily to a reduction in giving by two unions — the Michigan Education Association (MEA) and the International Brotherhood of Electrical Workers (IBEW). The MEA gave the state party just \$10,000 in 2004, compared with \$847,650 in 2000. The IBEW, which gave \$110,500 in 2000, gave just \$250 in 2004.⁵⁵

Contributions from business and special-interest PACs, which can also make unlimited contributions to the state party committees, remained relatively stable over the four election cycles, with a slight decrease in 2004.

Five contributors made the top 10 list in all four election cycles: the Blue Cross Blue Shield of Michigan PAC; DTE Energy's PAC; the Michigan Education Association; the Michigan Trial Lawyers Association; and the Miller Canfield Paddock & Stone PAC. Though not a new donor, the Michigan Manufactured Housing, RV & Campground Association gave substantially more in 2004 than in previous cycles

⁵⁵ This \$250 contribution was reported by the IBEW as an expenditure but not reported by the Michigan Democratic Party, so it presumably was put into the party's administrative account. Contributions to those accounts do not need to be disclosed under Michigan law.

Several individuals were among the top 10 individual donors in more than one cycle. Jay Van Andel, who died in December 2004, was the only major donor among the top 10 in all four election cycles. Van Andel and Richard DeVos Sr., who was among the top 10 in three cycles, founded Amway, a multi-billion dollar direct-sales business based in Michigan. Van Andel and DeVos Sr. also gave \$2 million each to the conservative, pro-Bush Progress for America Voter Fund, which, as noted earlier, spent \$2.2 million on broadcast issue ads promoting President Bush during the 2004 campaign.

Dick DeVos Jr., and his wife, Betsy, also each loaned the state party \$475,000 in early 2003; the party paid the funds back by the end of the election cycle. Dick DeVos recently entered the 2006 governor's race in Michigan, and Betsy DeVos was chairwoman of the Michigan Republican Party during the 2004 election cycle.

Charles Michael Kojaian, a Detroit developer who owns Kojaian Companies, also was among the top 10 in three of the four election cycles. A well-known Republican donor who was a major funder of former Gov. John Engler, Kojaian was also a member of the Bush Pioneers in 2000. The Pioneers were a group of people who each committed to raising at least \$100,000 for Bush's presidential campaign.

HOW HARD MONEY FIT IN

To help offset the loss of national soft money, the Michigan Democratic Party bolstered its efforts to raise more federal, or "hard," money, according to Mark Brewer, chairman of the state party.⁵⁶ During the 2000 election cycle, for example, the party raised just under \$11 million in hard-money contributions, yet it raised more than \$15 million during the 2004 election cycle.⁵⁷ The increase came not from the national party committees, which actually gave less hard money, but rather from individual donors, who gave almost \$7 million in 2004. That's almost triple the \$2.5 million they gave during the comparable 2000 election cycle. BCRA doubled the hard-money contribution limits for individuals giving to state party committees, from \$5,000 per calendar year to \$10,000.

With the influx of additional hard money, the state Democratic Party's non-media program — covering activities such as direct mailings, polling and surveys — was bigger than ever, according to Brewer.

The state GOP, however, did not fill the void by raising more hard money. In fact, the Michigan Republican Party raised \$5.2 million less in hard money during the 2004 cycle. The committee's federal contributions totaled \$7.6 million in 2004, a 41 percent decrease from the \$12.8 million raised in 2000. The decrease was due primarily to individual donors, who gave \$1.6 million less in 2004, and the national parties, which gave \$5 million less.

Even with the additional hard money, the Democratic Party was unable to offset the loss of the national party soft money it had received in the past. The party raised a total of about \$18 million in hard and soft money in 2004, compared with its 2000 total of \$27.4 million. The Republican Party's combined total was \$12.5 million in 2004, compared with \$26.5 million in 2000.

The Institute examined only soft money for its analysis, so the hard-money funds are not reviewed in this report or included in the tables in this chapter.

⁵⁶ Telephone interview, June 21, 2005.

⁵⁷ According to the committee's year-end reports filed with the Federal Election Commission.

HOW THE COMMITTEES SPENT THEIR MONEY

Direct contributions to candidates from the two state party committees represented just a fraction of the party committees' expenses during all four election cycles, in large part because the state limits the amount of money party committees can give to candidates. Michigan sets caps of \$5,000 on party contributions to state House candidates, \$10,000 on contributions to state Senate candidates, and \$68,000 on contributions to most statewide candidates. Gubernatorial candidates who are receiving public funds can receive up to \$750,000.⁵⁸

The two state party committees instead gave candidates financial support indirectly by purchasing advertising, paying for direct mailings, conducting polls and surveys, and paying for staff members, get-out-the-vote efforts and consultants. However, a thorough analysis of how the two state party committees spent their money is difficult, since — despite the fact that the state does not define what is and is not political activity — many expenses fall into the “non-political” realm, and thus go unreported. For example, although the Michigan Republican Party reported raising \$4.9 million in contributions, it only reported spending \$2.4 million. The same was true for the state Democratic Party, which reported spending \$1.2 million of the \$2.9 million it reportedly raised.

The legislative caucuses on the other hand, do not have administrative accounts. Further, caucus committees can give unlimited amounts to legislative candidates, although they are restricted to giving \$34,000 to statewide candidates. Candidate support and administrative expenses, which includes staffing, as well as rent and utilities, topped the list of expenses for these committees in all four election cycles.

⁵⁸ “Political Party Committee Manual,” Michigan Department of State Bureau of Elections [on-line]: available from http://www.michigan.gov/documents/Political_Party_Manual_71270_7.pdf; Internet; accessed July 6, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN MICHIGAN, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Michigan Trial Lawyers Association*	\$479,700	\$0	\$479,700
Blue Cross Blue Shield of Michigan PAC*	\$65,750	\$70,000	\$135,750
DTE Energy PAC*	\$52,200	\$67,400	\$119,600
Michigan Education Association*	\$64,000	\$54,500	\$118,500
Michigan Association of Realtors*	\$25,800	\$82,000	\$107,800
Michigan Manufactured Housing, RV & Campground Association	\$47,500	\$60,000	\$107,500
Miller Canfield Paddock & Stone PAC*	\$29,700	\$62,200	\$91,900
Michigan Auto Workers/UAW*	\$91,250	\$0	\$91,250
Associated Underground Contractors/AUC*	\$25,000	\$50,500	\$75,500
Michigan Auto Dealers Association	\$26,000	\$42,500	\$68,500
CONTRIBUTOR – 2002			
Michigan Education Association*	\$486,700	\$51,000	\$537,700
Michigan Trial Lawyers Association*	\$305,400	\$6,600	\$312,000
Michigan Auto Workers/UAW*	\$195,800	\$0	\$195,800
Blue Cross Blue Shield of Michigan PAC*	\$59,500	\$70,000	\$129,500
Miller Canfield Paddock & Stone PAC*	\$50,000	\$78,000	\$128,000
Electrical Workers/IBEW* (National)	\$122,000	\$0	\$122,000
Michigan Health & Hospital Association*	\$57,850	\$44,300	\$102,150
Comerica Bank PAC	\$11,500	\$86,500	\$98,000
DTE Energy PAC*	\$47,100	\$50,700	\$97,800
Associated Underground Contractors/AUC*	\$20,750	\$70,300	\$91,050
CONTRIBUTOR – 2000			
Michigan Education Association*	\$899,650	\$32,750	\$932,400
Michigan Trial Lawyers Association*	\$871,750	\$0	\$871,750
Electrical Workers/IBEW* (National)	\$129,500	\$0	\$129,500
Emily's List	\$120,000	\$0	\$120,000
Blue Cross Blue Shield of Michigan PAC*	\$43,250	\$73,550	\$116,800
State Bar of Michigan/Lawyers PAC*	\$36,000	\$56,000	\$92,000
Michigan Health & Hospital Association*	\$31,050	\$41,000	\$72,050
Michigan Association of Realtors*	\$11,800	\$58,570	\$70,370
Miller Canfield Paddock & Stone PAC*	\$39,300	\$30,500	\$69,800
DTE Energy PAC*	\$28,000	\$38,450	\$66,450
CONTRIBUTOR – 1998			
Michigan Education Association*	\$1,381,638	\$31,500	\$1,413,138
Michigan Trial Lawyers Association*	\$583,425	\$0	\$583,425
Michigan Auto Workers/UAW*	\$137,225	\$0	\$137,225
Michigan Health & Hospital Association*	\$40,300	\$72,100	\$112,400
Michigan Association of Realtors*	\$27,500	\$83,920	\$111,420
State Bar of Michigan/Lawyers PAC*	\$38,500	\$72,500	\$111,000
AFSCME (National)	\$102,500	\$0	\$102,500
Blue Cross Blue Shield of Michigan PAC*	\$31,500	\$57,450	\$88,950
Miller Canfield Paddock & Stone PAC*	\$21,500	\$67,400	\$88,900
DTE Energy PAC*	\$15,535	\$53,300	\$68,835

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

TOP INDIVIDUAL CONTRIBUTORS IN MICHIGAN, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
DeVos Sr., Richard M.*	FL	Amway	\$1,030,000	R
Van Andel, Jay*	MI	Amway	\$1,025,000	R
Kojaian, C. Michael*	MI	Real Estate	\$120,250	R
Granger, Gary L.*	MI	General Contractors	\$85,000	R
Applebaum, Eugene	MI	Retail Sales	\$80,500	R
Jandernoa, Michael J.*	MI	Pharmaceuticals & Health Products	\$77,000	R
Cummings, Peter D.	MI	Real Estate	\$75,000	R
Cook, Peter C.*	MI	Automotive	\$72,000	R
Haworth, Richard G.	MI	Manufacturing	\$70,200	R
Levy, Edward C.	MI	General Contractors	\$61,000	R
CONTRIBUTOR — 2002				
DeVos Sr., Richard M.*	FL	Amway	\$535,000	R
Van Andel, Jay*	MI	Amway	\$510,000	R
Thompson, Robert M.	MI	Building Materials & Equipment	\$425,200	R
Jandernoa, Michael J.*	MI	Pharmaceuticals/Health Products	\$152,500	R
Huizenga, J. C.*	MI	Securities & Investment	\$144,010	D & R
Secchia, Peter Finley	MI	Forestry & Forest Products	\$135,500	R
Becker, Charles	MI	Securities & Investment	\$125,000	R
Cook, Peter C.*	MI	Automotive	\$110,000	R
Granger, Gary L.*	MI	General Contractors	\$105,100	R
Kohler, Terry J.	WI	Manufacturing	\$102,000	R
CONTRIBUTOR — 2000				
Van Andel, Jay*	MI	Amway	\$400,000	R
Kirsch, Steven T.	CA	Computer Equipment & Services	\$300,000	D
Abraham, S. Daniel	FL	Slim-Fast Foods	\$260,000	D
VanderPol, Ronald	MI	Computer Equipment & Services	\$240,000	R
Kojaian, C. Michael*	MI	Real Estate	\$225,000	R
Levy-Hinte, Jeanne	NY	TV & Movie Production	\$187,000	D
Huizenga, J. C.*	MI	Securities & Investment	\$179,035	D & R
Witt, Ray H.	MI	Manufacturing	\$161,000	R
Frey, David G.	MI	Commercial Banks	\$127,000	R
Gustafson, Alice J.	MI	Beer, Wine & Liquor	\$116,020	R
CONTRIBUTOR — 1998				
Monaghan, Thomas S.	MI	Christian Conservative	\$725,500	R
Kojaian, C. Michael*	MI	Real Estate	\$195,000	R
Danou, Samir A.	MI	Real Estate	\$187,700	D & R
Soave, Anthony	MI	Waste Management	\$170,000	R
Van Andel, Jay*	MI	Amway	\$135,000	R
DeVos Sr., Richard M.*	FL	Amway	\$135,000	R
Gainey, Harvey N.	MI	Trucking	\$130,750	R
Penske, Roger S.	MI	Manufacturing	\$125,000	R
Prince, Elsa D.	MI	Automotive	\$125,000	R
Prechter, Heinz C.	MI	Automotive	\$105,000	R

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

MINNESOTA

By Mark Dixon

During the 2004 election cycle, the first since BCRA's enactment, state-level party committees in Minnesota raised \$4 million less than the nearly \$19 million they raised in 2000. The decrease was due primarily to the loss of \$5.2 million in soft money that came to them in the 2000 election cycle from the national party committees. Although other party sources increased their giving, it was not enough to offset the loss of the national soft money banned by BCRA.

The state GOP fared the worst in the wake of BCRA. Not only was it without the \$2.3 million it had received from the national committees in 2000, but it also lost an additional \$1.4 million from other sources, primarily individual donors and unitemized contributors,⁵⁹ who gave \$1.2 million less in the 2004 election cycle than they had in 2000.⁶⁰

The Minnesota Democratic-Farmer-Labor Party, or state DFL, was without almost \$3 million that it received from the national party committees in 2000, yet its 2004 budget was down by just \$1.1 million, thanks largely to \$1.7 million in contributions from the DFL House Caucus. By comparison, the House Caucus gave just under \$125,000 to the state party in 2000.

The legislative caucus committees of both parties were also included in this study. The DFL Senate Majority Caucus raised less in 2004 than it did in 2000, and the Republican Senate Victory Fund raised slightly more in 2004. The House caucus committee for each party raised more in the 2004 election cycle than in 2000. The increased money going to the House caucuses in the 2004 cycle came from individuals, businesses, labor organizations and contributors who gave less than the minimum required for reporting their names.

CONTRIBUTIONS TO MINNESOTA POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Minnesota DFL Party	\$3,627,955	\$5,157,639	\$14,808,552	\$4,038,227
DFL Senate Majority Caucus	\$260,794	\$1,326,818	\$1,480,609	\$951,051
DFL House Caucus	\$1,520,626	\$1,985,713	\$2,319,982	\$2,562,789
TOTAL	\$5,409,375	\$8,470,170	\$18,609,143	\$7,552,067
REPUBLICAN COMMITTEES				
Minnesota Republican Party	\$5,225,306	\$7,152,249	\$10,442,309	\$3,434,062
Senate Victory Fund	\$619,973	\$814,138	\$881,629	\$888,152
House Republican Campaign Cmte	\$1,117,924	\$2,497,277	\$2,450,071	\$2,932,664
TOTAL	\$6,963,203	\$10,463,664	\$13,774,009	\$7,254,878
ELECTION-CYCLE TOTAL	\$12,372,578	\$18,933,834	\$32,383,152	\$14,806,945

In the presidential-election years of 2000 and 2004, Minnesota voters also elected members of their state House of Representatives and a few Supreme Court justices. They chose their state

⁵⁹ Minnesota political party committees report as unitemized any contributions that do not total more than \$100 from any one contributor. The names and other identifying information for these contributors do not have to be reported under state law.

⁶⁰ The Republican Party of Minnesota reported to the state of Minnesota at least some, if not all, the federal, or hard money, it raised. To the extent the Institute could identify the hard money in the state's database, it was removed.

Senate in the 2000 elections and because of redistricting, elected state senators again in 2002. State senators normally hold office for four years, so no senators were elected in 2004.

The 2002 elections were a big year politically in Minnesota, and the giving to party committees reflected that. At the state level, elections were held for the Legislature, an open governor's seat, and several other statewide offices. The election also featured a heated U.S. Senate race in which Republican Norm Coleman beat out former Democratic Vice President Walter Mondale, who stepped into the race after two-term incumbent Paul Wellstone died in a plane crash while campaigning. The high stakes of the 2002 Minnesota elections are reflected in the large amounts of money that flowed to the parties in that election cycle — \$32.4 million for the six committees combined, by far the highest amount in the study period.

WHO GIVES TO THE MINNESOTA STATE PARTIES?

The 2004 election cycle showed increased giving by party sources to offset the loss of soft money from the national party committees, while non-party sources — particularly individuals and labor unions — actually decreased their contributions.

In-state party committees, in particular, stepped up to the plate, giving \$2.1 million to the six state party committees in 2004, compared to just \$1.1 million in 2000. Much of this money came from the legislative caucuses and went to the main state party committees. For example, the Minnesota DFL Party received \$1.7 million from the DFL House Caucus and about \$220,000 from the DFL Senate Majority Caucus in 2004. In 2000, the two Democratic legislative caucuses gave \$413,700 to the Minnesota DFL Party, which gave \$481,500 to the legislative caucuses in return.

Out-of-state party committees also significantly increased their giving, from \$132,250 in the 2000 election cycle to nearly \$619,900 in 2004, more than a four-fold increase. The increase came primarily from three committees that gave solely to the Minnesota DFL:

- The 21st Century Democrats, a national organization that works to get progressives elected to all levels of government,⁶¹ gave \$408,374. This group is currently fighting a \$440,000 fine by the Minnesota Campaign Finance and Public Disclosure Board over its campaign-finance disclosure practices.⁶²
- Grassroots Democrats gave \$75,000. The group was formed in response to BCRA to raise soft money for and provide technical assistance to state Democratic Party committees in 2003 and 2004, especially in the 15 to 20 battleground states expected to attract the most attention and resources.⁶³
- The South Dakota Democratic Party gave \$126,500.

⁶¹ 21st Century Democrats [on-line]; available from <http://www.21stcenturydems.org>; Internet; accessed June 28, 2005.

⁶² Associated Press, "Political group to be allowed to contest Minnesota fine," *Star Tribune*, July 20, 2005 [newspaper on-line]; available from <http://www.startribune.com/stories/587/5516682.html>; Internet; accessed July 27, 2005.

⁶³ Grassroots Democrats [on-line]; available from <http://www.grassrootsdemocrats.com/aboutus.asp>; Internet; accessed June 28, 2005.

The nearly \$609,000 from these three committees went a long way towards filling the hole left by BCRA's ban on soft money to and from the national party committees.

Democratic candidates also gave more of their own money to the state parties in 2004, with contributions totaling \$362,260, or 69 percent more than the nearly \$215,000 they gave in 2000. Most of the money in 2000 came from Democratic U.S. Senate candidate Mark Dayton, an heir to the Dayton Hudson Corp. retail sales fortune; he gave \$212,000 to Minnesota state Democratic parties. In the 2004 election cycle, two candidates were responsible for most of the personal funds given by candidates. Mark Dayton, who won his 2000 Senate race, gave \$151,000, while State Rep. Matthew K. Entenza, an attorney and the DFL House leader, gave about \$176,700. Both gave to the state party as well as to the DFL House Caucus.

MAJOR TYPES OF CONTRIBUTORS TO MINNESOTA STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
In-State Party Committees	\$1,022,555	\$1,159,625	\$1,847,184	\$2,078,087
Out-of-State Party Committees	\$100,000	\$132,250	\$657,750	\$619,874
Candidate Committees	\$546,746	\$421,707	\$568,440	\$486,769
Candidates' Own Money	\$51,468	\$250,761	\$215,930	\$379,835
The Main National Party Committees	\$1,888,254	\$5,224,337	\$18,226,280	\$0
NON-PARTY SOURCES				
Unitemized Contributions	\$4,254,622	\$5,331,320	\$1,690,836	\$5,426,226
Individuals	\$2,224,724	\$3,756,825	\$3,792,867	\$2,810,150
Businesses/Special Interests	\$1,140,336	\$1,221,858	\$1,907,289	\$1,862,596
Labor Organizations	\$1,143,906	\$1,373,767	\$3,084,785	\$1,143,408

Total contributions from individuals declined in 2004, and the big givers were giving less. In 2004, the top 10 individual contributors gave \$795,275 combined, substantially less than the \$1.45 million given by the top 10 individual contributors in 2000.

However, two new large individual contributors to Minnesota party committees emerged in the 2004 election cycle. Darrell Amiot, founder and CEO of Amiot Financial Group, gave \$50,000 to the Minnesota Republican Party. And Lois E. Quam — wife of DFL House Leader Matt Entenza and chief executive of Ovations, a UnitedHealth Group company — gave \$75,000 to the Minnesota DFL Party and \$75,000 to the DFL House Caucus.

Entenza and Quam made Minnesota political news and drew Republican ire with their large but legal contributions to the Minnesota Democratic committees late in the 2004 election cycle. Together they gave more than \$300,000 in cash and in-kind contributions to the Minnesota DFL Party and the DFL House Caucus. They also gave \$300,000 under Entenza's name to the 21st Century Democrats, the Democratic 527 group active in Minnesota in the 2004 cycle,⁶⁴ for combined party and 527 giving of more than \$600,000. Entenza has led the charge to narrow the

⁶⁴ Associated Press, "Political group to be allowed to contest Minnesota fine," *Star Tribune*, July 20, 2005 [newspaper on-line]; available from <http://www.startribune.com/stories/587/5516682.html>; Internet; accessed July 27, 2005.

Republican dominance of the Minnesota House;⁶⁵ after the 2004 elections, the DFL was in the minority by only two seats.

The list of top business and labor contributors for 2004 was made up almost entirely of organizations that had made the top contributor list in other election cycles.

HOW HARD MONEY FIT IN

The Minnesota parties also raised hard money that they reported to the Federal Election Commission. The Minnesota Republican Party increased its hard-money take from \$5.8 million in the 2000 cycle to \$8.2 million in 2004. The portion of that hard money that came from individual contributors went from \$4.3 million in 2000 to \$6.7 million in the 2004 cycle.

The Minnesota DFL Party raised \$3.99 million in hard money in the 2000 election cycle and \$5.5 million in the 2004 election cycle. Individual contributions of hard money went from \$1 million in 2000 to \$2.3 million in the 2004 cycle.

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.

The higher amount of hard money the Minnesota DFL Party brought in during the 2004 election cycle did help make up for the lesser amount of soft money it raised. When the hard money it reported to the FEC is added to the soft money it reported to the state, it raised \$9.5 million in 2004, compared with \$9.2 million in 2000. However, the Minnesota Republican Party's combined hard and soft money totaled \$11.6 million in 2004, down from the \$13 million in hard and soft money it raised in the 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

Expenditures by all six party committees were combined and grouped by spending category to make some comparisons from one election cycle to another. With the exception of administrative expenses, spending was down in the 2004 cycle. The amount spent on broadcast media dropped to about \$712,000 in 2004 from \$1.5 million in 2000. Spending in the form of candidate support was down as well, from \$4.1 million in 2000 to \$3.5 million in 2004.

Contributions that the parties gave to state candidates totaled \$246,250 in the 2000 election cycle and dropped to \$13,600 in the 2004 election cycle.

Expenditures identified as transfers to the parties' federal accounts decreased dramatically, as well. They transferred \$6.6 million in 2000, and \$2 million in 2004.

⁶⁵ Dave Beal, "Fortune and Family: UnitedHealth executive Lois Quam is a powerful force in the business and politics of health care," *St. Paul Pioneer Press*, Dec. 5, 2004, sec. D, p. 1.

TOP BUSINESS AND LABOR CONTRIBUTORS IN MINNESOTA, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Shakopee Mdewakanton Sioux Community*	\$241,200	\$0	\$241,200
Lakes & Plains Council of Carpenters & Joiners *	\$189,150	\$0	\$189,150
Education Minnesota*	\$170,550	\$6,750	\$177,300
Prairie Island Indian Community*	\$142,450	\$10,000	\$152,450
Mille Lacs Band of Chippewa Indians	\$85,000	\$5,350	\$90,350
AFSCME Council 14*	\$85,500	\$2,500	\$88,000
Faegre & Benson*	\$43,400	\$44,500	\$87,900
Operating Engineers Local 49/IUOE	\$83,570	\$0	\$83,570
Lower Sioux Political Education Fund*	\$82,000	\$0	\$82,000
Minnesota Trial Lawyers Association*	\$69,239	\$11,000	\$80,239
CONTRIBUTOR – 2002			
AFSCME Council 14*	\$602,050	\$0	\$602,050
Education Minnesota*	\$407,150	\$23,250	\$430,400
Service Employees/SEIU (National)	\$252,000	\$0	\$252,000
Laborers District Council of MN & ND/LIUNA*	\$177,500	\$0	\$177,500
Prairie Island Indian Community*	\$116,250	\$38,000	\$154,250
Shakopee Mdewakanton Sioux Community*	\$137,600	\$0	\$137,600
Minnesota State Auto Workers/UAW	\$129,400	\$0	\$129,400
Communications Workers/CWA (National)	\$125,000	\$0	\$125,000
Lakes & Plains Council of Carpenters & Joiners *	\$121,500	\$0	\$121,500
Minnesota AFL-CIO*	\$119,900	\$0	\$119,900
CONTRIBUTOR – 2000			
Education Minnesota*	\$230,700	\$78,750	\$309,450
Electrical Workers/IBEW (National)	\$176,750	\$0	\$176,750
Minnesota AFL-CIO*	\$110,150	\$0	\$110,150
Lakes & Plains Council of Carpenters & Joiners *	\$100,000	\$0	\$100,000
Laborers District Council of MN & ND/LIUNA*	\$92,700	\$0	\$92,700
Minnesota Association of Realtors	\$34,000	\$49,500	\$83,500
AFSCME Council 14*	\$78,500	\$0	\$78,500
Faegre & Benson*	\$39,000	\$37,500	\$76,500
Lower Sioux Political Education Fund*	\$50,250	\$5,000	\$55,250
Minnesota Trial Lawyers Association*	\$37,850	\$15,250	\$53,100
CONTRIBUTOR – 1998			
Education Minnesota*	\$350,426	\$30,000	\$380,426
Minnesota Federation of Teachers/MFT	\$98,875	\$0	\$98,875
Minnesota Trial Lawyers Association*	\$47,950	\$29,900	\$77,850
AFSCME (National)	\$75,155	\$0	\$75,155
Shakopee Mdewakanton Sioux Community*	\$58,500	\$0	\$58,500
Prairie Island Indian Community*	\$58,000	\$0	\$58,000
Robins Kaplan Miller & Ciresi/RKM&C Fund	\$56,500	\$0	\$56,500
MultiHousing PAC	\$25,750	\$27,400	\$53,150
Faegre & Benson*	\$31,000	\$21,900	\$52,900
Committee of Automobile Retailers/CAR	\$29,150	\$20,650	\$49,800

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

TOP INDIVIDUAL CONTRIBUTORS IN MINNESOTA, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Quam, Lois E.**	MN	Insurance	\$150,000	D
Taylor, Glen	MN	Printing & Publishing	\$140,000	R
Opperman, Vance K.*	MN	Securities & Investments	\$91,000	D
Lowe, Thomas*	MN	Building Materials & Equipment	\$80,000	R
Koch, David A.*	MN	Manufacturing	\$77,500	R
Messinger, Alida R.*	NY	Nonprofit Institutions	\$65,000	D
Amiot, Darrell**	MN	Securities & Investments	\$50,000	R
Cummins, Robert*	MN	Computer Equipment & Services	\$50,000	R
Hamm, Edward H.*	MN/FL	Oil & Gas	\$48,000	R
Haselow, Robert E.	MN	Health Professional	\$43,775	D & R
CONTRIBUTOR — 2002				
Cowles Jr., John*	MN	Printing & Publishing	\$225,600	D & R
Opperman, Vance K.*	MN	Securities & Investments	\$165,500	D
Koch, David A.*	MN	Manufacturing	\$132,500	R
Lowe, Thomas*	MN	Building Materials & Equipment	\$103,000	R
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$100,000	D
Hamm, Edward H.*	MN	Oil & Gas	\$95,600	R
Messinger, Alida R.*	NY	Nonprofit Institutions	\$65,000	D
Cummins, Robert*	MN	Computer Equipment & Services	\$60,000	R
Muller, Robert	DC	Vietnam Veterans Foundation	\$60,000	D
Robert, Janet	MN	Lawyers & Lobbyists	\$51,000	D
CONTRIBUTOR — 2000				
Opperman, Vance K.*	MN	Securities & Investments	\$375,500	D
Eibensteiner, Ronald	MN	Securities & Investments	\$226,000	R
Cummins, Robert*	MN	Computer Equipment & Services	\$135,000	R
Messinger, Alida R.*	NY	Nonprofit Institutions	\$115,000	D
Dayton, Bruce B.	MN	Finance	\$109,000	D & R
Fayfield, Robert W.	MN	Construction Services	\$101,000	R
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$100,000	D
Evenstad, Kenneth L.	MN	Pharmaceuticals & Health Products	\$100,000	R
Krause, Chester	MN	Printing & Publishing	\$100,000	R
Cowles Jr., John*	MN	Printing & Publishing	\$92,350	D & R
CONTRIBUTOR — 1998				
Opperman, Vance K.*	MN	Securities & Investments	\$243,640	D
Evenstad, Grace	MN	Beer, Wine & Liquor	\$100,000	R
Cummins, Robert*	MN	Computer Equipment & Services	\$90,000	R
Fayfield, Robert W.	MN	Construction Services	\$75,000	R
Glaefke, Brook W.	MN	Nonprofit Institutions	\$62,000	D
Whitney, Wheelock	MN	Securities & Investments	\$60,500	R
Messinger, Alida R.*	NY	Nonprofit Institutions	\$50,000	D
Kazeminy, Nasser J.	MN	Commercial Banks	\$50,000	R
Rechelbacher, Horst	WI	Aveda Products	\$50,000	D
Burwell, Barbara	MN	Manufacturing	\$48,000	R

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

** First-time contributor in 2004.

MISSOURI

By Linda Casey

Big money still found its way into Missouri politics in 2004 despite BCRA's attempt to curb its influence. When the millions of dollars state party committees typically counted on from the national parties were no longer available, the Missouri committees filled the gap with new money from business, labor and other party sources. They easily replaced national party contributions that had reached nearly \$15 million in 2000, the comparable presidential-election cycle.

Missouri's two state party committees and four legislative caucus committees raised \$27 million in the 2004 election cycle — nearly \$2.8 million more than they raised in 2000. The Democratic committees increased their funds by nearly 6 percent and the Republican committees by 21 percent. Despite the impressive increase overall, contributions to both state parties declined. The Democrats dropped by \$90,000, and the Republicans raised \$1 million less in 2004 than in 2000.

But the big jump in overall dollars came from the legislative caucuses' fund raising. Unaffected by the provisions of BCRA, these committees increased their bank accounts dramatically from 2000 to 2004. Democrats more than doubled their totals while Republicans increased theirs by slightly more than six times. The increase of nearly \$1 million for the Democratic caucus committees came primarily from in-state party committees, businesses and labor organizations, while business interests and individuals increased their giving to the GOP caucuses to account for their \$3 million increase.

CONTRIBUTIONS TO MISSOURI POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Missouri Democratic Party	\$2,907,145	\$14,832,287	\$12,182,581	\$14,738,101
Democratic Senatorial Cmte	\$773,205	\$463,186	\$1,915,342	\$796,414
House Democratic Campaign Cmte	\$915,544	\$354,514	\$2,031,298	\$1,051,550
TOTAL	\$4,595,894	\$15,649,987	\$16,129,221	\$16,586,065
REPUBLICAN COMMITTEES				
Missouri Republican Party	\$1,681,988	\$8,528,644	\$10,746,310	\$7,438,877
Senate Majority Fund	\$266,840	\$354,514	\$965,658	\$1,473,539
House Republican Campaign Cmte	\$1,226,979	\$229,140	\$1,467,825	\$2,065,501
TOTAL	\$3,175,807	\$9,112,298	\$13,179,793	\$10,977,917
ELECTION-CYCLE TOTAL	\$7,771,701	\$24,762,285	\$29,309,014	\$27,563,982

The overall increase in giving to party committees raises several questions: Who picked up the slack when national soft money was out of the picture? What was going on that received enough attention to help the parties close the gap? And, the bigger question: Was the increase in response to BCRA's restrictions or were other circumstances responsible?

A number of factors were at work in Missouri:

- A closely watched race for the governor's office gained the attention, and financial backing, of the national committees that support gubernatorial campaigns for both parties. The Missouri parties topped

the list of recipients for both the Republican Governors Association (RGA) and Democratic Governors Association (DGA).⁶⁶

- Proposed limits on liability in lawsuits, or so-called “tort reform,” gained the attention of attorneys, law firms and their associations and with it brought huge increased contributions, some for the first time.⁶⁷
- Labor contributions to Democrats more than tripled, spurred by concerns that organized labor would lose ground on important issues, especially collective bargaining for public employees, if Republicans increased their legislative majority and took the governor’s mansion.⁶⁸
- Business, special-interest and in-state party giving more than doubled.
- Overall contributions from individuals were up 23 percent, with GOP committees benefiting to a greater degree than Democratic committees.
- Local party committee contributions to state parties jumped from just under \$38,000 to nearly \$1.4 million.
- So-called “small donor” dollars accounted for 11 times more money in 2004 than in 2000. These were contributions below \$100, and under Missouri law, the committees did not have to report the contributors’ names or other identifying information.

WHO GIVES TO THE MISSOURI STATE PARTY COMMITTEES?

Every type of contributor increased soft-money giving to state party committees between 2000 and 2004, except the national party committees, which no longer had soft money to give.

MAJOR TYPES OF CONTRIBUTORS TO MISSOURI STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Out-of-State Party Committees	\$352,000	\$1,002,500	\$0	\$4,828,322
In-State Party Committees	\$1,251,312	\$1,235,138	\$3,047,752	\$4,147,753
Candidate Committees	\$585,826	\$549,452	\$1,005,418	\$1,103,021
The Main National Party Committees	\$1,040,927	\$14,660,233	\$13,879,611	\$0
NON-PARTY SOURCES				
Businesses/Special Interests	\$3,291,324	\$3,473,200	\$6,314,225	\$9,805,968
Labor Organizations	\$246,185	\$1,558,575	\$1,505,540	\$4,835,290
Individuals	\$905,965	\$2,077,517	\$2,301,858	\$2,563,415
Unitemized Contributions	\$11,779	\$7,082	\$147,836	\$80,139

⁶⁶ Kevin Bogardus, “Old Parties Learn New Tricks,” *Party Lines*, Center for Public Integrity [on-line]; available from <http://store.publicintegrity.org/partylines/report.aspx?aid=691>; Internet; accessed June 3, 2005.

⁶⁷ Virginia Young, “In Uphill Battle to Reclaim Majority, Democrats Will Court Rural Voters,” *St. Louis Post Dispatch*, Sept. 1, 2004, sec. Metro.

⁶⁸ Telephone interview with Corey Dillon, executive director of the Missouri Democratic Party, June 13, 2005.

Out-of-State Party Committees

Out-of-state party committees increased their giving by nearly five times between 2000 and 2004. The two governors' associations were responsible for nearly all of the increased activity by out-of-state party committees in 2004, filling the soft-money gap created by BCRA with nearly \$5 million. Until 2004, when it gave \$1.8 million, the RGA had not participated in Missouri politics. And while the DGA gave \$702,500 in 2000, that amount paled in comparison to the impressive \$3 million it gave in 2004.

With a hotly contested and costly 2004 gubernatorial race unfolding in Missouri, the DGA and the RGA stepped up big time. Eager to influence the outcome of the gubernatorial race, the two committees put Missouri at the top of their respective lists. The race pitted Republican Matt Blunt, the secretary of state and son of four-term Congressman Roy Blunt, against Democrat Claire McCaskill, who was serving as the state auditor and who had defeated incumbent Gov. Bob Holden in the Democratic primary. Blunt won the race with just 51 percent of the vote. At the same time, Missouri helped re-elect President Bush and sent Blunt's father to a fifth term in Congress.

Despite Blunt's advantages, the RGA took no chances in the gubernatorial race, giving more money to the Missouri Republicans than to any other state party committee.

In response to new contribution limits curbing the amount of money that state political parties could give directly to candidates, the two parties put little of their funds into direct contributions to the two gubernatorial candidates. The Missouri GOP gave Blunt only \$29,843 in monetary and in-kind contributions, while the Missouri Democrats gave McCaskill \$24,000 after she won the primary election. The Democrats simply changed strategies and turned to using independent expenditures, making payments directly to a vendor independent of but on behalf of a candidate. Such expenditures ranged from broadcast media to mailings and yard signs. Republicans, who raised less and spent less in 2004, still took the governor's mansion. "We just got more efficient" in deciding how to spend money, explained Jeffrey Buker, chief operations officer of the Missouri Republican Party.⁶⁹

Corey Dillon, executive director of the Missouri Democratic Party, explained that after giving close to the maximum allowed in direct contributions, the Democratic Party used independent expenditures to support McCaskill.⁷⁰ "Instead of contributing directly, we do everything with independent expenditures," she said. The state party's campaign-finance reports show it spent nearly \$4.8 million specifically for McCaskill.

The Republican Party reports show only a direct contribution of \$5,838 to Blunt. No expenditures are noted as specific to his election. When asked if independent expenditures were made on Blunt's behalf, Mr. Buker said he "would have to go back and look," adding that those decisions are made by a "team of lawyers and accountants." After BCRA, Buker said, the Republican Party's reporting and fund-raising activities were "outsourced."

The story was far different in the 2000 gubernatorial race, when state law still allowed political parties to make unlimited contributions. Both gubernatorial candidates received direct support from the state parties. The Democratic candidate, Bob Holden, won the open seat vacated by then-Gov. Mel Carnahan, a Democrat who chose to run for the U.S. Senate. The state Democratic Party

⁶⁹ Telephone interview, July 7, 2005.

⁷⁰ Telephone interview, June 13, 2005.

bolstered Holden’s war chest, giving \$3 million of his \$9.7 million. Republican Jim Talent received \$1.2 million from the state party, to bring his fund-raising total to \$8.4 million.

Local Party Committees

Missouri’s local party committees gave substantially more in 2004 than in past election cycles. Contributions from local Democratic Party committees increased from about \$12,200 to more than \$940,000 between 2000 and 2004. Less impressive, but significant, was the giving by the local Republican committees, which increased their contributions from \$25,400 to \$444,800.

Local party committees, often affiliated with the state party but recognized as separate political parties, can still accept unlimited contributions. Missouri state law limits the amount of money individuals, PACs and corporations can give per election to candidates — \$1,210 to statewide candidates, \$600 to Senate candidates, and \$300 to House candidates. But political parties are allowed to give 10 times that amount to candidates each election in both direct cash contributions and in-kind or non-monetary contributions or services. That means political parties can give a candidate for governor \$12,100 in cash and \$12,100 in in-kind goods or services in both the primary and general elections, for a total of \$48,400 in the election cycle

Consequently, local parties were elevated to a new status, making them the perfect spot for big donors to send more money and giving all party committees the potential for tremendous financial power and influence. The *St. Louis Post-Dispatch* noted that the higher limits have “transformed obscure local committees into funnels of cash for big contributors who have already given the maximum amount to candidates.”⁷¹ The article notes that the Missouri Ethics Commission now lists 246 party committees raising campaign funds, compared with 103 a decade earlier. Apparently, it didn’t take long for big contributors to see where their large contributions could go.

And it didn’t take long for the local committees to capitalize. While several committees contributed to the spike in donations the state parties received from local party committees, four led the way with extraordinary increases in their contributions, as detailed below.

COMMITTEE	1998	2000	2002	2004
90 th Democratic Legislative District Cmte	\$0	\$0	\$2,000	\$672,500
St. Louis County Democratic Central Cmte	\$0	\$200	\$0	\$140,000
7 th Republican Congressional District Cmte	\$0	\$5,000	\$0	\$200,000
6 th Republican Congressional District Cmte	\$0	\$0	\$800	\$80,300

Reports filed by the four local committees with the Missouri Ethics Commission show where they got their money and where they spent it.⁷²

- The 90th District committee — established in 2002 and affiliated with state House Minority Leader Rick Johnson — raised a little more than \$1.1 million, with \$835,000 coming from Safer Families for Missouri PAC, a group described by the *St. Louis Post Dispatch* as a committee “funded by plaintiff attorneys.”⁷³ Legislation limiting liability in lawsuits was vetoed by then-Gov. Bob Holden, a Democrat, in 2002,

⁷¹ Virginia Young, “Firms Aiding Parties Skirt Limits,” *St. Louis Post-Dispatch*, June 13, 2004, sec. NewsWatch.

⁷² Missouri Ethics Commission [on-line]; available from <http://www.moethics.mo.gov/Ethics/Generalinfo/Generalinfo.aspx>; Internet; accessed June 6, 2005.

⁷³ Virginia Young, “In Uphill Battle to Reclaim Majority, Democrats Will Court Rural Voters,” *St. Louis Post Dispatch*, Sept. 1, 2004, sec. Metro.

but became one of the first bills signed by Republican Gov. Blunt after he took office in 2005.

- The St. Louis County Democratic Central Committee raised nearly \$334,000. Another local committee, the 2nd District Congressional Democrats from Manchester, Mo., gave an impressive \$165,000 to the St. Louis County committee.
- The 7th Republican Congressional District Committee raised about \$554,300. Big contributors included Jerry D. and Patricia W. Hall of Monett, Mo. Mr. Hall is vice chairman of Jack Henry and Associates, a company that provides technology systems for financial institutions. The Halls contributed \$65,000 each to the local committee but do not appear as direct contributors to state party or caucus committees. The Altria Corp., the parent company of tobacco giant Philip Morris, gave \$100,000 to the 7th District committee and also shows up as a direct contributor to both state party committees in 2004.
- The 6th Republican Congressional District Committee raised almost \$506,000. The Graves for Congress Committee gave \$160,000 to this committee; the Herzog Contracting Corp. of St. Joseph, Mo., gave \$92,000; and the Missouri Freedom PAC, mentioned earlier, shows up in the 6th District reports as a \$27,000 contributor. The Herzog Corp. also gave \$37,500 directly to the Republican Party.

Other local party players, shown in the following chart, were new to the game and became first-time contributors in 2004. Additionally, a number of first-time givers came forward with impressive one-time contributions of \$5,000 and even \$10,000.

COMMITTEE	AMOUNT
18 th Republican Legislative District Committee	\$43,000
15 th Republican Senatorial District Committee	\$30,200
4 th Democratic Senatorial District Committee	\$21,200
1 st Democratic Senatorial District Committee	\$10,500

Businesses and Special Interests

Businesses and special-interest groups nearly tripled their giving in 2004, but little changed in the makeup of their top contributors. The top 10 list from election cycle to election cycle shows some groups simply traded positions on the list, while others moved out of the top 10 but were not out of the game. Newcomers showed up, as well. But nearly all of those in the top 10 spots in 2004 were familiar faces from previous cycles. Interestingly, 39 of the top 50 contributors in 2004 gave more in that one election cycle than the previous three cycles combined.

As noted earlier, tort reform was a hot issue in Missouri, and it gained the attention of trial lawyers in a big way. Not only did the trial lawyers association come forward with huge contributions to the local party committees, the issue brought additional contributions to the state party committees. Three committees opposed to the legislation showed up for the first time giving directly to both political parties. The Missouri Association of Trial Attorneys (MATA) made its way into the list of top 10 business and labor contributors. Safer Families for Missouri, the PAC mentioned earlier, also gave to the state Democrats. A third PAC, called Freedom PAC, gave to

the Republican Party. According to Sara Schuett, assistant treasurer of both MATA and Safer Families, the Freedom PAC was created to help Republican candidates “who were friendly in some way” to issues important to trial lawyers, including opposition to tort reform. Ms. Schuett said the contributions from trial attorney associations had “absolutely nothing to do with (BCRA). It had to do with the governor’s race.”⁷⁴

MATA and various law firms were responsible for part of the increased contributions between 2000 and 2004. Law firm contributions increased from about \$600,000 in 2000 to more than \$3 million in 2004, with several firms substantially increasing their contributions. Also worthy of mention are the immediate past president of MATA, Gary C. Robb, and his wife, Anita Porte Robb. The Robbs and their law firm, Robb & Robb, are consistent financial supporters of both Democratic committees and candidates in nearly every cycle. In fact, Anita Robb was the second-largest individual contributor to party committees in 2004.

Labor

Organized labor has always had a financial presence in Missouri politics and has remained a faithful contributor to Democrats. But like business and special-interest contributors, labor gave even more generously in 2004. Contributions totaled nearly \$5 million, up from \$1.6 million in 2000, and accounted for about 59 percent of the \$8 million that labor has given state party committees in the past four election cycles.

Corey Dillon, the Missouri Democratic Party’s executive director, said the party did not seek labor money to fill the BCRA gap. Instead, labor giving increased because unions wanted to counter the increasing legislative majority of the Republican Party and feared losing the governor’s mansion.⁷⁵ Organized labor believed issues important to workers would suffer under Republicans. Their fears were realized when public employees saw their collective bargaining rights removed by Republican Gov. Blunt. A January 2005 *New York Times* article noted that “... labor suffered a further setback this month when the new Republican governors of Indiana and Missouri ordered an end to collective bargaining rights for state employees.”⁷⁶

With the governor’s office hanging in the balance in 2004, public employee unions stepped up with huge increases in their giving. The American Federation of State, County and Municipal Employees (AFSCME) international union, an active contributor every cycle, more than tripled its combined contributions in 1998, 2000 and 2002. The state AFSCME affiliate, which gave no money in 1998 or 2002 and only \$180 in 2000, leaped to an impressive \$325,000 in 2004. And the Service Employees International Union (SEIU) doubled its previous three-cycle contribution total, giving \$910,000.

Candidate Committees

Candidates also nearly doubled the contributions they gave from their campaign accounts between 2000 and 2004. In 2004, the top candidate committee contributions came from past and current gubernatorial candidates — \$165,000 to the Missouri Republican Party from losing 2000 gubernatorial candidate Jim Talent’s committee and \$101,320 to the Democratic Party from Claire McCaskill’s committee.

⁷⁴ Telephone interview, June 29, 2005.

⁷⁵ Telephone interview, June 13, 2005.

⁷⁶ Steven Greenhouse, “Membership In Unions Drops Again,” *New York Times*, Jan. 28, 2005, sec. A, p. 20.

Individual Contributors

While other contributor groups increased their giving significantly, individuals did so to a much lesser extent. The top 10 individual contributors in 2004 account for only 3 percent of the \$27 million in overall contributions to party committees, compared with nearly 5 percent of the \$25 million total in 2000. Yet overall giving by individuals was up 23 percent, from almost \$2.1 million in 2000 to \$2.56 million in 2004.

However, individual donors did not give more money to Democratic committees in 2004. Their contributions dropped by 28 percent, from \$1.7 million in 2000 to \$1.2 million in 2004. Republicans, on the other hand, received a boost from individual contributors in 2004. Individuals accounted for only \$404,200 in 2000, but more than tripled their giving to \$1.4 million in 2004.

While some familiar faces remained in the top spots, they did not increase their contributions. Some observers predicted BCRA would prompt big donors, who could no longer give soft money to the national party committees, to spread their dollars among the state party committees. That didn't happen in Missouri, despite the vulnerability of an incumbent governor and a close general election gubernatorial race. Only two first-time donors appeared in the top contributor list: David Humphreys of Tamko Roofing Products in Missouri gave \$80,000 to Republican committees, and James B. Nutter Jr., a Missouri mortgage broker, gave \$65,000 to Democratic committees.

Out-of-State Money

Fewer out-of-state contributors were in the top 10 in 2004 than in 2000. In 2000, out-of-state money from individuals accounted for 80 percent of the amount given by the top 10 contributors. In 2004, that figure plunged to 11 percent. In fact, only one out-of-state donor was a top contributor in 2004, compared with six in 2000. The lone out-of-state giver making the top 10 was Capitol Group financial advisor Gregory W. Wendt of California.

Small Contributions

Unitemized contributions — those political gifts that are below the state's \$100 threshold for reporting the names of contributors — increased dramatically in the 2004 cycle as compared to the 2000 cycle.

Washington Post columnist David Broder pointed out that BCRA “did not, as many of us critics feared, weaken political parties or stifle political debate. Instead, it played at least a supportive role in the greatest upsurge ever recorded in the number of small contributors.”⁷⁷

Apparently the Missouri parties took a page from the national party playbook, using similar strategies to increase their campaign coffers, such as seeking contributions from many small donors. The amount raised through unitemized contributions rose from \$2,600 in 2000 to about \$15,500 in 2004 for Democratic Party committees and from about \$4,500 to \$64,700 for Republican Party committees. The substantial increase is an indication the state parties may have exercised a more energetic fund-raising strategy, especially at the grassroots level.

⁷⁷David Broder, “Giving small donors a bigger voice,” *Kansas City Star*, Feb. 7, 2005, sec. B, p. 5.

HOW HARD MONEY FIT IN

Along with the decline of soft-money contributions, both Missouri state parties saw a decrease in federal or “hard” dollars they received from the national party committees. Hard-dollar contributions from individuals were down, as well. The Missouri Democratic Party’s hard-money bank account felt the larger hit, dropping from just over \$6.5 million in 2000 to \$3.1 million in 2004. The Missouri Republican Party dropped from \$7.4 million to \$4.7 million.

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.

Both parties had less money to work with, but as Jeffrey Buker of the Missouri Republican Party put it, “we just got more efficient.” His Democratic counterpart, Corey Dillon, had a similar comment: “We just have to be careful and efficient with the money we have.”

HOW THE COMMITTEES SPENT THEIR MONEY

Both parties tightened their belts, decreasing their overall spending. But as would be expected, the largest expenditures for both parties were in the areas of printing, broadcast media, consulting and administrative costs, especially campaign staff salaries. The Missouri Democratic Party’s spending levels decreased between 2000 and 2004 — from \$19.7 million to \$14.4 million. Similarly the Republican Party’s spending dropped from \$11 million to \$7.8 million.

The parties’ direct contributions to candidate committees dropped significantly, accounting for more than \$3.6 million of the decrease in spending for Democrats and \$1.9 million for Republicans. But both parties increased their support to local party committees. Party-building efforts, particularly get-out-the-vote efforts, were put on the back burner by both state parties while they increased contributions to their local party partners and used their limited budgets to support their party’s choice for governor. The Democrats shifted expenditures to allow for more than \$5 million on McCaskill’s behalf — increasing their printing costs by \$4.7 million and doubling their direct mail expenditures. The Missouri Republican Party, having raised less in 2004 than in 2000, cut its broadcast media budget by more than 50 percent.

TOP BUSINESS AND LABOR CONTRIBUTORS IN MISSOURI, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
AFSCME* (National)	\$1,342,840	\$0	\$1,342,840
Service Employees/SEIU* (National)	\$910,000	\$0	\$910,000
Missouri Association of Trial Attorneys/MATA**	\$433,500	\$0	\$433,500
Anheuser-Busch*	\$103,290	\$271,363	\$374,653
Harrah's*	\$148,500	\$190,375	\$338,875
AFSCME Missouri PEOPLE	\$325,000	\$0	\$325,000
Emily's List	\$293,000	\$0	\$293,000
AFL-CIO (National)	\$260,000	\$0	\$260,000
Laborers/LIUNA (National)	\$250,000	\$0	\$250,000
Auto Workers/UAW* (National)	\$245,000	\$0	\$245,000
CONTRIBUTOR – 2002			
Electrical Workers/IBEW* (National)	\$270,500	\$0	\$270,500
SBC Communications*	\$146,000	\$109,659	\$255,659
Auto Workers/UAW* (National)	\$250,000	\$0	\$250,000
Anheuser-Busch *	\$85,550	\$150,500	\$236,050
Service Employees/SEIU* (National)	\$200,250	\$0	\$200,250
Emerson Electric*	\$35,100	\$142,725	\$177,825
CNS Corp.*	\$0	\$147,500	\$147,500
Leggett & Platt*	\$0	\$137,939	\$137,939
AT&T	\$117,550	\$6,925	\$124,475
Harrah's*	\$54,280	\$68,750	\$123,030
CONTRIBUTOR – 2000			
AFSCME* (National)	\$285,000	\$0	\$285,000
Service Employees/SEIU* (National)	\$250,000	\$0	\$250,000
Electrical Workers/IBEW* (National)	\$202,500	\$0	\$202,500
Anheuser-Busch*	\$142,000	\$60,000	\$202,000
Emerson Electric*	\$40,000	\$88,000	\$128,000
Auto Workers/UAW* (National)	\$125,000	\$0	\$125,000
Leggett & Platt*	\$0	\$107,750	\$107,750
Harrah's*	\$97,000	\$5,390	\$102,390
Missouri Teamsters/IBT DRIVE	\$100,000	\$0	\$100,000
Food & Commercial Workers/UFCW (National)	\$90,000	\$0	\$90,000
CONTRIBUTOR – 1998			
Anheuser-Busch*	\$125,100	\$162,100	\$287,200
SBC Communications*	\$72,000	\$27,546	\$99,546
Emerson Electric*	\$1,500	\$72,500	\$74,000
Leggett & Platt*	\$20,000	\$50,000	\$70,000
Philip Morris	\$22,500	\$45,000	\$67,500
Station Casinos	\$40,000	\$12,000	\$52,000
Schnucks Markets	\$0	\$50,000	\$50,000
CNS Corp.*	\$0	\$48,000	\$48,000
Blue Cross Blue Shield	\$15,450	\$28,150	\$43,600
May Department Stores	\$15,000	\$25,600	\$40,600

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

** First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN MISSOURI, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Nutter Sr., James B.*	MO	Real Estate	\$126,000	D
Robb, Anita Porte *	MO	Lawyers & Lobbyists	\$107,500	D
Albrecht, Douglas A.*	MO	Retail Sales	\$96,475	R
Wendt, Gregory W.	CA	Finance	\$93,500	D
Humphreys, David **	MO	Special Trade Contractors	\$80,000	R
Smith, Menlo F.*	MO	Securities & Investments	\$76,000	R
Walker, Earl T.	MO	Real Estate	\$75,000	D
Nutter Jr., James B.**	MO	Real Estate	\$65,000	D
Fox, Sam *	MO	Pharmaceuticals & Health Products	\$60,000	R
Mandel, Alan	MO	Lawyers & Lobbyists	\$60,000	D
CONTRIBUTOR — 2002				
Nutter Sr., James B.*	MO	Real Estate	\$160,000	D
Gund, Louise L.	OH	Gund Toys	\$100,000	D
Jones, Dennis M.*	MO	Pharmaceuticals & Health Products	\$100,000	R
Smith, Menlo F. & Mary Jean *	MO	Securities & Investments	\$89,500	R
Dickinson, Ann	MO	Commercial Banks	\$80,250	R
Ward, Thomas *	MO	Russell Stover Candies	\$65,000	R
McDonnell III, James S.*	MO	Air Transport	\$57,500	R
Johnson, Badri N.*	MN	Real Estate	\$50,000	D
Muller, Robert	DC	Vietnam Veterans Foundation	\$50,000	D
Ward, Scott	MO	Russell Stover Candies	\$50,000	R
CONTRIBUTOR — 2000				
Abraham, S. Daniel *	FL	Slim-Fast Foods	\$375,000	D
Kirsch, Steven T.	CA	Computer Equipment & Services	\$300,000	D
Nutter Sr., James B. *	MO	Real Estate	\$130,000	D
Estes, J. Norman	AL	Hospitals & Nursing Homes	\$100,000	D
Hotung, Patricia Shea	HI	Nonprofit Institutions	\$75,000	D
Cunnane, Edith C. & James J.	MO	Civil Servants & Public Officials	\$50,000	R
Graunke, Terence	IL	Business Services	\$50,000	R
Snyder, Harold	NY	Pharmaceuticals/Health Products	\$45,000	D
Lincoln, James	MO	Hospitals & Nursing Homes	\$30,000	D
Stogel, Steven James *	MO	Real Estate	\$26,000	D
CONTRIBUTOR — 1998				
Humphreys, Ethelmae	MO	Special Trade Contractors	\$45,250	R
Smith, Menlo F. & Mary Jean *	MO	Securities & Investments	\$37,900	R
Wierciak, Judith B.	MO	Beer, Wine & Liquor	\$25,000	D
Stogel, Steven James *	MO	Real Estate	\$16,500	D
Svetanics, Milton	MO	Insurance	\$16,200	D & R
Andrews, Mark	MO	Miscellaneous Manufacturing	\$15,000	R
McDonnell III, James S. *	MO	Air Transport	\$13,000	R
Sharpe, Charles N.	MO	Insurance	\$11,350	R
Cervantes, Leonard P.	MO	Lawyers & Lobbyists	\$11,250	D
Robb, Gary C.	MO	Lawyers & Lobbyists	\$10,855	D

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

** First-time contributor in 2004.

NEW YORK

By Denise Roth Barber

In the first election cycle after BCRA's passage, the two state party committees in New York had to cinch their belts, failing to fill the hole created by the loss of soft money from the national party committees.

The New York State Republican Party fared much worse than its Democratic counterpart during the 2004 cycle, for not only was it without soft money from the national parties, it also lost money from other sources, primarily individual donors and the two legislative caucus committees. In 2004, the state GOP raised about \$4.3 million less than it did in 2000, yet was without just \$1.6 million received from the national committees in 2000.

The New York State Democratic Party, once awash with money from the national Democratic Party committees, raised \$9.4 million less during the 2004 cycle than it raised during the comparable 2000 presidential-election cycle. But unlike the Republican Party, the state Democratic Party contained its loss to just that of money from the national committees. It even managed to replace approximately \$1.5 million of the nearly \$11 million it lost from the national parties with an increase in contributions from businesses, labor and local party committees.

CONTRIBUTIONS TO NEW YORK POLITICAL PARTY COMMITTEES,⁷⁸ 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
New York State Democratic Party	\$6,646,153	\$13,708,444	\$9,384,639	\$4,269,342
Democratic Senate Campaign Cmte	\$1,478,647	\$2,780,295	\$3,711,516	\$1,944,758
Democratic Assembly Campaign Cmte	\$4,903,353	\$5,552,769	\$7,311,693	\$6,643,043
TOTAL	\$13,028,153	\$22,041,508	\$20,407,848	\$12,857,143
REPUBLICAN COMMITTEES	1998	2000	2002	2004
New York State Republican Party	\$20,519,188	\$11,280,422	\$15,472,848	\$6,997,447
Senate Republican Campaign Cmte	\$5,134,395	\$7,589,994	\$14,204,589	\$11,172,944
Republican Assembly Campaign Cmte	\$3,859,855	\$2,794,609	\$2,611,274	\$2,765,039
TOTAL	\$29,513,438	\$21,665,025	\$32,288,711	\$20,935,430
ELECTION-CYCLE TOTAL	\$42,541,591	\$43,706,533	\$52,696,559	\$33,792,573

Because BCRA banned corporations, among others, from giving unlimited soft-money contributions to the national party committees, it was predicted that they would shift their giving to state-level party committees in "corporate" states such as New York, one of 15 states that allow unlimited corporation contributions to party committees.⁷⁹ A close look at the data reveals that

⁷⁸ These totals include money from two accounts of each committee. According to the New York State Board of Elections, state party committees maintain two types of accounts, each of which reports separately to the state. Money from the committees' "reporting" accounts can be spent to directly benefit candidates, but there are limits on contributions to these accounts — no more than \$84,400 from any individual contributor in a calendar year or \$5,000 from a corporation. "Housekeeping" accounts, on the other hand, are used to pay for non-political expenses, such as staff salaries, utilities and rent. There are no limits on contributions to a party committee's housekeeping account.

⁷⁹ "Limitations on Contributions to Political Parties," National Conference of State Legislatures [on-line]; available from <http://www.ncsl.org/programs/legman/about/ContribLimits.htm>; Internet; accessed July 6, 2005.

out-of-state business interests did significantly increase their contributions, from \$2.4 million in 2000 to \$3.9 million in 2004, a 62 percent increase.

One BCRA prediction not fulfilled in New York, however, was that wealthy donors who once wrote six-figure checks to the national parties would shift their giving to state parties. The state Democratic Party raised comparable amounts from individual donors between the two presidential-election cycles, around \$750,000 each cycle, while the Republican Party actually raised \$2.3 million less in 2004 than it raised in 2000.

BCRA also appeared to eliminate the hard-for-soft-money trades that the New York State Democratic Party engaged in before the soft-money ban was in effect. The Democratic Party, with its much smaller budget in 2004, neither traded with nor contributed to party committees in other states. This marked a major departure from its operations in 2000, when the state party sent more than \$1 million of soft money to party committees in Indiana, New Hampshire, New Mexico and South Dakota, in exchange for \$797,500 in hard dollars. In addition, the state Democratic Party contributed nearly \$500,000 in soft money to the California Democratic Party in 2000, with no return of hard or soft money. So-called “hard money” can be used to directly support or oppose candidates for federal, state or local office, while soft money cannot be used for such direct expenses.

With the 2004 budgets of the two state parties reduced by almost half their 2000 levels, two legislative caucuses actually outraised their state counterparts for the first time among the four election cycles studied. The Senate Republican Campaign Committee (SRCC) raised nearly \$4.2 million more than the state GOP in 2004, while the Democratic Assembly Campaign Committee raised about \$2.4 million more than the state Democratic Party raised.

The increase in funds to the SRCC can be explained in large part by the committee’s formation in 2001 of a housekeeping account,⁸⁰ which by law can accept unlimited donations from any entity. The SRCC raised \$2.2 million in its housekeeping account in the 2002 election cycle and \$2.8 million in 2004. Although the money from these accounts is to be spent only on overhead costs, some critics contend the housekeeping accounts render the state’s limits on contributions to the reporting accounts of party committees largely meaningless.⁸¹

WHO GIVES TO THE NEW YORK STATE PARTIES?

Even prior to the passage of BCRA, New York’s party committees did not rely heavily on party sources, such as other party committees and candidate committees, to fund their operations. Typically, these sources accounted for less than half of the total raised each election cycle. After soft money from the national party committees was taken out of the equation in 2004, party sources accounted for just 18 percent of all contributions raised.

Instead, businesses and special interests remained the cash cow for the state parties in New York, contributing \$16.5 million, almost half of the total raised during the 2004 election cycle and a 31 percent increase over the 2000 election cycle.

⁸⁰ The committee’s housekeeping account did not begin filing campaign-finance reports with the State Board of Elections until 2001.

⁸¹ “Political Donations Pour Through Gap In New York Laws,” Michael Cooper, *New York Times*, Feb. 17, 2005, p. A1.

MAJOR TYPES OF CONTRIBUTORS TO NEW YORK STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
In-State Party Committees	\$1,875,408	\$4,748,307	\$3,843,226	\$3,079,364
Candidate Committees	\$6,956,822	\$2,303,646	\$11,105,159	\$2,568,675
The Main National Party Committees	\$6,422,916	\$12,749,038	\$4,709,507	\$0
NON-PARTY SOURCES				
Businesses/Special Interests	\$15,893,766	\$12,653,752	\$15,782,700	\$16,511,649
Labor Organizations	\$3,873,060	\$4,278,088	\$6,484,383	\$6,049,089
Individuals	\$6,642,207	\$6,560,960	\$7,823,013	\$5,054,837

As stated earlier, contributions from out-of-state business interests jumped from \$2.4 million in 2000 to \$3.9 million in 2004, a 62 percent increase.⁸² The New York State Republican Party was the largest recipient of this out-of-state corporate largesse, receiving \$1.3 million in 2004. The Senate Republican Campaign Committee was close behind with \$1.2 million. The state Democratic Party, in comparison, raised just \$247,400 from out-of-state corporations.

However, two out-of-state businesses and one special-interest group substantially beefed up their giving to the state Democratic Party:

- The New York State Trial Lawyers Association more than doubled its giving, from \$75,000 in 2000 to \$160,600 in 2004.
- Agvar Chemicals of New Jersey, a private supplier of bulk pharmaceutical ingredients, gave the state party \$100,000 in 2004, compared with just \$5,000 in the 2000 election cycle.
- The insurance company giant, American International Group, gave the state party \$77,500 in 2004, compared with just \$20,000 in 2000.

And while labor groups gave a smaller amount of money than did businesses, they increased their giving by 41 percent over the 2000 election cycle, with committees on both sides of the aisle enjoying an increase. Five labor unions that were among the top 10 contributors in each of the two presidential-election cycles gave \$3.3 million in 2004 — almost double the \$1.8 million they gave in 2000.

Contributions from individual donors, however, were down from the 2000 election cycle, especially to the state Republican Party. It raised just \$1 million from individuals in 2004, almost one-third of the \$3.3 million it raised in 2000. Eight of the state GOP's top individual donors in 2000, who together gave more than \$1 million, gave nothing to the state Republican Party in 2004. In fact, the party's top 10 donors in 2000 gave \$1.3 million, double the \$642,500 given by the top 10 contributors in 2004. And unlike businesses, non-residents gave just over \$500,000 in 2004, a 50 percent decrease from the almost \$1 million given in 2000.

Although party sources were relatively insignificant to the state parties in 2004, it is worth noting that two local party committees gave almost \$1 million to the state Democratic Party. The Nassau County Democratic Committee gave \$541,300, almost four times the \$140,700 it gave during the

⁸² Although corporations can only give a maximum of \$5,000 per year to a New York state party committee's reporting account, they can give unlimited amounts to committees' housekeeping accounts.

three previous cycles *combined*. The Suffolk County Democratic Committee, which gave nothing to the state party in 2000, gave nearly \$365,000 in 2004.

It is also worth noting the spike in contributions from candidate committees during the 2002 election cycle. The \$11.1 million raised in that cycle was almost five times greater than the amount raised during either of the two presidential cycles. Contributions from 10 candidate committees accounted for almost half (\$4.5 million) of the \$11.7 million. The largest contributor was John Ravitz' committee, People for Ravitz, which gave \$893,900. Most of the money — \$774,300 — went to the Senate Republican Campaign Committee (SRCC). A member of the Assembly in 2002, Ravitz made an unsuccessful bid for Senate District 26 during a special election in February 2002. The SRCC received \$4.7 million from candidate committees in 2002, 40 percent of the total given by candidates through their campaign accounts that election cycle.

HOW HARD MONEY FIT IN

The two state party committees did not make up for their soft-money losses by raising more federal, or so-called “hard,” money during the 2004 election cycle. The state Democratic Party, in fact, raised slightly more than \$1 million in hard money in 2004, just a fraction of the more than \$11 million it raised in 2000. The reduction was due primarily to the absence of money from the Democratic Senatorial Campaign Committee in 2004, which gave \$7.3 million to the state Democratic Party in 2000. The Democratic National Committee also gave less — \$152,900 in 2004, about half the \$296,700 it gave in 2000. The state GOP also received less hard money from the national parties in 2004. The Republican National Committee gave \$517,000 in 2004, compared to \$1.9 million in 2000, and the National Republican Senatorial Committee gave \$208,000 in 2000, yet nothing in 2004.

Individual donors, who under BCRA could double their hard-money contributions to New York's state party committees from \$10,000 to \$20,000 during the 2004 cycle, nonetheless gave less to both state parties as well — \$1.9 million, less than half the \$4 million they gave in 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

Spending patterns varied widely between the two state party committees and four legislative caucuses, as well as from cycle to cycle. During all four election cycles, the legislative caucuses typically spent their money on supporting candidates at the state level through direct mail, polling, get-out-the-vote efforts and consultants.

State party committees, on the other hand, transferred more than \$15 million into their federal accounts during the 2000 election cycle, 62 percent of their \$24 million in expenses that cycle. The transferred money was used for “allocable expenses,” or costs covered with a mix of hard and soft money and reported to the Federal Election Commission.

However, in 2004, they put just under \$3 million into their federal accounts, representing just 23 percent of their \$12.4 million in soft-money expenses. Instead, the parties opted to keep most of their money in their state-level accounts and spent it supporting candidates and paying for administrative expenses, such as staffing and rent.

TOP BUSINESS AND LABOR CONTRIBUTORS IN NEW YORK, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
New York State United Teachers*	\$890,450	\$375,000	\$1,265,450
NY State Service Employees Local 1199/SEIU*	\$513,300	\$323,800	\$837,100
Medical Society of the State of New York*	\$178,700	\$430,119	\$608,819
New York State Trial Lawyers*	\$329,000	\$222,050	\$551,050
Greater NY Hospital Assoc. Management Corp.*	\$263,500	\$236,000	\$499,500
Dental Society of New York State	\$164,700	\$313,500	\$478,200
Civil Service Employees Association*	\$283,107	\$160,500	\$443,607
New York State Public Employees Federation*	\$215,000	\$171,300	\$386,300
New York State Correctional Officers*	\$159,925	\$206,500	\$366,425
Service Employees International Union/SEIU	\$168,900	\$169,200	\$338,100
CONTRIBUTOR – 2002			
New York State United Teachers*	\$785,250	\$362,800	\$1,148,050
New York State Correctional Officers*	\$241,905	\$397,950	\$639,855
Civil Service Employees Association*	\$390,790	\$153,000	\$543,790
Medical Society of the State of New York*	\$162,549	\$307,443	\$469,992
NY State Service Employees Local 1199/SEIU*	\$230,000	\$229,500	\$459,500
Greater NY Hospital Assoc. Management Corp.*	\$161,500	\$256,500	\$418,000
New York State Public Employees Federation*	\$189,900	\$167,600	\$357,500
New York State Trial Lawyers*	\$148,000	\$184,500	\$332,500
Citigroup	\$75,300	\$179,704	\$255,004
NY State Council of Service Employees/SEIU*	\$153,000	\$76,500	\$229,500
CONTRIBUTOR – 2000			
New York State United Teachers*	\$511,988	\$231,950	\$743,938
Medical Society of the State of New York*	\$162,248	\$301,210	\$463,458
Greater NY Hospital Assoc. Management Corp.*	\$238,000	\$194,000	\$432,000
New York State Trial Lawyers*	\$228,000	\$170,250	\$398,250
NY State Service Employees Local 1199/SEIU*	\$153,250	\$190,500	\$343,750
NY State Council of Service Employees/SEIU*	\$178,000	\$149,000	\$327,000
AT&T	\$152,507	\$116,249	\$268,756
Civil Service Employees Association*	\$128,950	\$110,000	\$238,950
New York State Public Employees Federation*	\$137,700	\$90,600	\$228,300
New York State Correctional Officers*	\$108,000	\$113,500	\$221,500
CONTRIBUTOR – 1998			
New York State United Teachers*	\$574,400	\$362,200	\$936,600
Medical Society of the State of New York*	\$152,400	\$414,554	\$566,954
Security & Law Enforcement Council 82	\$153,873	\$282,025	\$435,898
New York State Trial Lawyers*	\$228,500	\$100,000	\$328,500
NY State Council of Service Employees/SEIU*	\$269,000	\$20,000	\$289,000
Philip Morris	\$20,380	\$251,674	\$272,053
NY State Service Employees Local 1199/SEIU*	\$266,700	\$0	\$266,700
Health Care Associates of New York State	\$110,375	\$124,950	\$235,325
Greater NY Hospital Assoc. Management Corp.*	\$117,500	\$106,500	\$224,000
Civil Service Employees Association*	\$113,600	\$100,320	\$213,920

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

TOP INDIVIDUAL CONTRIBUTORS IN NEW YORK, 1998-2004

CONTRIBUTOR – 2004	STATE	INDUSTRY	TOTAL	PARTY
Varis, Agnes	NY	Pharmaceuticals & Health Products	\$210,000	D
Clark, Jane Forbes*	NY	Nonprofit Institutions	\$126,000	R
Dyson, Robert R.	NY	Securities & Investment	\$85,000	D
Schwartz, Bernard L.	NY	Telecom Services & Equipment	\$77,500	D
Kovner, Bruce*	NY	Securities & Investment	\$75,000	R
McInerney, Thomas E.	NY	Securities & Investment	\$65,000	R
Durst, Douglas D.	NY	Real Estate	\$55,000	D & R
Saunders III, Thomas A.	NY	Securities & Investments	\$55,000	R
Nigro, John J.	NY	Real Estate	\$54,775	D & R
Marx, Peter B.	NY	General Contractors	\$52,350	R
CONTRIBUTOR – 2002				
Sillerman, Robert F.	NY	Recorded Music Production	\$697,500	D
Ansary, Hushang*	TX	Oil & Gas	\$200,000	R
Krueger, Harvey M.	NY	Securities & Investment	\$200,000	D
Price, Robert	NY	Lawyers & Lobbyists	\$153,000	R
Krueger, Constance	NY	Securities & Investment	\$151,000	D
Kravis, Henry R.	NY	Securities & Investment	\$126,500	R
Weinstein, Eve Chilton	NY	TV & Movie Production	\$125,000	D & R
Bronfman, Edgar M.	DC	TV & Movie Production	\$100,000	R
Clark, Jane Forbes*	NY	Nonprofit Institutions	\$100,000	R
Kovner, Bruce*	NY	Securities & Investment	\$100,000	R
CONTRIBUTOR – 2000				
Quick Jr., Leslie C.	FL	Securities & Investment	\$200,000	R
Kadish, Lawrence J.	NY	Real Estate	\$195,000	R
Kornreich, John A.	NY	Securities & Investment	\$177,000	D
Petrie, Carroll	NY	Retail Sales	\$175,000	R
Wang, Charles B.	NY	Computer Equipment & Services	\$170,000	R
Led Duke, Donald	NY	General Contractors	\$138,100	D & R
Feinberg, David H.	NY	Real Estate	\$125,000	R
Mack, Earle I.	NY	Real Estate	\$110,000	R
Koch, David H.*	KS	Oil & Gas	\$100,000	R
Ranieri, Lewis	NY	Securities & Investment	\$100,000	R
Subotnick, Stuart	NY	Telecom Services & Equipment	\$100,000	R
CONTRIBUTOR – 1998				
Lindner, Carl H.	OH	Insurance	\$135,000	R
Koch, David H.*	KS	Oil & Gas	\$125,000	R
Fisher, Zachary	NY	Construction Services	\$95,000	D & R
Clark, Jane Forbes*	NY	Nonprofit Institutions	\$94,900	R
Richardson, Frank E.	NY	Securities & Investment	\$92,000	R
Saul, Andrew Marshall	NY	Securities & Investment	\$82,500	R
Liapakis, Pamela Anagnos	NY	Lawyers & Lobbyists	\$80,000	D & R
Kovner, Bruce*	NY	Securities & Investment	\$79,900	R
Galesi, Francesco	NY	Finance, Insurance, Real Estate	\$76,000	R
Ansary, Hushang*	TX	Oil & Gas	\$75,000	R

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

** First-time contributor in 2004.

NORTH CAROLINA

By Mark Dixon

The two state parties in North Carolina had vastly different reactions to the new campaign-finance landscape under BCRA, with the Democratic Party raising more in 2004 than it had during the last presidential-election cycle in 2000, and the Republican Party raising significantly less.

The 2000 and 2004 ballots in North Carolina featured not only the presidential race, but also races for all state legislative and executive offices, including governor, lieutenant governor and Supreme Court. Although Democratic vice-presidential candidate John Edwards hailed from North Carolina, it was not a battleground state in 2004 — Bush won the state with 56 percent of the vote.

CONTRIBUTIONS TO NORTH CAROLINA POLITICAL PARTY COMMITTEES, 1998-2004

COMMITTEES	1998	2000	2002	2004
North Carolina Democratic Party	\$5,249,300	\$6,797,426	\$11,466,761	\$7,643,040
North Carolina Republican Party	\$2,323,762	\$5,758,384	\$2,911,141	\$1,456,623
ELECTION-CYCLE TOTAL	\$7,573,062	\$12,555,810	\$14,377,902	\$9,099,663

The North Carolina Democratic Party raised \$7.6 million in soft-money contributions during the 2004 cycle, up from its 2000 total, despite having to do without almost \$4 million it had received from the national party committees in 2000. It did so by raising more than \$5 million in increased contributions from other sources — most notably state-level candidate committees, which gave \$3.5 million more than they did in 2000. In addition, labor unions, individual donors and other party committees combined gave \$1.5 million more than they did in 2000.

Although the Democratic Party raised more in 2004 than it did in 2000, it raised significantly less than the \$11.4 million it raised in 2002, when U.S. Sen. Jesse Helms, a Republican, retired from his seat. Democrat Erskine Bowles, a former Clinton administration official, ran and lost to Republican Elizabeth Dole, an unsuccessful presidential candidate in 2000 who also served Republican administrations as head of the U.S. Labor and Transportation departments. With control of the U.S. Senate up for grabs in 2002, the attempt by the Democrats to gain the North Carolina seat aided the fund-raising rally the state Democratic Party experienced in 2002.

The North Carolina Republican Party, meanwhile, saw its coffers steadily decline since the 2000 election cycle. In 2004, it raised \$1.5 million, the lowest of all four election cycles studied and \$4.3 million shy of the \$5.8 million it raised during the comparable 2000 election cycle. The sharp decline stemmed primarily from the loss of \$4.5 million in soft money from the national party committees. Unlike its Democratic counterpart, the state GOP did not find any new revenue sources in 2004 to fill the void created by the new federal campaign-finance regulations.

WHO GIVES TO THE NORTH CAROLINA STATE PARTIES ?

During the three election cycles prior to McCain-Feingold's enactment, the two state party committees received \$17.3 million in soft money from national party committees. The table on the following page shows how contributions from various sources changed over the study period.

MAJOR TYPES OF CONTRIBUTORS TO NORTH CAROLINA PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$532,205	\$1,246,777	\$4,658,429	\$4,867,584
Out-of-State Party Committees	\$152,481	\$0	\$2,800	\$548,420
In-State Party Committees	\$259,577	\$652,478	\$492,884	\$285,168
Candidates' Own Money	\$63,119	\$247,700	\$395,325	\$276,467
The Main National Party Committees	\$3,116,180	\$8,393,722	\$5,844,549	\$0

NON-PARTY SOURCES

Individuals	\$1,825,825	\$1,135,855	\$1,806,329	\$1,723,898
Businesses/Special Interests	\$345,300	\$451,588	\$715,674	\$715,945
Labor Organizations	\$99,800	\$79,700	\$373,050	\$651,750
Unitemized Contributions	\$1,017,381	\$347,991	\$18,674	\$30,431

Six Democratic state legislators, each of whom gave more than \$100,000, were primarily responsible for the dramatic \$3.3 million increase the Democratic Party received from candidate committees. These candidates provided, through their campaign committees, \$2.5 million of the \$4.9 million given in 2004, as detailed below:

- Senate President Pro Tempore Marc Basnight, \$1.3 million.
- Current Speaker of the House Jim Black, \$668,400.
- Senate Majority Leader Tony Rand, \$148,750.
- Sen. Walter Dalton, serving his fifth term in the Senate and currently co-chairman of the Appropriations/Base Budget Committee, \$139,165.
- Sen. David Hoyle, in his seventh Senate term and vice chairman of the budget subcommittee on general government, \$129,450.
- Sen. Linda Garrou, serving her fourth term in the Senate and another co-chair of the Appropriations/Base Budget Committee, \$123,100.

Another 127 candidate committees gave an additional \$1.9 million to the state Democratic Party in the 2004 election cycle.

The second-largest increase in funds between 2000 and 2004 came from individual contributors. Both state parties brought in significantly more money from individuals in the 2004 election cycle than they did in 2000. Individual donors gave the state Democratic Party \$1.1 million in 2004, compared with about \$745,300 in the 2000 cycle. They gave the North Carolina Republican Party \$610,000, up from \$390,800 in 2000.

The dynamics of individual giving also changed in 2004, the first election cycle where the top 10 individual givers were all from North Carolina. Two new big givers emerged in 2004. Dr. Jonathan Christenbury of Charlotte gave \$40,000 to the Republican Party, and attorney Douglas Abrams of Raleigh gave \$30,000 to the Democratic Party.

The Democrats also raised \$570,800 more from labor unions in 2004 than they did in 2000. The four labor unions that gave the most to the North Carolina Democratic Party in the 2004 election cycle were the National Education Association, at \$270,000; the Teamsters, \$147,750; the Communication Workers of America, \$75,000; and the Service Employees International Union, \$54,000. None of these Washington, D.C.-based unions gave to the North Carolina Democrats in the 2000 election cycle, with the exception of the Teamsters, which gave \$50,500.

Also new to the scene in 2004 were two national-level committees that provided substantial new cash to the state Democratic Party — the Democratic Legislative Campaign Committee gave \$395,400, and the Democratic Governors Association gave \$49,000.

The Republican Governors Association tried to get involved in the North Carolina gubernatorial race indirectly. But it was fined \$200,000 by the North Carolina State Board of Elections for a TV ad supporting Patrick Ballantine, the Republican candidate for governor. The Board ruled that the ad violated state law banning the use of corporate funds to endorse candidates.⁸³

Although the state GOP raised significantly less in 2004 than during any of the three previous election cycles, some contributors did increase their giving to the party in the 2004 elections.

In addition to individual donors, Republican candidate committees also increased their giving to the state party, though to a lesser degree than their Democratic counterparts — from about \$295,300 in the 2000 election cycle to \$439,400 in 2004. Candidates whose committees gave at least five figures in 2004 were:

- Sen. Fred Smith, who is building support for a possible run for governor in 2008,⁸⁴ \$176,800.
- Rep. Tim Moore, chairman of the Election Law and Campaign Finance Reform Committee, \$50,000.
- Jim Testa, an unsuccessful Senate candidate, \$49,000.
- Rep. Leo Daughtry, \$35,000.
- Sen. Tom Apacoda, deputy Republican leader in the Senate, \$27,000.
- Sen. Jim Forrester, chairman of the Joint Republican Caucus, \$26,000.

In addition, a significant new contributor to the Republican Party emerged in the 2004 cycle. The Republican State Leadership Committee (RSLC), a Washington-based 527 committee, gave \$100,000. An umbrella group for the Republican Attorneys General Association, the Republican Legislative Campaign Committee and the Republican Lieutenant Governors Association, the RSLC

⁸³ Eric Kelderman, "Govs 527 groups gain greenbacks, influence," *stateline.org*, Oct. 8, 2004, [on-line]; available from <http://www.stateline.org/>; Internet; accessed May 17, 2005.

⁸⁴ Gary D. Robertson, "Governor Race Is Already Heating Up," *The Daily Record*, July 20, 2005 [newspaper on-line]; available from <http://www.dunndailyrecord.com/main.asp?SectionID=2&SubSectionID=10&ArticleID=68804&TM=25752.85>; Internet; accessed Aug. 8, 2005.

describes its mission as “helping to elect conservative state leaders” by “bringing national resources to targeted local races, providing the margin of victory for Republican state candidates.”⁸⁵

HOW HARD MONEY FIT IN

Just as its soft-money contributions fell, so did the North Carolina Republican Party's hard-money contributions. The party raised \$3 million in 2004, down slightly from \$3.2 million in 2000. The Democratic Party raised substantially more hard money in 2004 — \$5.5 million compared to only \$1.7 million in 2000. This increase was due largely to \$2.3 million from the Democratic Senatorial Campaign Committee and about \$737,100 from the Democratic National Committee.

Hard-money contributions from individual donors also increased for the North Carolina Democratic Party, from \$888,800 in the 2000 election cycle to \$1.14 million in the 2004 cycle. The North Carolina Republican Party brought in less hard money from individuals, \$2.3 million in 2004 compared with \$2.5 million 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.

Even with the hard money reported to the FEC added to the soft-money totals reported to the state, the North Carolina Republican Party raised only \$4.5 million in the 2004 election cycle, down from \$9 million in the 2000 election cycle. The Democratic Party raised more, \$13.1 million in 2004 compared with \$8.5 million in 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

The parties spent less money in the 2004 election cycle than they did in the 2000 cycle. The main difference in their spending patterns was how much money they transferred to their own federal accounts and spent on media.

Prior to the 2004 cycle, both state party committees transferred substantial sums into their federal accounts, where they could use it to pay for several types of expenses with a mix of hard and soft money. These expenses included issue ads, staffing and overhead costs, activities that promoted or opposed both federal and state candidates, and fund-raisers that raised both hard and soft money.

But since BCRA changed the rules regarding how state parties can spend money from their federal accounts, the state Democratic Party sent nothing to its federal account in 2004 compared with \$2.48 million in 2000. The Republican Party transferred just \$91,580 compared with \$2.62 million in 2000. Expenses paid for in the past out of their federal accounts were paid for directly from their state accounts.

The amount the parties spent on advertising also decreased in the most recent election cycle. The Democratic Party spent \$322,250 in 2004, down from \$1.8 million in 2000, and the state GOP spent just \$4,700 compared with \$311,293 in 2000.

⁸⁵ Republican State Leadership Committee [on-line]; available from <http://rslconline.com/index.html>; Internet; accessed July 29, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN NORTH CAROLINA, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
National Education Association/NEA*	\$270,000	\$0	\$270,000
Teamsters/IBT DRIVE* (National)	\$147,750	\$0	\$147,750
Eastern Band of Cherokee Indians*	\$133,000	\$5,000	\$138,000
North Carolina Academy of Trial Lawyers*	\$81,500	\$0	\$81,500
Communications Workers/CWA (National)	\$75,000	\$0	\$75,000
Service Employees/SEIU (National)	\$54,000	\$0	\$54,000
North Carolina Association of Educators/NCAE*	\$38,000	\$1,250	\$39,250
Gay & Lesbian Victory Fund**	\$36,000	\$0	\$36,000
Electrical Workers/IBEW* (National)	\$35,000	\$0	\$35,000
Bank of America*	\$16,000	\$7,000	\$23,000
CONTRIBUTOR – 2002			
North Carolina Academy of Trial Lawyers*	\$228,000	\$0	\$228,000
Electrical Workers/IBEW* (National)	\$150,000	\$0	\$150,000
Teamsters/IBT DRIVE* (National)	\$76,750	\$0	\$76,750
Eastern Band of Cherokee Indians*	\$62,000	\$0	\$62,000
North Carolina Association of Educators/NCAE*	\$38,050	\$0	\$38,050
Wachovia Bank	\$27,000	\$2,000	\$29,000
AFL-CIO (National)	\$25,000	\$0	\$25,000
Association of Trial Lawyers of America/ATLA*	\$25,000	\$0	\$25,000
National Education Association/NEA*	\$25,000	\$0	\$25,000
Bank of America*	\$16,000	\$6,000	\$22,000
CONTRIBUTOR – 2000			
North Carolina Academy of Trial Lawyers*	\$84,000	\$1,250	\$85,250
Teamsters/IBT DRIVE* (National)	\$50,500	\$0	\$50,500
Provost & Umphrey	\$50,000	\$0	\$50,000
First Union Corp.*	\$25,000	\$1,500	\$26,500
Global Strategies	\$20,000	\$0	\$20,000
North Carolina Association of Educators/NCAE*	\$14,900	\$0	\$14,900
Duke Energy	\$8,000	\$4,000	\$12,000
Walter Whetsell & Associates	\$0	\$12,000	\$12,000
Smith Kline Beecham	\$10,000	\$1,000	\$11,000
Ring & Miscikowski	\$10,000	\$0	\$10,000
CONTRIBUTOR – 1998			
North Carolina Academy of Trial Lawyers*	\$87,398	\$15,000	\$102,398
Association of Trial Lawyers of America/ATLA*	\$100,000	\$0	\$100,000
North Carolina Communications Workers/CWA	\$25,000	\$0	\$25,000
American Association of Nurse Anesthetists/AANA	\$15,000	\$0	\$15,000
North Carolina Pork Council	\$15,000	\$0	\$15,000
First Union Corp.*	\$5,000	\$5,000	\$10,000
Electrical Workers/IBEW* (National)	\$7,500	\$0	\$7,500
NationsBank Corp.	\$3,000	\$2,500	\$5,500
Manufactured Housing PAC	\$750	\$4,500	\$5,250
North Carolina Association of Educators/NCAE*	\$5,200	\$0	\$5,200

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

** First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN NORTH CAROLINA, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Davis, Walter R.*	NC	Oil & Gas	\$135,000	D
Allen, William G.*	NC	Real Estate	\$100,000	D
Kaplan, David	NC	Real Estate	\$70,000	D
Barry, Judy	NC	Nonprofit Foundations	\$50,000	D
Brader-Araje, Michael	NC	Securities & Investments	\$40,000	D
Christenbury, Jonathan**	NC	Health Professionals	\$40,000	R
Rizzo, Paul J.	NC	Education	\$32,000	D
Abrams, Douglas**	NC	Lawyers & Lobbyists	\$30,000	D
Malone, Vernon	NC	Civil Servants & Public Officials	\$25,833	D
Crook, Mrs. William	TX	Retired	\$25,000	D
Ginn III, Edward	FL	Real Estate	\$25,000	D
CONTRIBUTOR — 2002				
Bowles, Crandall	NC	Manufacturing	\$216,500	D
Bing, Stephen L.	CA	TV & Movie Production	\$200,000	D
Jordan, William R.*	NC	Health Professionals	\$125,000	D
Goodnight, James H.*	NC	Computer Equipment & Services	\$75,000	R
Allen, William G.*	NC	Real Estate	\$70,000	D
Kohler, Terry J.	WI	Manufacturing	\$65,000	R
Pope, John W.	NC	Retail Sales	\$61,000	R
Close, Frances Allison	SC	Pro-Environmental Policy	\$60,000	D
Graham, William M.	NC	Lawyers & Lobbyists	\$55,000	R
Canizaro, Joseph C.	LA	Real Estate	\$50,000	R
Kohlberg, Jerome	NY	Securities & Investments	\$50,000	D
CONTRIBUTOR — 2000				
Davis, Walter R.*	NC	Oil & Gas	\$100,000	D
Hayes, Charles A.	NC	Manufacturing	\$77,000	D & R
Luddy, Robert L.	NC	Special Trade Contractors	\$46,150	R
Hampton, Tracey	CA	Lawyers & Lobbyists	\$40,000	D
Goodnight, James H.*	NC	Computer Equipment/Services	\$25,000	R
Morgan, Glen W.	TX	Lawyers & Lobbyists	\$25,000	D
Sayre, Federico C.	CA	Lawyers & Lobbyists	\$25,000	D
Burki, Peter	CT	Retired	\$20,000	R
Kennedy, K. D.	NC	Special Trade Contractors	\$16,150	R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$15,000	D
Kaplan, David	NC	Lodging & Tourism	\$15,000	D
Neuman, Jerold B.	CA	Lawyers & Lobbyists	\$15,000	D
CONTRIBUTOR — 1998				
Davis, Walter R.*	NC	Oil & Gas	\$225,000	D
Kirby, David F.	NC	Lawyers & Lobbyists	\$94,750	D
Byrd, Wade E.	NC	Lawyers & Lobbyists	\$71,500	D
Jordan, William R.*	NC	Health Professionals	\$55,000	D & R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$35,000	D
Pope, John W.*	NC	Retail Sales	\$25,750	R
Rollins, John W.	DE	Trucking	\$25,000	R
Reyes, Andrew	NC	Accountant	\$20,000	D
Evans, Lisbeth C.	NC	Computer Equipment & Services	\$19,050	D
Atassi, Inad	NC	Health Professionals	\$16,000	R
Barnhill, Robert	NC	General Contractor	\$16,000	D & R

* Among the top 10 contributors in more than one cycle. ** First-time contributor in 2004.

OREGON

By Rachel Weiss

The reforms banning national party committees from raising and spending soft money hit the Oregon state political committees particularly hard, as they saw their contributions cut almost in half from the 2000 presidential-election cycle. National party committees gave Oregon committees almost \$8 million of soft money in the contentious 2000 election cycle, an amount that proved impossible to replace in 2004. In fact, the two state parties saw their 2004 soft-money contributions reduced to just 17 percent of the 2000 totals.

The Oregon Democratic Party raised \$4.2 million less in soft money during the 2004 election cycle than in 2000; the Oregon Republican Party was almost \$3.4 million short of its 2000 total. Both gaps are strikingly similar to the amounts the national party committees gave in 2000: around \$4 million from the Democrats and slightly more than \$3.7 million from the Republicans.

The state legislative caucus committees, however, actually raised more money in each election cycle since 2000. The Senate Democratic Leadership Fund increased its total almost 66 percent from 2000 en route to winning full control of the Oregon Senate for the first time in a decade.⁸⁶ The other three legislative committees raised anywhere from 15 percent to almost 24 percent more than they did in 2000. Despite the increased giving to all four legislative caucus committees, the enormous reduction in soft money given to the two main state parties in 2004 overwhelmed these small gains.

CONTRIBUTIONS TO OREGON POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Oregon Democratic Party	\$759,067	\$5,094,095	\$1,805,594	\$845,357
Senate Democratic Leadership Fund	\$249,041	\$985,525	\$991,030	\$1,635,186
Oregon House Democrats	\$623,251	\$1,197,457	\$1,253,251	\$1,449,118
TOTAL	\$1,631,359	\$7,277,077	\$4,049,875	\$3,929,661
REPUBLICAN COMMITTEES				
Oregon Republican Party	\$172,173	\$4,080,447	\$2,806,134	\$699,433
Senate Republican Leadership Fund	\$583,560	\$715,020	\$743,713	\$883,626
Majority of Oregon	\$455,794	\$922,561	\$995,148	\$1,061,116
TOTAL	\$1,211,527	\$5,718,028	\$4,544,995	\$2,644,175
ELECTION-CYCLE TOTAL	\$2,842,886	\$12,995,105	\$8,594,870	\$6,573,836

Oregon's 2004 elections included several controversial ballot measures including Measure 34, which required changing the management of two state forests; Measure 36, which limited marriage to a man and a woman; and Measure 37, which required local or state governments to compensate landowners if land-use regulations reduced property values. In addition, a hotly contested battle for control of the Oregon Senate gave the Senate caucuses ammunition for their fund-raising campaigns.

In the end, though, nothing could match the battleground status the state had in the 2000 election cycle, when Democratic presidential nominee Al Gore won Oregon's electoral votes by less than

⁸⁶ Harry Esteve, "Democrats Break GOP Legislative Grip," *The Oregonian*, Nov. 3, 2004, sec. B, p. 10.

7,000 votes. The state was not nearly as divided over the presidential race in 2004, and it was no surprise that the two state parties had trouble matching their 2000 fund-raising totals.

WHO GIVES TO THE OREGON STATE PARTIES?

Although neither state party found a way to replace the national party soft money, the Oregon Democrats made a seemingly coordinated effort to wrest control of the Legislature from the Republicans. The House stayed in Republican hands, while the Democrats won sole control of the Senate. Large overall increases in giving by candidate committees, party committees and state leadership committees mainly benefited the three Democratic Party committees.

For example, in-state party committees more than tripled their giving from 2000 to 2004, a result of the Oregon Democratic Party giving more to the Oregon House Democrats and the Senate Democratic Leadership Fund. The Oregon House Democrats received \$49,815 in 2000 and \$206,500 in 2004, an increase of almost 415 percent; the Senate Democratic Leadership Fund received \$29,815 in 2000 and \$131,575 in 2004, an increase of more than 441 percent. The state party gave to the caucus committees “primarily because we could,” the party’s Cindy Moody noted. “We had the money to support them.”⁸⁷ Even county Democratic committees contributed more to the three state-level committees: about \$9,900 in 2004, compared with \$3,650 in 2000.

On the Republican side, however, the situation was much different. The state Republican Party did not pass down cash to the two legislative caucuses in any election cycle. In fact, from 1998 through 2004, the only Republican state-level party committee to give to the others was the Senate Republican Leadership Fund. It gave \$2,230 to Majority of Oregon in 1998 and \$500 to the Oregon Republican Party in 2000. Only Republican county committees approximated the levels of giving of their Democratic counterparts: \$9,300 in 2004 and about \$2,100 in 2000.

MAJOR TYPES OF CONTRIBUTORS TO OREGON STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Candidate Committees	\$368,677	\$800,766	\$1,942,398	\$1,244,712
Out-of-State Party Committees	\$244,448	\$517,950	\$158,192	\$843,610
In-State Party Committees	\$101,442	\$106,978	\$99,627	\$379,225
State Leadership Committees	\$30	\$500	\$1,000	\$180,850
The Main National Party Committees	\$459,050	\$7,831,411	\$2,068,574	\$0

NON-PARTY SOURCES

Businesses/Special Interests	\$1,099,394	\$1,897,975	\$2,618,101	\$2,329,194
Individuals	\$264,959	\$1,001,268	\$1,097,320	\$877,351
Labor Organizations	\$266,579	\$746,310	\$402,636	\$552,236

Candidate committees gave less money in 2004 than in 2002 but substantially more than in the similar 2000 presidential cycle, with Democratic candidates giving almost three times as much from their campaign accounts as did their Republican counterparts. The campaign committee of current Senate Majority Leader Kate Brown, a steady giver since 1998, passed out nearly \$218,000. Most of the money went to the Senate Democratic Leadership Fund, which she led during the 2004 campaign cycle. Senate President Peter Courtney’s committee gave only \$6,000 in 2000, but distributed about \$138,800 in 2004, with all but \$120 going to the Senate Democratic

² Telephone interview with Cindy Moody, compliance director of the Oregon Democratic Party, June 23, 2005.

Leadership Fund. The dramatic increases may have stemmed from the fact that Brown and Courtney competed with one another for votes from their fellow Democratic senators to win the post of Senate President after the Democrats took sole control of the Senate.⁸⁸ Another prominent Democrat whose campaign committee gave generously in 2004 was House Democratic Leader Jeff Merkley; the \$121,630 from his committee in 2004 greatly increased upon the \$2,500 he gave in 2000. In comparison, the campaign committee of state Sen. Jason Atkinson, son of a former Oregon Republican Party leader, parceled out \$45,000 and was the top giver among Republican candidate committees.

Out-of-state party committees, led by \$480,000 from the Michigan Democratic Party, gave more as well. The Michigan party gave almost equally to the Oregon Democratic Party and the Oregon House Democrats in 2004 — the first time it has given to Oregon party committees since the Institute began studying party committee finances in 1998. The Oregon Democratic Party reported receiving \$252,000 from the Michigan Democrats in its non-federal account, which is reported to the Oregon Secretary of State. The transfer of \$210,000 back to the Michigan Democratic Party was reported to the Federal Election Commission because the money came from the state party's federal account. The Oregon House Democrats returned \$200,000 to the Michigan Democrats after receiving \$228,000, prompting allegations of money laundering from House Majority Leader Wayne Scott.⁸⁹ In addition, Grassroots Democrats, a new 527 committee dedicated to helping Democrats win legislative seats at the state level, gave \$65,000 to the Oregon Democratic Party. As with candidate committees, Republican out-of-state committees gave much less, with only the Washington State Republican Party giving \$750.

State leadership committee giving soared in 2004 compared with the past three election cycles. Two PACs — one led by Democratic Gov. Ted Kulongoski and the other by Republican House Speaker Karen Minnis — set the pace. Building Oregon With Leadership, or BOWL PAC, is the now-defunct committee created by Kulongoski. It gave \$41,850 to the three Oregon Democratic committees, with the money spread relatively evenly among them. Minnis' Speakers PAC gave only \$30 in 1998, but a substantial \$139,000 in 2004. All of the money went to Majority of Oregon, the Republican House caucus committee.

Taking soft money out of the funding equation left Republicans reliant on business sources for money. In 2000, the huge influx of national party soft money overwhelmed other sectors so that business sources contributed slightly more than 23 percent of the Republican committees' total. In 2002, business contributions made up more than 44 percent. By 2004, with national soft money out of the picture, business sources provided more than 62 percent of the funding for Republican parties despite not giving much more than in previous years. Business funding for the Democratic committees fluctuated from a high of almost 24 percent in 1998 to a low of just 8 percent in 2000, with 2004 giving registering at almost 17 percent of the total raised. As with the Republican parties, the actual dollar amount of contributions changed slightly, but not too drastically.

The BCRA prediction that a national-level soft money ban would prompt businesses and wealthy individuals to give their money at the state level — especially in states such as Oregon that have no limits on the amount of contributions to candidates or political parties — did not prove true in Oregon in 2004. Instead, the state Democratic Party saw a major decrease in contributions from out-of-state donors, from about \$429,000 in 2000 to \$21,450 in 2004. The Republican Party's out-of-state money remained at about the same level in both cycles; it collected slightly more than

⁸⁸ Harry Esteve and Dan Hortsch, "Democrats Will Choose Senate's President," *Portland Oregonian*, Nov. 5, 2004, sec. D, p. 1.

⁸⁹ Bend.com news sources, "GOP Lawmaker Files Complaint Against Dems' PAC," *Bend.com*, Oct. 28, 2004 [on-line]; http://my.bend.com/news/ar_view.php?ar_id=19048; Internet; accessed June 9, 2005.

\$66,000. In fact, the big out-of-state individual givers who supported Oregon's state party committees in the past — particularly in the 2000 presidential cycle— disappeared from the scene in 2004.

HOW HARD MONEY FIT IN

Both state party committees in Oregon were successful at raising more federal, or so-called “hard,” money in 2004 than they did in 2000. This hard money — not included in the figures used for this report — can be used directly to support or to oppose any candidate for federal, state or local office.

For the Oregon Democratic Party, raising more hard money was a strategy to cope with the loss of soft money, according to Compliance Director Cindy Moody. Disclosure reports filed by the party with the Federal Election Commission for 2000 show hard-money contributions totaled \$2.2 million that election cycle. In 2004, the party raised \$4.1 million, an increase of almost \$2 million. Most of the increase — more than \$1.5 million — was due to individual donors who “came out of the woodwork” during the 2004 election cycle, Moody said.⁹⁰

The state GOP was also successful in raising more hard money; it collected nearly \$3.2 million in 2004, an increase of almost \$1.4 million over the \$1.8 million of hard money it raised in 2000. Executive Director Amy Casterline said the Oregon Republican Party “had just as much if not more [money], it was just hard money.” While individuals gave about \$500,000 more in hard money in 2004 than in 2000, the Republican National Committee and its affiliate, the 2004 Joint Victory Committee, were largely responsible for the increase. The two committees gave \$1.6 million in 2004, in part because the national GOP had targeted the state for television advertising for the presidential race.⁹¹ The two committees gave more than \$700,000 in 2000, according to disclosure reports filed with the Federal Election Commission.

Even with more hard money rolling into the coffers, the decrease in soft-money contributions from individuals and labor organizations — combined with no major increase in giving by business groups — meant Oregon party committees could not begin to fill the nearly \$8 million hole created in their state accounts by the absence of national party soft money. Instead, they operated in 2004 with slightly more than three-fourths of the total amount of money they raised in 2000.

HOW THE COMMITTEES SPENT THEIR MONEY

With significantly less soft money from the national parties at their disposal, both the Oregon Democratic Party and the Oregon Republican Party transferred substantially less money from their state accounts to their federal accounts in 2004. Combined, the two gave more than \$8.3 million to their federal accounts in 2000, no doubt in an effort to sway the outcome of the presidential election in Oregon. In 2004, they transferred only about \$240,000, by far the lowest amount since the Institute began collecting expenditure information in 1998. Although money from these accounts can be used directly to support or to oppose candidates for president, Congress and state-level office, transfers to federal accounts from a state account can only be used for administrative purposes. Regardless, transferring money from state accounts frees up money for other direct campaign purposes.

The decline occurred in part because of increased restrictions on the projects the party could undertake using both state and federal money. In past election cycles, a mailing could be paid for

⁹⁰ Telephone interview, June 23, 2005.

⁹¹ Telephone interview, July 13, 2005.

jointly with hard and soft money in proportion with the number of federal and state candidates listed. In 2004, any mailing or slate card that mentioned a federal candidate, even in combination with state candidates, had to be paid for using hard money. Shifting the mailing expense solely to the federal account meant less money would be transferred from the state to the federal account. Cindy Moody of the Oregon Democratic Party said the party “didn’t transfer what we could have [to the federal account] because the money just wasn’t there.”

The executive director of the Oregon Republican Party also noted that the loss of all the national party soft money “didn’t hinder our ability to do what we wanted to do.” Instead, the party just had to look at spending money and using various accounts in a different way. The reforms made managing the party’s finances “more of a juggling act,” Amy Casterline said. Similarly, Oregon Democratic Party officials were just more aware of how they were spending the money.

In the end, Oregon party committees were not able to make up for the loss of soft money from the national committees. Although they did find ways to adjust — transferring less money to federal accounts, raising more hard money, and giving more money among themselves — the committees simply did without in 2004.

TOP BUSINESS AND LABOR CONTRIBUTORS IN OREGON, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Evergreen International Aviation*	\$0	\$120,000	\$120,000
Associated General Contractors/AGC*	\$44,425	\$61,600	\$106,025
Oregon Health Care Association*	\$27,400	\$67,650	\$95,050
Oregon Auto Dealers Association/OADA*	\$12,525	\$63,756	\$76,281
Oregon Forest Industries Council/OFIC*	\$0	\$75,500	\$75,500
Oregon Public Employees/OPEU*	\$64,126	\$2,500	\$66,626
Service Employees/SEIU* (State)	\$66,385	\$0	\$66,385
Oregon Restaurant Association/ORPAC*	\$11,080	\$52,200	\$63,280
Philip Morris*	\$0	\$50,000	\$50,000
R. B. Pamplin Corp.*	\$0	\$50,000	\$50,000
CONTRIBUTOR – 2002			
R. B. Pamplin Corp.*	\$10,000	\$150,500	\$160,500
Oregon Health Care Association*	\$36,400	\$60,100	\$96,500
Oregon Restaurant Association/ORPAC*	\$16,883	\$64,754	\$81,637
Service Employees/SEIU* (State)	\$80,000	\$0	\$80,000
Associated General Contractors/AGC*	\$22,425	\$53,800	\$76,225
Evergreen International Aviation*	\$0	\$75,000	\$75,000
Oregonians In Action	\$0	\$67,275	\$67,275
Oregon Forest Industries Council/OFIC*	\$10,600	\$55,500	\$66,100
Oregon Auto Dealers Association/OADA*	\$5,730	\$57,739	\$63,469
Portland General Electric/PGE	\$25,250	\$34,550	\$59,800
CONTRIBUTOR – 2000			
AFSCME (National)	\$126,600	\$0	\$126,600
Oregon Public Employees/OPEU*	\$70,800	\$0	\$70,800
Oregon Forest Industries Council/OFIC*	\$250	\$69,790	\$70,040
Electrical Workers/IBEW* (National)	\$25,000	\$42,500	\$67,500
Philip Morris*	\$14,000	\$51,900	\$65,900
Oregon Restaurant Association/ORPAC*	\$7,654	\$57,568	\$65,222
Teamsters/IBT (National)	\$62,500	\$0	\$62,500
Oregon Education Association/OEA*	\$60,726	\$0	\$60,726
Electrical Workers Local 125/IBEW	\$51,000	\$0	\$51,000
Oregon Auto Dealers Association/OADA*	\$5,085	\$39,686	\$44,771
CONTRIBUTOR – 1998			
Oregon Restaurant Association/ORPAC*	\$7,471	\$75,109	\$82,580
Oregon Public Employees/OPEU*	\$55,964	\$0	\$55,964
Rentrak Corp.	\$53,500	\$0	\$53,500
Wilshire Credit Corp.	\$50,000	\$0	\$50,000
Oregon Forest Industries Council/OFIC*	\$0	\$38,550	\$38,550
Electrical Workers/IBEW* (National)	\$33,000	\$0	\$33,000
AFL-CIO (National)	\$31,000	\$0	\$31,000
Oregon Education Association/OEA*	\$28,900	\$210	\$29,110
Oregon Auto Dealers Association/OADA*	\$1,820	\$25,392	\$27,212
Philip Morris*	\$10,000	\$15,000	\$25,000

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

TOP INDIVIDUAL CONTRIBUTORS IN OREGON, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Austin, Joan D.*	OR	Dental Equipment Manufacturing	\$100,000	R
Johnson, Donald R.*	OR	Building Materials & Equipment	\$50,000	R
Woolley, Donna P.	OR	Real Estate	\$46,000	R
Burmeister-Brown, Susan**	OR	Printing & Publishing	\$45,000	D
Coleman, Debi	OR	Securities & Investments	\$36,500	D
Lemelson, Eric D.*	OR	Beer, Wine & Liquor	\$35,000	D
Lematta, Wes*	WA	Air Transport	\$30,000	R
Stott, Peter W.	OR	Forestry & Forest Products	\$25,000	R
McCormick, William P.	OR	Food & Beverage	\$21,000	R
Aycox, Rod	GA	Payday & Title Loans	\$20,000	R
Burmeister-Brown, Michael**	OR	Computer Equipment & Services	\$20,000	D
CONTRIBUTOR — 2002				
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$150,000	D
Parks, Loren E.	OR	Pharmaceuticals & Health Products	\$135,000	R
Austin, Joan D.*	OR	Dental Equipment Manufacturing	\$81,200	R
Gund, Louise L.	OR	Gund Toys	\$50,000	D
Pamplin Sr., R. B.*	OR	Manufacturing	\$32,000	R
Johnson, Donald R.*	OR	Building Materials & Equipment	\$25,000	R
Knight, Phillip H.	OR	Nike	\$25,000	R
Okamoto, Paul	OR	Health Professional	\$21,350	R
Freres, Rob	OR	Forestry & Forest Products	\$20,100	R
St. Laurent, George	WA	Real Estate	\$20,000	R
CONTRIBUTOR — 2000				
Pamplin Sr., R. B.*	OR	Manufacturing	\$175,000	R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$150,000	D
Kirsch, Steven T.*	CA	Computer Equipment & Services	\$150,000	D
Allen, Andrew E.	OR	Computer Equipment & Services	\$120,000	D
Lemelson, Eric D.*	OR	Beer, Wine & Liquor	\$40,000	D
Eychaner, Fred	IL	TV & Radio Stations	\$25,000	D
Hamm, Edward H.	FL/MN	Oil & Gas	\$20,000	R
Carlson Kelley, Judith	OR	General Contractors	\$10,000	D
Duffie, Glen K.	OR	Retired	\$10,000	R
Lematta, Wes*	WA	Air Transport	\$10,000	R
McCormack, Winthrop	OR	Printing & Publishing	\$10,000	D
Omidyar, Pamela	CA	eBay	\$10,000	D
CONTRIBUTOR — 1998				
Estey, Craig	OR	Food & Beverage	\$10,000	R
King, Ed	OR	Beer, Wine & Liquor	\$9,500	D
Ratzlaff, James W.	OR	Securities & Investments	\$7,000	D
Wilcox, Brett E.	OR	Aluminum Mining & Processing	\$5,500	D & R
Blakeslee, Tracy	OR	Retail Sales	\$5,300	D
Lematta, Wes*	WA	Air Transport	\$5,250	R
Abraham, S. Daniel*	FL	Slim-Fast Foods	\$5,000	D
Berkman, Craig L.	OR	Finance	\$5,000	R
Russell, Nancy N.	OR	Retired	\$5,000	D
Folkman, Alan J.	OR	Business Services	\$4,100	R
Swigert, Henry T.	OR	Manufacturing	\$4,100	R

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

** First-time contributor in 2004.

TEXAS

By Mark Dixon

In 2004, three state-level Democratic Party committees in the Lone Star state raised slightly more than \$2 million, just 29 percent of the \$7 million raised during the comparable 2000 presidential-election cycle. Republican Party committees raised slightly less than \$3 million, 66 percent of the \$4.5 million raised in 2000.

The dramatic \$6.6 million reduction in the budgets of the two state parties from 2000 to 2004 was due largely to the absence of about \$5.3 million in soft money that the two state parties had raised from the national party committees in the 2000 election cycle — \$2.8 million from the three Democratic national committees and \$2.4 million from the three Republican committees.

Instead of raising additional money from other sources to fill the void created by BCRA, the two state parties actually raised less from most other sources as well, with the exception of in-state party committees and labor organizations.

CONTRIBUTIONS TO TEXAS POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Texas Democratic Party	\$6,198,667	\$6,456,476	\$19,617,269	\$1,277,308
Senate Democratic Campaign Cmte	\$213,950	\$172,510	\$3,500	\$377,856
Texas Partnership PAC*	\$481,837	\$412,105	\$842,336	\$0
House Democratic Campaign Cmte**	\$0	\$0	\$0	\$378,668
TOTAL	\$6,894,454	\$7,041,091	\$20,463,105	\$2,033,832
REPUBLICAN COMMITTEES				
Texas Republican Party	\$3,598,678	\$4,305,452	\$12,462,141	\$2,787,605
Republican Legislative Caucus ⁹²	\$3,300	\$224,570	\$184,200	\$199,070
TOTAL	\$3,601,978	\$4,530,022	\$12,646,341	\$2,986,675
ELECTION-CYCLE TOTAL	\$10,496,432	\$11,571,113	\$33,109,446	\$5,020,507

*Dissolved in May 2003

**Formed in 2004

State-level candidate committees and local party committees also bore the brunt of BCRA, at least indirectly. With smaller operating budgets to contend with, the state parties had less to provide to other committees. Contributions to state-level candidates decreased significantly, from \$1.6 million in the 2000 election cycle to just under \$500,000 in 2004. In addition, transfers to local party committees dropped by about half, from \$153,600 in 2000 to about \$83,900 in 2004.

In 2000 and 2004, Texans elected all 150 members of the state House of Representatives and 15 members of the state Senate. Texans also had to choose whether or not to elect George Bush — the governor they had elected in 1998 — as president. It was not a close call in either election. Bush won handily with 61 percent of the vote in 2004 and 59 percent in 2000. Because Texas was not a battleground state during either of the two presidential-election cycles, it was not a target for national party money, either.

⁹² While the Texas Democrats had an active Senate legislative caucus committee, there was no corresponding Republican committee for the Senate.

However, that was not the case in the 2002 elections. With control of the U.S. Senate at stake, Texas became a targeted state for national money because of an open U.S. Senate race between Democrat Ron Kirk, former mayor of Dallas, and Republican Texas Attorney General John Cornyn, who won the race with 55 percent of the vote. In addition, the 2002 Texas ballot featured a gubernatorial election pitting incumbent Republican Rick Perry against Democrat Tony Sanchez, who lost the race despite his largely self-financed war chest of \$66 million.

The declining fund raising by Texas political parties in the 2004 election cycle is an interesting contrast to the increasingly heated and bitter political wrangling between the parties in Texas over the last couple of years. Republicans won a majority in the Texas House of Representatives in the 2002 elections for the first time in more than 130 years.⁹³ This resulted in a huge battle in the 2003 Legislature over the Republican-authored redistricting bill that eventually passed. Redistricting battles are bitterly partisan because the ways in which new district lines are drawn influence the party makeup of the state legislatures and the representatives a state will send to Congress for the next decade. Before the bill passed, many state Democratic legislators fled Texas twice to delay a vote on the bill.⁹⁴

With the new district maps in place, after surviving scrutiny that went all the way to the U.S. Supreme Court, the Texas 2004 elections were underway. Texas has 32 representatives in Congress. Before the 2004 elections, 15 of those seats were held by Republicans. In 2004, Texas Republicans gained six seats, sending 21 Republican representatives to Congress and helping to further cement Republican control of the U.S. House of Representatives.⁹⁵

WHO GIVES TO THE TEXAS STATE PARTIES?

Comparing money raised in 2004 to the previous presidential-election cycle, the Texas party committees raised less from nearly all major sources. Not only did they lose the millions of dollars in soft money from the national party committees, they also saw a decrease in contributions from individuals, businesses and special interests, and candidate committees.

MAJOR TYPES OF CONTRIBUTORS TO TEXAS STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
In-State Party Committees	\$517,670	\$428,451	\$434,455	\$616,330
Candidate Committees	\$991,407	\$338,870	\$1,912,494	\$208,140
Candidates' Own Money	\$208,255	\$42,700	\$339,874	\$71,175
The Main National Party Committees	\$2,364,836	\$5,295,414	\$17,463,818	\$0
NON-PARTY SOURCES				
Businesses/Special Interests	\$2,769,215	\$3,310,828	\$7,714,609	\$2,295,701
Individuals	\$3,311,612	\$1,880,283	\$4,305,250	\$1,552,674
Labor Organizations	\$177,855	\$170,305	\$443,970	\$246,101

⁹³ R. Jeffrey Smith, "DeLay's Corporate Fundraising Investigated," *Washington Post*, July 12, 2004, [newspaper on-line]; available from <http://www.washingtonpost.com/ac2/wp-dyn/A43219-2004Jul11.html>; Internet; accessed July 13, 2005.

⁹⁴ Associated Press, "Texas Senators Take Page From House Playbook, Bolt," July 28, 2003, [on-line]; available from <http://www.foxnews.com/story/0,2933,93118,00.html>; Internet; accessed July 1, 2005.

⁹⁵ "Texas 2004 election results," *Washington Post*, Nov. 24, 2004 [newspaper on-line]; available from <http://www.washingtonpost.com/wp-srv/elections/2004/tx/>; Internet; accessed June 6, 2005.

Businesses and special interests gave \$2.3 million in 2004, down from \$3.3 million in 2000. Individual donors gave about \$327,600 less, disproving the theory that BCRA may result in large donations to state-level party committees from those donors who could no longer write six-figure checks to the national party committees. Finally, candidate committees, which gave about \$339,000 in 2000, gave just \$208,000 in 2004, a 39 percent reduction.

Two major sources that increased their giving were in-state party committees and labor unions.

In-state party committees gave about \$188,000 more in 2004 than in 2000, primarily because of contributions from two sources: the Texas Democratic Party, which gave \$249,000 to the Senate Democratic Campaign Committee in 2004, and the Majority PAC of Texas, which gave most of its \$243,800 in contributions to the newly formed House Democratic Campaign Committee. The Majority PAC of Texas, or MPACT, is a political action committee of the state Democratic Party.⁹⁶ Labor organizations also increased their giving to \$246,100 in 2004, a 45 percent increase from the \$170,300 given in 2000. The largest union contributor in 2004 was the Texas AFL-CIO, which gave \$60,100 to Democratic committees.

Although contributions from businesses and special interests were the lowest in 2004 among all four election cycles, two new names appeared among the top 10 business and labor contributors, both giving to the Texas Republican Party. The A.T. Massey Coal Co. of Virginia gave \$100,000, and Altria, the parent company of tobacco giant Philip Morris, gave \$55,000. A.T. Massey Coal did not contribute to the Texas Republican Party in any of the three previous election cycles, but Philip Morris gave \$35,000 to the Republican Party in the 2000 election cycle.

Meanwhile, two traditionally generous contributors did not show up on the list of top business and labor contributors in 2004 — the Texas Trial Lawyers Association (and its accompanying Texas 2000 PAC), and the law firm Provost & Umphrey, both of which topped the lists in previous elections. Although Provost & Umphrey gave \$15,000 to state Democratic Party committees in 2004, in previous cycles its giving was always in the six-figure range. The Texas Trial Lawyers Association gave only \$5,000 in the 2004 election cycle, a dramatic change from its contributions of \$865,000 in 2002, \$168,300 in 2000 and \$385,000 in 1998. In addition, the association's Texas 2000 PAC gave nearly \$2.1 million in 2000 and \$1.46 million in 2002, yet nothing in 2004.

Contributions from individual donors were also at an all-time low in 2004. However, three large individual contributors emerged for the first time. Randy DeLay gave \$25,000 to the Texas Republican Party, Frederick Baron gave \$20,000 to the Democratic Party, and Curtis W. Mewbourne gave \$20,000 to the Republican Party. Randy DeLay, brother of Texas Congressman Tom DeLay, is a lobbyist in Austin and Washington, D.C. Fred Baron is an attorney and founder of Baron & Budd, a firm that represents plaintiffs in environmental damage claims against corporations. Curtis Mewbourne founded Mewbourne Oil Co.

The top individual donor to the Texas party committees in 2004 was home builder Bob J. Perry of Houston, with \$587,000 in contributions to Republican Party committees. Perry was also the top individual giver in 2002, with \$910,000 to Republican committees, and made the top 10 list in 1998 and 2000, as well. Perry was a large donor to the 527 group Swift Vets & POWs for Truth, which gained national attention in 2004 for its ads attacking Democratic presidential nominee John Kerry. On the state level, Perry has contributed more than \$7.8 million since 1998 to Republican candidates and parties all across the country. Nearly all of the money — \$7.1 million — went to Texas Republican candidates and committees, although Perry did give to some Democratic candidates in Texas in 2004.

⁹⁶ Aman Batheja, "9 'Killer D's' unite, ignite party faithful," *Fort Worth Star Telegram*, Aug. 12, 2003, sec. News.

Two other individuals also made the top contributor list in all four election cycles — Dr. James R. Leininger and John M. O’Quinn. Dr. Leininger is a San Antonio physician and chairman of Kinetic Concepts Inc., a medical equipment company; he gave more than \$1.5 million to Republican Party committees over the four election cycles. O’Quinn, a trial lawyer who worked on the state’s tobacco lawsuit,⁹⁷ gave more than \$1.2 million to the Texas Democratic Party.

HOW HARD MONEY FIT IN

Making up for at least some of the loss in the amount of soft money raised, the Texas Republican Party raised about \$1 million more in federal, or so-called “hard” dollars, during the 2004 election cycle — \$6.5 million in 2004, compared with \$5.4 million in 2000. The increase came primarily from the Republican National Committee, which gave \$500,000 in 2004, or 10 times more than the \$50,000 it gave in 2000. In addition, the National Republican Congressional Committee, which gave no hard money to the state GOP in 2000, gave \$370,000 in 2004.

The Texas Democratic Party, on the other hand, raised less hard money during the 2004 cycle — \$1.8 million in 2004, compared with \$2.4 million in 2000. Although the party’s hard-money take from individuals increased slightly — from \$623,500 in 2000 to \$696,500 in 2004 — the national party committees, among others, curtailed their hard-money contributions.

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.

Overall, the parties still raised much less in 2004 than in 2000, even with the hard money added in.

HOW THE COMMITTEES SPENT THEIR MONEY

The Texas Democratic and Republican parties and legislative caucus committees reported combined total expenditures of \$12 million in the 1998 cycle, \$12.3 million in 2000, \$29.4 million in 2002, and \$8.25 million in 2004.

The parties had to change their spending patterns in 2004 because less money was available. One dramatic difference was the amount they spent on candidate support, for expenditures such as direct mail, political consultants and polling to help candidates win their races. In 2000, they spent \$5.9 million on candidate support, compared with just \$2.1 million in 2004. Both parties also cut their broadcast media budgets in 2004, spending about \$41,000 on broadcast media in the recent election cycle, down from \$1.5 million in 2000 and \$6.1 million in 2002.

Transfers from these state parties to local party committees dropped from \$153,600 in the 2000 cycle to \$83,900 in 2004. Contributions to state candidate committees also decreased — from \$1.66 million in 2000 to \$433,200 in 2004. Expenditures in the form of transfers to their federal accounts have increased each cycle, growing from \$821,500 in 1998 to \$2.16 million in the 2004 cycle. The transferred money is used for “allocable expenses,” or costs covered with a mix of hard and soft money and reported to the Federal Election Commission.

⁹⁷ Pam Smith, “Top 400 – Donor Profile,” *Mother Jones*, March 5, 2001 [magazine on-line]; available from http://www.motherjones.com/news/special_reports/mojo_400/10_oquinn.html; Internet; accessed June 6, 2005.

TOP BUSINESS AND LABOR CONTRIBUTORS IN TEXAS, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Anheuser-Busch	\$28,500	\$220,750	\$249,250
Williams Bailey Law Firm*	\$105,000	\$0	\$105,000
Texas Utilities/TXU	\$21,500	\$81,000	\$102,500
A.T. Massey Coal Co.**	\$0	\$100,000	\$100,000
SBC Communications	\$11,000	\$85,000	\$96,000
Union Pacific Railroad	\$0	\$80,000	\$80,000
Texas AFL-CIO	\$60,100	\$0	\$60,100
AT&T*	\$10,000	\$50,000	\$60,000
Altria**	\$0	\$55,000	\$55,000
Baron & Budd*	\$55,000	\$0	\$55,000
CONTRIBUTOR – 2002			
Texas Trial Lawyers Association/Texas 2000 PAC*	\$2,326,007	\$0	\$2,326,007
Provost & Umphrey*	\$727,500	\$0	\$727,500
Nix Patterson & Roach*	\$675,000	\$0	\$675,000
Williams Bailey Law Firm*	\$450,000	\$0	\$450,000
Reaud Morgan & Quinn*	\$350,000	\$0	\$350,000
Mariner Post Acute Network	\$0	\$250,000	\$250,000
Reliant Energy	\$16,000	\$165,000	\$181,000
Electrical Workers/IBEW (National)	\$153,500	\$0	\$153,500
Health Care & Retirement Corp.	\$0	\$150,000	\$150,000
AT&T	\$3,500	\$135,000	\$138,500
CONTRIBUTOR – 2000			
Texas Trial Lawyers Association/Texas 2000 PAC*	\$2,268,300	\$0	\$2,268,300
Provost & Umphrey*	\$156,000	\$0	\$156,000
National Education Association/NEA	\$70,000	\$0	\$70,000
Texas State Teachers Association/TSTA	\$61,850	\$0	\$61,850
Microsoft	\$0	\$51,470	\$51,470
Constitutional Defense Fund	\$50,000	\$0	\$50,000
Philip Morris	\$0	\$35,000	\$35,000
Association of Trial Lawyers of America	\$35,000	\$0	\$35,000
Burlington Northern & Santa Fe Railroad	\$3,000	\$25,000	\$28,000
Baron & Budd*	\$25,000	\$0	\$25,000
CONTRIBUTOR – 1998			
Provost & Umphrey*	\$455,000	\$0	\$455,000
Texas Trial Lawyers Association/TTLA*	\$385,000	\$0	\$385,000
Williams Bailey Law Firm*	\$365,000	\$0	\$365,000
Nix Patterson & Roach*	\$345,000	\$0	\$345,000
Reaud Morgan & Quinn*	\$225,000	\$0	\$225,000
A PAC for Parental School Choice	\$0	\$71,500	\$71,500
Burt Barr & Associates	\$0	\$62,582	\$62,582
AFL-CIO (National)	\$60,000	\$0	\$60,000
AFSCME (National)	\$52,272	\$0	\$52,272
Chiles Survivors Trust	\$0	\$42,500	\$42,500

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

** First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN TEXAS, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Perry, Bob J.*	TX	Home Builder	\$587,500	R
Leininger, James R.*	TX	Pharmaceuticals & Health Products	\$163,895	R
Alameel, David M.	TX	Health Professional	\$50,000	D
Heavin, H. Gary	TX	Curves Health Clubs	\$50,000	R
O'Quinn, John M.*	TX	Lawyers & Lobbyists	\$50,000	D
Abraham, S. Daniel	FL	Slim-Fast Foods	\$25,000	D
DeLay, Randy**	TX	Lawyers & Lobbyists	\$25,000	R
Baron, Frederick M.**	TX	Lawyers & Lobbyists	\$20,000	D
Mewbourne, Curtis W.**	TX	Oil & Gas	\$20,000	R
Schwartz, B.**	NY	Telecom Services & Equipment	\$20,000	D
CONTRIBUTOR — 2002				
Perry, Bob J.*	TX	Home Builder	\$910,000	R
O'Quinn, John M.*	TX	Lawyers & Lobbyists	\$550,000	D
Leininger, James R.*	TX	Pharmaceuticals & Health Products	\$246,575	R
Pilgrim, Lonnie A. (Bo)	TX	Poultry & Eggs	\$150,000	R
McNair, Robert C.*	TX	Electric Utilities	\$125,000	R
Ansary, Hushang	TX	Oil & Gas	\$100,000	R
Ginsburg, Scott K.	TX	Communications & Electronics	\$100,000	D
Crow, Harlan R.	TX	Real Estate	\$75,000	R
Gund, Louise L.	CA	Gund Toys	\$75,000	D
Heavin, Diane	TX	Curves Health Clubs	\$70,000	R
Pickens, T. Boone*	TX	Finance	\$70,000	R
CONTRIBUTOR — 2000				
Leininger, James R.*	TX	Pharmaceuticals & Health Products	\$375,000	R
O'Quinn, John M.*	TX	Lawyers & Lobbyists	\$206,000	D
Long, John	TX	Securities & Investments	\$125,000	R
McNair, Robert C.*	TX	Electric Utilities	\$100,000	D
Perry, Bob J.*	TX	Home Builder	\$70,000	R
White, William H.*	TX	Oil & Gas	\$66,488	D
Beecherl, Louis A.*	TX	Oil & Gas	\$40,000	R
Crain, Nate E.	TX	Computer Equipment & Services	\$35,530	R
Pickens, T. Boone*	TX	Finance	\$30,000	R
Shields, Marsha	TX	Oil & Gas	\$30,000	R
CONTRIBUTOR — 1998				
Leininger, James R.*	TX	Pharmaceuticals & Health Products	\$781,500	R
O'Quinn, John M.*	TX	Lawyers & Lobbyists	\$430,000	D
McNair, Robert C.*	TX	Electric Utilities	\$175,000	D & R
BaumoeL, James L.	TX	Lawyers & Lobbyists	\$126,271	D
Evins, Danny	TN	Food & Beverage	\$100,000	R
White, William H.*	TX	Oil & Gas	\$92,330	D
Perry, Bob J.*	TX	Home Builder	\$80,000	R
McIngvale, James F.	TX	Retail Sales	\$50,000	D
O'Connor, Maconda B.	TX	Welfare & Social Work	\$40,000	D
Beecherl, Louis A.*	TX	Oil & Gas	\$33,000	R

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

** First-time contributor in 2004.

WASHINGTON

By Denise Roth Barber

The soft-money budgets of Washington's two state party committees took a big hit during the post-BCRA 2004 election cycle, raising about \$12 million less than in the comparable 2000 presidential-election cycle. The legislative caucuses on the other hand — having received no soft money from the national parties in the three previous cycles — were essentially unaffected by BCRA. In fact, three of the four caucuses raised more in 2004 than during any of the three previous election cycles.

The Washington State Republican Party fared the worst in 2004, raising \$3.3 million during the 2004 election cycle, one-fourth of the \$13.4 million raised during the 2000 election cycle. Not only was the state GOP without the \$8.3 million of soft money it received from the national party committees in 2000, it lost an additional \$1.6 million in contributions from other sources.

The Washington State Democratic Party was without \$6.7 million in soft money it had received from the national party committees during the 2000 election cycle. However, it raised just \$2.3 million less than in 2000. Several new major contributors with a Democratic bent put their money into the state, easing the effects of BCRA to some extent for the Washington Democratic Party.

CONTRIBUTIONS TO WASHINGTON POLITICAL PARTY COMMITTEES,⁹⁸ 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Washington Democratic Party	\$3,463,391	\$11,774,938	\$3,388,367	\$9,405,865
Senate Democratic Campaign Cmte	\$537,828	\$606,330	\$727,409	\$883,052
House Democratic Caucus Campaign Cmte	\$805,306	\$1,341,017	\$1,366,285	\$1,348,274
TOTAL	\$4,806,525	\$13,722,285	\$5,482,061	\$11,637,191
REPUBLICAN COMMITTEES				
Washington Republican Party	\$4,140,440	\$13,432,105	\$2,435,139	\$3,351,655
Senate Republican Campaign Cmte	\$405,653	\$385,053	\$399,934	\$607,452
House Republican Organizational Cmte	\$551,483	\$965,392	\$1,010,373	\$887,182
TOTAL	\$5,097,576	\$14,782,550	\$3,845,446	\$4,846,289
ELECTION-CYCLE TOTAL	\$9,904,101	\$28,504,835	\$9,327,507	\$16,483,480

One contributor in particular came to the aid of the state party. The extremely close governor's race between Democratic candidate Christine Gregoire and Republican Dino Rossi caught the attention of the Democratic Governors Association (DGA), which sent \$2.6 million to the state party in 2004. By way of comparison, the Republican Governors Association gave the Washington Republican Party just \$285,000. The DGA's investment ultimately paid off. Despite two recounts and a court challenge to her hairbreadth victory of 129 votes out of more than 2.8 million votes cast,⁹⁹ Gregoire emerged the final winner of the closest gubernatorial race in the state's history.

⁹⁸ The totals for the two state party committees include money from the two state accounts of each committee — the exempt and non-exempt, each of which is reported separately to the state.

⁹⁹ Dave Ammons, "Democrat Declared Wash. Governor-Elect," Dec. 30, 2004, [on-line]; available from <http://abcnews.go.com/Politics/wireStory?id=371992>; Internet; accessed Aug. 3, 2005.

WHO GIVES TO THE WASHINGTON STATE PARTIES?

Partisan committees from out-of-state took the place of the national party committees during the 2004 election cycle as critical suppliers of campaign cash to the state-level party committees in Washington. Four groups with ties to Democrats gave more than \$3 million to the state Democratic Party in 2004.

MAJOR TYPES OF CONTRIBUTORS TO WASHINGTON STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
Out-of-State Party Committees	\$169,922	\$818,435	\$132,311	\$3,405,195
Candidate Committees	\$1,183,477	\$1,564,320	\$2,068,289	\$2,609,013
In-State Party Committees	\$753,145	\$1,266,994	\$2,046,970	\$1,916,082
The Main National Party Committees	\$1,649,416	\$15,066,134	\$1,113,026	\$0
NON-PARTY SOURCES				
Individuals	\$2,564,280	\$3,370,971	\$1,254,047	\$3,803,049
Businesses/Special Interests	\$2,779,285	\$4,579,183	\$2,164,847	\$2,891,585
Labor Organizations	\$579,415	\$976,179	\$430,905	\$1,498,478

In addition to the contributions from the DGA, three other national-level committees also pitched in with much-needed new cash:

- MoveOn.org gave \$250,000 of new money to the Washington Democratic Party. During the 2004 election, MoveOn.org focused its resources on supporting Democratic presidential candidate John Kerry in key battleground states.
- With Attorney General Gregoire running for governor, the attorney general's race was open. The Democratic Attorneys General Association (DAGA) gave the Washington Democratic Party \$220,000. This time, however, the investment did not pay off. Republican Robert McKenna beat Democrat Deborah Senn to win the office.
- Grassroots Democrats, a new, independent nonprofit political organization formed to raise soft money for state Democratic Party committees,¹⁰⁰ gave the Washington Democratic Party \$80,000.

In addition, labor unions also increased their giving to the Democratic Party by more than \$500,000 over the 2000 election cycle. The American Federation of State, County and Municipal Employees (AFSCME) almost tripled its giving to \$250,000 in 2004, up from \$85,000 in 2000. The national Service Employees International Union (SEIU) gave \$150,000 in 2004, or six times the \$25,000 it gave in 2000, while the Washington State Council of Service Employees gave \$133,450 in 2004, after making no contributions in 2000.

During the 2000 presidential-election cycle, the six main national party committees and in-state party and candidate committees gave \$18.1 million to Washington's party committees, accounting for two-thirds of the \$28.5 million of soft money raised. Post-BCRA, in-state party and candidate

¹⁰⁰ Grassroots Democrats [on-line]; available from <http://www.grassrootsdemocrats.com/aboutus.asp>; Internet accessed May 3, 2005.

committees remained an important source of funds, although to a lesser degree — the \$4.5 million they contributed in 2004 accounted for about one-fourth of the \$16.4 million the party committees raised. The out-of-state party committees, on the other hand, accounted for 20 percent of the total raised in 2004, up from less than 3 percent in 2000.

Candidate committees supplied the state parties with \$2.6 million during the 2004 election cycle, a 67 percent increase over the \$1.5 million they gave in 2000. This increase primarily benefited the legislative caucuses, which received most of that money — \$2.3 million.

Washington party committees also substantially increased their contributions to each other, most notably the legislative caucuses and political action committees (PACs) associated with those caucuses. The House Republican Organization, for example, gave the Washington State Republican Party nearly \$541,000 in 2004, more than double the \$224,500 it gave in 2000. The Harry Truman Fund, a PAC associated with the House Democrats, gave the state Democratic Party \$331,000 in 2004, compared with just \$34,000 in 2000. The Roosevelt Fund, tied to the Senate Democrats, gave the Senate Democratic Fund and the state party nearly \$204,000 in 2004, compared with \$22,130 in 2000. However, Paul Berendt, chairman of the state Democratic Party, said the increases were not a response to BCRA, but rather to a court ruling in Washington state in 2000. The ruling, in effect, liberalized the issue advocacy law for state candidates, making it more palatable to do state-level issue advocacy ads, enabling the party to raise and spend more in that arena.¹⁰¹

Some predicted that BCRA would result in the state parties turning to each other for campaign cash. In 2000, for example, Democratic state party committees from three states — California, Oregon and Maryland — provided the Washington State Democratic Party with \$97,435. Yet in 2004, they received no soft money from other state party committees. Instead, the Washington Democratic Party benefited from the substantial contributions of Democratic-leaning national groups that were not directly affiliated with the national party committees.

Many political observers also predicted BCRA would result in state-level party committees attracting wealthy donors who could no longer give unlimited amounts to the national party committees. But this did not happen for the state parties in Washington. Total contributions from individuals remained relatively stable between the two presidential-election cycles, and the top 10 donors in 2004 were all Washington residents. This is in sharp contrast to the 2000 election cycle, when six of the top 10 individuals were from out of state. In fact, non-resident donors overall gave \$162,000 in 2004, a 69 percent decrease from the \$520,000 given during the 2000 presidential cycle.

Two of the top 10 individual contributors in 2004, however, were new donors, and both gave to the Washington Republican Party: Mark Pigott of Paccar Inc., a truck manufacturing company based in Bellevue, Wash., and Mikal Thomsen of Western Wireless.

Two other large donors to the Washington Republican Party substantially increased their contributions in 2004. John W. Stanton, also of Western Wireless, gave \$238,500 in 2004, compared with \$65,200 in 2002 and \$45,000 in 2000. George W. (Skip) Rowley Jr. of Rowley Enterprises, a property management and development firm in Issaquah, Wash., gave \$80,000 in 2004, more than double the \$37,150 he gave in the previous three election cycles combined. The state Democratic Party committees, on the other hand, attracted no new large donors.

¹⁰¹ Telephone interview, July 13, 2005.

While contributions from individual donors remained stable, businesses and special interests gave nearly \$1.7 million less than they did in 2000. Most notably absent was Services Group of America. Specializing in food distribution primarily in the West and Midwest, Services Group gave almost \$500,000 in 2000, with all but \$575 going to the Republican parties. Yet the company gave nothing to the state parties in 2004. And three businesses that appeared in the top 10 in all four election cycles — Microsoft, Weyerhaeuser Co. and Boeing Co. — gave considerably less in 2004 than they gave in 2000. However, one contributor gave notably more. The Tulalip Tribes of Washington gave the state Democratic Party \$221,000 in 2004, compared with just \$29,100 in 2000.

HOW HARD MONEY FIT IN

The State Democratic Party also raised \$6.4 million of federal, or so-called “hard” money in 2004, more than double the \$2.4 million of hard money it raised in 2000. The increase came largely from an additional \$1.6 million from individuals, \$756,000 from the Democratic Senatorial Campaign Committee, and \$650,000 from the Kerry for President campaign. Including hard-money contributions, the state Democratic Party raised \$17 million in 2004, compared with the \$14 million in hard and soft money it raised in 2000.

The state GOP, on the other hand, raised less hard money in 2004 — \$3.2 million, almost half the \$6.2 million it raised in 2000. Including hard-money receipts, the Republican Party raised a total of \$8.7 million in 2004, essentially half of the \$17.7 million in hard and soft money it raised in 2000.

Those hard dollars — reported to the Federal Election Commission and 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.

HOW THE COMMITTEES SPENT THEIR MONEY

Washington’s two state political parties each keep two separate accounts. Their “exempt” accounts can receive unlimited contributions from any type of contributor, but cannot be used to directly support candidates. Instead, they are to be used only for administrative costs, such as office rent and staff costs. Their “non-exempt” accounts, on the other hand, can be used to directly support candidates at all levels, but the state places some limits on the contributions they can receive. While individuals can contribute unlimited amounts to these accounts, businesses and political action committees — even national party committees in the past — could only give a maximum of \$3,400 per year.

How the two party committees spent their money depended largely on which accounts they were using. During all four election cycles, both parties used their non-exempt accounts to directly support candidates. Candidate support and direct contributions accounted for 90 percent or more of the expenses from the non-exempt accounts of the Washington State Democratic Party and 71 percent to 94 percent for the Washington State Republican Party. In fact, during the 2004 election, the party committees were among the top 10 contributors to legislative campaigns. Combined, these committees gave \$2.9 million to legislative candidates, or 15 percent of the \$19 million the candidates raised.

However, the interesting story lies in how the two committees spent funds from their exempt accounts, which are intended to pay for “administrative” expenses. The Institute found that both state parties heavily used these funds to help their candidates get elected, albeit indirectly.

Funds from the exempt accounts were used extensively in 2000 to pay for broadcast issue ads, which exert a significant influence on the outcome of elections. In 2004, they were used to fund the gubernatorial recount efforts and ensuing legal battle, as well.

Prior to the 2004 cycle, both state party committees transferred the vast majority of the money from their exempt accounts into their federal accounts, from which they could pay for expenses that benefited both state and federal candidates. A close look at the expenditures from these accounts shows that in 2000, broadcast issue ads, not staples and staff, accounted for 60 percent of the Washington Democratic Party's expenditures and about two-thirds of the Washington Republican Party's expenditures.

In 2004, the Institute found that the funds from these exempt accounts were still being used to pay for activities to help their candidates, although — due to BCRA — they skipped the step of transferring the money first to their federal accounts. Instead, they spent directly from their state accounts.

Broadcast media expenses again topped the spending list for the Washington State Democratic Party's exempt account, accounting for two-thirds of its 2004 expenses. However, the money went primarily to the gubernatorial race, not the federal races, according to the state party's Berendt: "The DCCC [Democratic Congressional Campaign Committee] ran the ads themselves for the congressional candidates this time, whereas in the past, they sent the money to us to buy those ads."¹⁰²

In addition, both state parties spent millions on the legal battle surrounding the two recounts of the gubernatorial race.¹⁰³

¹⁰² Telephone interview, July 13, 2005.

¹⁰³ David Postman, "Lawsuit buries parties in debt," *Seattle Times*, April 22, 2005, p. B1.

TOP BUSINESS AND LABOR CONTRIBUTORS IN WASHINGTON, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
AFSCME (National)	\$250,000	\$0	\$250,000
MoveOn.org**	\$25,000	\$0	\$250,000
Tulalip Tribes of Washington	\$221,625	\$0	\$221,625
Microsoft*	\$112,600	\$54,100	\$166,700
Service Employees/SEIU (National)	\$150,000	\$0	\$150,000
Weyerhaeuser Co.*	\$12,600	\$134,000	\$146,600
Washington State Council of Service Employees	\$134,700	\$1,000	\$135,700
Washington Machinists Council/IAMAW*	\$120,775	\$0	\$120,775
Boeing Co.*	\$53,100	\$65,100	\$118,200
Washington Education Association/WEA	\$115,000	\$1,300	\$116,300
CONTRIBUTOR – 2002			
Microsoft*	\$109,408	\$76,520	\$185,928
Boeing Co.*	\$52,850	\$74,275	\$127,125
Washington Federation of State Employees/WFSE*	\$108,450	\$4,100	\$112,550
Weyerhaeuser Co.*	\$15,450	\$79,350	\$94,800
Institute of Electrical & Electronic Engineers	\$70,000	\$0	\$70,000
Washington Leadership Council	\$67,000	\$0	\$67,000
United for Washington	\$0	\$66,060	\$66,060
Building Industry Association of Washington/BIAW*	\$600	\$63,525	\$64,125
Puget Sound Energy*	\$28,450	\$35,675	\$64,125
Washington State Labor Council*	\$54,540	\$0	\$54,540
CONTRIBUTOR – 2000			
Services Group of America*	\$575	\$498,350	\$498,925
Weyerhaeuser Co.*	\$16,850	\$290,550	\$307,400
Microsoft*	\$105,600	\$188,649	\$294,249
Boeing Co.*	\$85,850	\$193,675	\$279,525
Washington State Labor Council*	\$183,887	\$0	\$183,887
Building Industry Association of Washington/BIAW*	\$0	\$121,500	\$121,500
Puget Sound Energy*	\$62,250	\$59,175	\$121,425
Washington Federation of State Employees/WFSE*	\$105,550	\$9,375	\$114,925
Simpson Investment Co.	\$18,450	\$96,175	\$114,625
Morongo Band of Mission Indians	\$110,000	\$0	\$110,000
CONTRIBUTOR – 1998			
Services Group of America*	\$0	\$577,562	\$577,562
Microsoft*	\$61,605	\$106,456	\$168,061
Emily's List	\$125,000	\$0	\$125,000
Washington Federation of State Employees/WFSE*	\$119,755	\$4,525	\$124,280
Washington State Labor Council*	\$110,950	\$0	\$110,950
Washington Machinists Council/IAMAW*	\$87,125	\$0	\$87,125
Boeing Co.*	\$51,375	\$34,625	\$86,000
Philip Morris	\$1,125	\$80,525	\$81,650
Weyerhaeuser Co.*	\$26,200	\$44,800	\$71,000
Washington Water Power Co.	\$22,700	\$38,700	\$61,400

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

**First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN WASHINGTON, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Stanton, John W.*	WA	Telecom Services & Equipment	\$238,500	R
Pigott, Mark**	WA	Trucking	\$100,000	R
Heidorn, George E.*	WA	Computer Equipment & Services	\$82,295	D
Rowley Jr., George W. (Skip)*	WA	Real Estate	\$80,000	R
Goldman, Peter	WA	Pro-Environmental Policy	\$71,200	D
Brainerd, Paul*	WA	Nonprofit Institutions	\$70,000	D
Thomsen, Mikal**	WA	Telecom Services & Equipment	\$66,000	R
McCaw, Bruce R.*	WA	Telecom Services & Equipment	\$65,000	R
Tagney-Jones, Maryanne*	WA	Pro-Environmental Policy	\$57,500	D
Durkan Jr., Martin J.*	WA	Lawyers & Lobbyists	\$50,750	D & R
CONTRIBUTOR — 2002				
Kohler, Terry J.	WI	Manufacturing	\$180,000	R
Brainerd, Paul*	WA	Nonprofit Institutions	\$81,000	D
Stanton, John W.*	WA	Telecom Services & Equipment	\$65,200	R
Buckley, Jody	CA	Education	\$45,000	D
Tagney-Jones, Maryanne*	WA	Pro-Environmental Policy	\$39,500	D
Daines, Bernard*	WA	Computer Equipment & Services	\$30,000	R
Heidorn, George E.*	WA	Computer Equipment & Services	\$27,500	D
Kohlberg, Jerome	NY	Securities & Investment	\$25,000	D
Rowley Jr., George W. (Skip)*	WA	Real Estate	\$25,000	R
Conner, William M.	WA	Real Estate	\$24,500	R
CONTRIBUTOR — 2000				
Daines, Bernard*	WA	Computer Equipment & Services	\$537,000	R
Shaw, Gregory L.	WA	Computer Equipment & Services	\$82,000	D
Budd, Russell W.	TX	Lawyers & Lobbyists	\$75,000	D
Mills, David	CA	Beer, Wine & Liquor	\$75,000	D
Brainerd, Paul*	WA	Nonprofit Institutions	\$70,250	D
Heidorn, George E.*	WA	Computer Equipment & Services	\$63,050	D
McCaw, Bruce R.*	WA	Telecom Services & Equipment	\$60,000	R
Durkan Jr., Martin J.*	WA	Lawyers & Lobbyists	\$57,200	D
Ballmer, Steven	WA	Computer Equipment & Services	\$50,000	R
Bing, Stephen L.	CA	TV & Movie Production	\$50,000	D
Brotman, Jeffrey H.	WA	Retail Sales	\$50,000	D
Carter, Donald J.	TX	Retail Sales	\$50,000	R
Levy-Hinte, Jeanne	NY	TV & Movie Production	\$50,000	D
Levy-Hinte, Jeff	NY	TV & Movie Production	\$50,000	D
McCaw, Keith	WA	Telecom Services & Equipment	\$50,000	R
CONTRIBUTOR — 1998				
Nicholson, Jim	DC	Party Committees	\$223,780	R
Ferris, Lincoln	WA	Food Processing & Sales	\$218,375	R
Jirsa, Robert J.	WA	Forestry & Forest Products	\$63,875	R
Kelly, John	WA	Telecom Services & Equipment	\$42,998	R
Agnew, Creigh H.	WA	Forestry & Forest Products	\$41,600	R
Stewart, Thomas J.	WA	Food Processing & Sales	\$40,000	R
Wolfe, Daniel E.	WA	Insurance	\$36,425	R
Makin, Rob	WA	Lawyers & Lobbyists	\$34,175	R
Ralston, Al	WA	Air Transport	\$32,100	R
Rogers, Doug	WA	Commercial Banks	\$31,250	R

* Among the top 10 contributors in more than one cycle. ** First-time contributor in 2004.

WISCONSIN

By Megan Moore

With the Bipartisan Campaign Reform Act of 2002 drying up the soft money that national party committees could raise and transfer, the two Wisconsin state party committees failed to find new sources of funds and raised significantly less soft money in 2004 than in previous election cycles. The \$1.7 million raised by the two state party committees in 2004 was just 17 percent of the \$10 million raised in the 2000 election cycle. Contributions to the four legislative caucuses, on the other hand, more than doubled over the same time period.

The dismal soft money cash flow to Wisconsin's two state parties in 2004 is not surprising considering that — as a presidential battleground state in 2000 — they received \$7.8 million from the national party committees. That amount represented 73 percent of the total funds the two committees raised that election cycle.

The Wisconsin Democratic Party, which received nearly \$4.1 million of its \$4.5 million total from the national committees in 2000, was left with a bigger deficit after BCRA than the Republican Party, which received \$3.7 million of its \$5.5 million total from the national committees. Once soft money from the national parties was no longer available in 2004, the Democratic Party raised only \$384,344, or 28 percent of the Republican Party's \$1.35 million.

This report focuses on the effects of BCRA on the raising and spending of soft money¹⁰⁴ by the two state party committees and four legislative caucuses in Wisconsin. Comparisons focus primarily on 2000 and 2004 in order to examine cycles in which similar elections were held both before and after BCRA went into effect. During each of the four election cycles studied, all 99 Assembly members and half of the 33 senators were up for election, while statewide candidates were on the 1998 and 2002 ballots.

CONTRIBUTIONS TO WISCONSIN POLITICAL PARTY COMMITTEES, 1998-2004

DEMOCRATIC COMMITTEES	1998	2000	2002	2004
Wisconsin Democratic Party	\$1,636,112	\$4,466,303	\$2,353,159	\$384,344
State Senate Democratic Cmte	\$278,194	\$149,450	\$250,241	\$246,235
Assembly Democratic Campaign Cmte	\$445,111	\$263,050	\$296,066	\$607,055
TOTAL	\$2,359,417	\$4,878,803	\$2,899,466	\$1,237,634
REPUBLICAN COMMITTEES				
Wisconsin Republican Party	\$2,651,076	\$5,549,592	\$4,715,107	\$1,348,723
Cmte to Elect a Republican Senate	\$206,850	\$147,000	\$249,383	\$360,868
Republican Assembly Campaign Cmte	\$247,624	\$164,535	\$130,159	\$241,332
TOTAL	\$3,105,550	\$5,861,127	\$5,094,650	\$1,950,923
ELECTION-CYCLE TOTAL	\$5,464,967	\$10,739,930	\$7,994,116	\$3,188,557

Although the Wisconsin state parties raised considerably less soft money after the passage of BCRA, contributions to all four legislative caucuses increased over the same time period. A closer

¹⁰⁴ State committees report the hard money they raise and spend to the Federal Election Commission. All other money they raise and spend is considered "soft money" and subject to state spending and disclosure requirements.

look at fund raising by the legislative caucuses reveals that the biggest fund-raisers on each side, the Assembly Democratic Campaign Committee and the Committee to Elect a Republican Senate, each more than doubled their 2000 totals in 2004, raising \$607,000 and \$361,000 respectively. In fact, the Assembly Democratic Campaign Committee's fund raising was second only to the state GOP, out-raising not only the other three legislative caucuses but also the state Democratic Party.

Mike McCabe of the Wisconsin Democracy Campaign, a nonpartisan political watchdog group, said that "the ban on soft money transfers from the national parties did seem to further enhance the importance of the legislative campaign committee and leadership fund raising and further eroded the importance of the [state] parties."¹⁰⁵ He warned against attributing the rise in the prominence of the legislative caucuses solely to BCRA, however. "The leadership-controlled LCCs and the leaders themselves are simply more attractive to special-interest donors because the leaders control public policy and when donors give to them it has more impact on the policymaking process. The parties are more distant from the legislative process and therefore more insulated, and therefore less attractive to special interests who want to influence legislation."¹⁰⁶

When asked how BCRA has affected fund raising, Wisconsin Republican Party Finance Director Kelley Willett pointed to a "general weariness" to give because potential contributors are unsure of limits and fearful of inadvertently contributing more than is permitted.¹⁰⁷ Willett also described the strategy to replace national party soft money as focused on "more rigorous grassroots fund raising."¹⁰⁸ As a result of this approach, the average contribution from an individual donor to the Wisconsin Republican Party fell from \$69 in 2000 to \$37 in 2004. The number of individual contributions of \$100 or less increased by 29 percent.

In addition to BCRA, two state-level issues were impacting political discussions and may have influenced 2004 campaign contributions: GOP attempts to freeze property taxes and to pass a Taxpayers Bill of Rights. Democratic Gov. Jim Doyle vetoed an attempt to freeze property taxes in 2002.¹⁰⁹ With an already sizeable majority in the Legislature, Republicans hoped to gain in the 2004 elections the seats needed to hold the two-thirds necessary to override a veto.¹¹⁰

The Taxpayers Bill of Rights, championed by some Republicans and opposed by others, is another divisive issue in Wisconsin. Because it is a constitutional amendment, it must be approved by two legislative sessions and also voted on as a statewide referendum.¹¹¹ The proposal would limit state spending, a cause that may have motivated some big contributors opposed to reduced spending. According to Republican Assembly Speaker John Gard, "special interests ranging from the Wisconsin Education Association Council, [to] the public employee union to the Indian gambling industry"¹¹² supported those against a Taxpayers Bill of Rights.

¹⁰⁵ E-mail correspondence, July 8, 2005.

¹⁰⁶ Ibid.

¹⁰⁷ Telephone interview, June 24, 2005.

¹⁰⁸ Ibid.

¹⁰⁹ Matt Pommer, "State GOP Ready to Push Its Agenda," *Capital Times*, Nov. 4, 2004, sec A, p. 5.

¹¹⁰ Matt Pommer, "GOP Politics Heat Up with Elections Nearing," *Capital Times*, Jan. 19, 2004, sec. A, p. 3.

¹¹¹ Matt Pommer, "State GOP Ready to Push Its Agenda," *Capital Times*, Nov. 4, 2004, sec A, p. 5.

¹¹² Ibid.

WHO GIVES TO THE WISCONSIN STATE PARTIES?

With Wisconsin's strict contribution limits, the inability to make up for the millions of dollars from national parties was not unexpected. State parties cannot receive more than \$150,000 per two-year election cycle from all political action committees combined, and individual PACs cannot contribute more than \$6,000 per party per year. Individuals are limited to giving \$10,000 per calendar year in total to all candidates and party committees.¹¹³

In 2004, individual donors continued as a major source of funding for state party committees. With national party soft money out of the picture in 2004, individual contributions accounted for the highest amount of soft money: \$1.76 million. Although individual contributions increased only \$246,800 from 2000 to 2004, they made up 55 percent of total contributions in 2004, up from 14 percent in 2000.

Labor organization contributions also rose slightly from 2000 to 2004, while business and special interest contributions fell slightly behind 2000 levels. Since labor organizations and businesses contribute through their political action committees, it is important to remember that Wisconsin state parties can only receive an aggregate of \$150,000 from all PACs combined, and the increase in giving by one sector limits the amount the party may receive from other sectors.

MAJOR TYPES OF CONTRIBUTORS TO WISCONSIN STATE PARTIES, 1998-2004

PARTY SOURCES	1998	2000	2002	2004
In-State Party Committees	\$188,934	\$286,953	\$512,889	\$473,216
Candidate Committees	\$158,478	\$138,181	\$168,825	\$88,308
The Main National Party Committees	\$3,009,854	\$7,817,452	\$4,499,937	\$0
NON-PARTY SOURCES				
Individuals	\$1,184,732	\$1,514,221	\$1,713,153	\$1,761,024
Businesses/Special Interests	\$507,280	\$581,460	\$482,440	\$562,551
Labor Organizations	\$336,870	\$254,634	\$289,243	\$272,460

While contributions from non-party sources remained largely unchanged after BCRA's passage, there were changes in giving by major party sources such as candidate and party committees. Party sector contributors include candidates' personal money, candidate campaign committees, and any other local, state or national party committee. A candidate's personal money is subject to the same \$10,000 contribution limit as other individuals, and candidate committees are treated as political action committees and limited to giving \$6,000 a year.¹¹⁴

Contributions from in-state party committees changed the most from 2000 to 2004, likely because these contributions are not limited. In-state party committees include the six committees studied here, as well as local party committees. Overall, in-state party committee giving increased by 65 percent, from about \$287,000 in 2000 to \$473,200 in 2004. Although local party contributions increased by 28 percent, from about \$50,700 in 2000 to nearly \$65,000 in 2004, much of the in-state party committee money is traded between the four legislative caucuses and two state party committees.

¹¹³ Correspondence with Richard Bohringer, Campaign Auditor, Wisconsin State Elections Board, June 9, 2005.

¹¹⁴ Ibid.

With the legislative caucus fund raising up and state party money down, there were notable changes in the dynamics between the in-state party committees. In 2000, the Democratic Party and legislative caucuses were trading much of the in-state party committee money. The Wisconsin Democratic Party gave the Assembly Democratic Campaign Committee \$114,305, and the Assembly Democratic Campaign Committee and State Senate Democratic Committee gave the Wisconsin Democratic Party a combined \$93,500.

The Republicans changed places with the Democrats in 2004, dominating the swapping of in-state party funds. The Wisconsin Republican Party gave only \$5,000 to other Wisconsin GOP committees in 2000 and received just \$23,350. By 2004, the Wisconsin Republican Party received \$173,000 from the Republican Assembly Campaign Committee and contributed \$111,000 to the Committee to Elect a Republican Senate, a committee that neither gave to nor received money from other Wisconsin party committees in 2000. Meanwhile, the Wisconsin Democratic Party contributed only \$5,705 in 2004, all to the State Senate Democratic Committee, and received just \$41,800 from the Assembly Democratic Campaign Committee, which out-raised the state party.

The Wisconsin state party committees and legislative caucuses found little new support from top business and labor contributors in 2004. Eight of the 10 top business and labor contributors in 2004 were among the top 10 in previous cycles. Four of the top 10 were among the top contributors in all four cycles: the Wisconsin Education Association Council, the Wisconsin Bankers Association, the Wisconsin Realtors Association, and the Wisconsin Farm Bureau.

There were two new top business contributors in 2004. Although SBC Communications did not contribute prior to 2004, one of its subsidiaries, Ameritech, was a top contributor in 2000. The Wisconsin Institute of CPAs was the other new top contributor in 2004. The CPAs gave \$25,750 in 2004, more than all previous contributions combined.

While top business and labor contributors in Wisconsin were often in the top 10 in more than one election cycle, the list of top 10 individual contributors varied considerably from election cycle to election cycle. No individual landed on the top-contributor list in all four election cycles, and only seven individuals were among the top 10 in more than one cycle.

One prediction following BCRA's passage was that out-of-state contributions to state party committees would increase because individuals who could no longer give unlimited soft money at the national level would divert their funds to the state level parties. This prediction proved true in Wisconsin. Four of the five first-time top contributors in 2004 were from out-of-state. On the surface, this may not seem unusual, as out-of-state money is prevalent in all four cycles. A closer look at all individual contributions, however, reveals that state party committees and legislative caucuses received about \$137,000 in 2004 from individual contributors residing outside of Wisconsin, 36 percent more than the \$100,600 they received in 2000.

HOW HARD MONEY FIT IN

Although Wisconsin's two state party committees raised considerably less soft money after the passage of BCRA, hard-money contributions to both parties' federal accounts increased dramatically from 2000 to 2004.¹¹⁵

The Wisconsin Democratic Party nearly doubled its hard-money contributions, from \$3.9 million in 2000 to \$7.6 million in 2004, due to an additional \$1.7 from the national party committees and \$1.3 million more from individual donors. The Wisconsin GOP also saw an increase in hard money to 20 percent above 2000 levels, from \$4.29 million in 2000 to \$5.18 million in 2004. This increase was possible even with a decline in individual hard-money contributions, from \$2.35 million in 2000 to just \$1.96 million in 2004, and only a small increase in giving from the national party committees.

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. The increase in these funds helped bring the Democratic Party to within \$500,000 of its fund-raising total in 2000, but the Republican Party still fell \$3.3 million short of its 2000 levels of total hard and soft money.

HOW THE COMMITTEES SPENT THEIR MONEY

Wisconsin state parties spent less soft money in 2004 than in previous election cycles due to their meager funds, while all legislative caucuses except the Republican Assembly Campaign Committee spent more during the 2004 election cycle. Spending patterns also changed from 2000 to 2004, with the parties spending more on administrative costs and less on media buys and transfers to candidate and party committees.

While the state parties spent less on candidate support, the two Senate caucuses increased their funding of candidate support activities. The State Senate Democratic Committee almost doubled its candidate support spending from \$82,500 in 2000 to \$151,000 in 2004. The increase in candidate support spending by the Committee to Elect a Republican Senate is even starker, jumping from just \$59,000 in 2000 to \$257,500 in 2004. The two Assembly legislative caucuses, like the state party committees, decreased their candidate support spending.

The shortage of funds resulting from BCRA notwithstanding, the Wisconsin Democratic Party actually contributed more money to local party committees in 2004 than in 2000. The Democrats sent \$131,125 to local parties in 2004, 80 percent more than the \$72,850 spent in 2000. The Wisconsin Republican Party, on the other hand, did not send any money to local parties in 2004 and sent only \$3,507 in 2000.

¹¹⁵ According to the Year-End Reports filed by the two state party committees with the Federal Election Commission.

TOP BUSINESS AND LABOR CONTRIBUTORS IN WISCONSIN, 1998-2004

CONTRIBUTOR – 2004	TO DEMOCRATS	TO REPUBLICANS	TOTAL
Wisconsin Laborers District Council/LIUNA*	\$32,000	\$0	\$32,000
SBC Communications**	\$8,250	\$23,300	\$31,550
Wisconsin Education Association Council*	\$19,500	\$10,500	\$30,000
Wisconsin AFSCME*	\$27,150	\$100	\$27,250
Wisconsin Bankers Association*	\$1,250	\$26,000	\$27,250
Wisconsin Realtors Association*	\$9,250	\$18,000	\$27,250
Wisconsin Institute of CPAs	\$2,750	\$23,000	\$25,750
Wisconsin Farm Bureau*	\$8,100	\$16,000	\$24,100
Wisconsin Credit Union League*	\$6,000	\$16,500	\$22,500
Northwestern Mutual Life*	\$4,000	\$18,000	\$22,000
CONTRIBUTOR – 2002			
Wisconsin Education Association Council*	\$32,000	\$17,000	\$49,000
Wisconsin Realtors Association*	\$12,500	\$24,000	\$36,500
Northwestern Mutual Life*	\$11,000	\$17,000	\$28,000
Wisconsin Bankers Association*	\$3,000	\$23,000	\$26,000
Wisconsin Farm Bureau*	\$4,000	\$21,150	\$25,150
Bank One Corp.*	\$10,000	\$14,000	\$24,000
Wisconsin State AFL-CIO	\$23,250	\$0	\$23,250
Wisconsin Credit Union League*	\$14,500	\$7,000	\$21,500
Wisconsin Laborers District Council/LIUNA*	\$19,870	\$0	\$19,870
Wisconsin State Auto Workers/UAW*	\$15,000	\$0	\$15,000
CONTRIBUTOR – 2000			
Wisconsin Realtors Association*	\$18,750	\$34,000	\$52,750
Wisconsin Bankers Association*	\$14,500	\$24,875	\$39,375
Wisconsin Education Association Council*	\$23,500	\$12,000	\$35,500
Firststar Corp.	\$9,000	\$17,500	\$26,500
Northwestern Mutual Life*	\$11,000	\$15,000	\$26,000
Bank One Corp.*	\$13,000	\$12,500	\$25,500
Wisconsin Farm Bureau*	\$4,200	\$21,000	\$25,200
Ameritech	\$8,700	\$12,900	\$21,600
Miller Brewing Co.	\$8,000	\$13,000	\$21,000
Wisconsin State Auto Workers/UAW*	\$21,000	\$0	\$21,000
CONTRIBUTOR – 1998			
Wisconsin Education Association Council*	\$36,000	\$15,000	\$51,000
Wisconsin Realtors Association*	\$15,500	\$30,450	\$45,950
Wisconsin Bankers Association*	\$7,500	\$28,750	\$36,250
Plumbers & Gasfitters Local 75/UA	\$25,200	\$6,000	\$31,200
Wisconsin Credit Union League*	\$14,278	\$14,150	\$28,428
Operating Engineers Local 139/IUOE	\$24,000	\$0	\$24,000
Wisconsin Farm Bureau*	\$8,150	\$15,500	\$23,650
Wisconsin Laborers District Council/LIUNA*	\$23,580	\$0	\$23,580
Wisconsin AFSCME*	\$21,665	\$1,500	\$23,165
Wisconsin Fire Fighters/IAFF	\$16,000	\$5,800	\$21,800

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

** First-time contributor in 2004.

TOP INDIVIDUAL CONTRIBUTORS IN WISCONSIN, 1998-2004

CONTRIBUTOR — 2004	STATE	INDUSTRY	TOTAL	PARTY
Meisler, Allen	AL	Gambling & Casinos	\$11,500	D & R
Eychaner, Fred*	IL	TV & Radio Stations	\$10,000	D
Lawrence, Richard**	OH	Lawyers & Lobbyists	\$10,000	D
Lynch, Barbara B.**	WI	Retired	\$10,000	R
Messinger, Alida**	NY	Nonprofit Institutions	\$10,000	D
Stordalen, Linda Kiran*	WI	Aveda Products	\$10,000	D
Templeton, John**	PA	Nonprofit Institutions	\$10,000	R
Katz, Donald	WI	Education	\$7,600	D
Broydrick, William*	WI	Lawyers & Lobbyists	\$7,500	R
Maher, Julia**	CA	Community Activist	\$7,500	D
CONTRIBUTOR — 2002				
Furman, Gail	NY	Health Professionals	\$10,000	D
Rechelbacher, Horst	WI	Aveda Products	\$10,000	D
Stordalen, Linda Kiran*	WI	Aveda Products	\$10,000	D
Grebe, Michael W.	WI	Lawyers & Lobbyists	\$6,475	R
Rolfs, Robert T.	WI	Retired	\$6,000	R
Broydrick, William*	WI	Lawyers & Lobbyists	\$5,500	D & R
Hendricks, Kenneth A.	WI	Building Materials & Equipment	\$5,000	R
Hormel, James	CA	Hormel Heir	\$5,000	D
Johnson, Samuel C.*	WI	Chemical & Related Manufacturing	\$5,000	R
Kasten Jr., George F.	WI	Securities & Investments	\$5,000	R
Kuehne, Carl	WI	Food Processing & Sales	\$5,000	R
Sakwa, Gary Robert	MI	Real Estate	\$5,000	R
Yontz, Kenneth F.*	WI	Pharmaceuticals & Health Products	\$5,000	R
CONTRIBUTOR — 2000				
Cumming, Ian M.	WY	Finance	\$20,000	D
Coleman, Reed	WI	Manufacturing	\$11,000	R
Styza, Bryce P.	WI	Real Estate	\$11,000	R
Barry, William E.	WI	Manufacturing	\$10,000	R
Derse, James F.*	WI	Retired	\$10,000	R
Dhaliwal, Darshan	WI	Oil & Gas	\$10,000	R
Eychaner, Fred*	IL	TV & Radio Stations	\$10,000	D
Gelatt, Philip M.*	WI	Manufacturing	\$10,000	R
Jacobs, Irwin	MN	Pleasure Boat Manufacturing	\$10,000	R
Johnson, Samuel C.*	WI	Chemical & Related Manufacturing	\$10,000	R
Levy-Hinte, Jeanne	NY	TV & Movie Production	\$10,000	D
Levy-Hinte, Jeffrey	NY	TV & Movie Production	\$10,000	D
Omidyar, Pamela	CA	eBay	\$10,000	D
Ross, Laura	NY	Lawyers & Lobbyists	\$10,000	D
Yontz, Kenneth F.*	WI	Pharmaceuticals & Health Products	\$10,000	R

CONTRIBUTOR — 1998	STATE	INDUSTRY	AMOUNT	PARTY
Gelbaum, David	CA	Securities & Investments	\$20,000	D
Callan, James J.	WI	Real Estate	\$10,500	R
Abraham, S. Daniel	FL	Slim-Fast Foods	\$10,000	D
Derse, James F.*	WI	Retired	\$10,000	R
Gelatt, Philip M.*	WI	Manufacturing	\$10,000	R
Henley, Don	CA	Recorded Music Production	\$10,000	D
Johnson, Samuel C.*	WI	Chemical & Related Manufacturing	\$10,000	R
Neumann, Deborah	IL	Retired	\$10,000	R
Neumann, Kenneth	IL	Retired	\$10,000	R
Nicholas, Albert O.	WI	Securities & Investments	\$10,000	R
Platt, Ronald	WI	Lawyers & Lobbyists	\$10,000	D
Weiss, Gary	WI	Health Professional	\$10,000	D
Weiss, Mary Brown	WI	Spouse of Gary Weiss	\$10,000	D

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

** First-time contributor in 2004.