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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Campaign Finance Reform, Rural Issues, and Information Technology (SC-CFRRIT)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Senate

Record of Committee Proceedings

Committee on Campaign Finance Reform, Rural Issues and Information Technology

Senate Bill 12

Relating to: campaign financing, designations for the Wisconsin election campaign fund by individuals filing state income tax returns, creating a nonrefundable individual income tax credit for contributions to the Public Integrity Endowment, candidate time on public broadcasting television stations and public access channels, statewide voter registration, staffing of the Elections Board, providing exemptions from emergency rule procedures, granting rule-making authority, providing penalties, and making appropriations.

By Senators Ellis, Erpenbach, Cowles, Carpenter, Risser, Lehman, Schultz and Lassa; cosponsored by Representatives Kaufert, Musser, Boyle, Black, Berceau, Hebl, Molepske, Hintz and Travis.

January 24, 2007 Referred to Committee on Campaign Finance Reform, Rural Issues and Information Technology.

February 12, 2008 **PUBLIC HEARING HELD**

Present: (4) Senators Kreitlow, Erpenbach, Lassa and Kapanke.
Absent: (1) Senator Kanavas.

Appearances For

- Michael Ellis — Senator, WI State Senate, 19th District
- Jon Erpenbach — Senator, WI State Senate, 27th District
- Mike McCabe, Madison — WI Democracy Campaign
- Jay Heck, Madison — Common Cause - Wisconsin
- Andrea Kaminski, Madison — League of Women Voters of WI
- Ed Garvey, Madison
- Darrell E. Wilson, Reedsburg
- William R Benedict, Madison
- Steve Holtzman, Madison
- E. Michael McCann, Milwaukee
- Marion Stuenkel, Madison
- Peter Cannon, Madison

Appearances Against

- Herman Holtzman, Madison

Appearances for Information Only

- None.

Registrations For

- Joe Murray, Madison — Wisconsin Realtors Assn
- Dean Kaufert, Neenah — Representative, WI State Assembly, 55th District
- Adam Korbitz, Madison — State Bar of Wisconsin
- Curt Witynski, Madison — League of Wisconsin Municipalities
- Sabrina Gentile, Madison — WI Council on Children and Families
- George Penn, Madison
- James Sime, Middleton
- Rose Sime, Middleton
- Carl Silverman, Madison
- Nan Cheney, Madison
- Constance Threinen, Middleton
- Thomas Thoresen, Fitchburg

Registrations Against

- Sean Parnell, Alexandria — President, Center for Competitive Politics

Registrations for Information Only

- None.

February 28, 2008

EXECUTIVE SESSION HELD

Present: (4) Senators Kreitlow, Erpenbach, Lassa and Kapanke.

Absent: (1) Senator Kanavas.

Moved by Senator Erpenbach, seconded by Senator Kreitlow that **Senate Substitute Amendment** be recommended for introduction and adoption.

Ayes: (3) Senators Kreitlow, Erpenbach and Lassa.

Noes: (1) Senator Kapanke.

Absent: (1) Senator Kanavas.

INTRODUCTION AND ADOPTION OF SENATE
SUBSTITUTE AMENDMENT RECOMMENDED, Ayes 3, Noes

Moved by Senator Erpenbach, seconded by Senator Kreitlow that
Senate Bill 12 be recommended for passage as amended.

Ayes: (3) Senators Kreitlow, Erpenbach and Lassa.

Noes: (1) Senator Kapanke.

Absent: (1) Senator Kanavas.

PASSAGE AS AMENDED RECOMMENDED, Ayes 3, Noes 1

Kathy Daggs
Committee Clerk

Vote Record

Committee on Campaign Finance Reform, Rural Issues and Information Technology

Date: 02/28/08

Moved by: Exp. Kreit Seconded by: Exp.

AB _____ SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt 02601 became SSAI-SB12
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Senator Pat Kreitlow, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Julie Lassa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Dan Kapanke	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>3</u>	<u>1</u>	_____	_____

Motion Carried Motion Failed

Vote Record

Committee on Campaign Finance Reform, Rural
Issues and Information Technology

Date: 02/28/08

Bill Number: SB-12

Moved by: EvP. Seconded by: Kreitlow

Motion: Passage as Amended

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Pat Kreitlow, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Julie Lassa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Dan Kapanke	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>3</u>	<u>1</u>	<u> </u>	<u> </u>

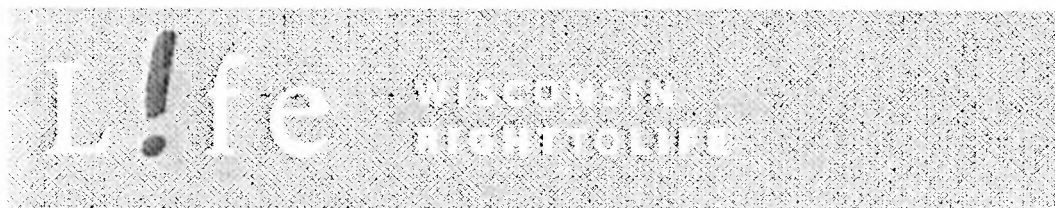
Motion Carried

Motion Failed

Daggs, Kathy

From: Saxler, Charles
Sent: Tuesday, February 12, 2008 10:30 AM
To: Daggs, Kathy
Subject: FW: Memo in opposition to campaign finance "reform" bills

From: Wisconsin Right to Life [mailto:legis@wrtil.org]
Sent: Tuesday, February 12, 2008 10:34 AM
To: Sen.Kreitlow; Sen.Carpenter; Sen.Lassa; Sen.Kanavas; Sen.Kapanke
Subject: Memo in opposition to campaign finance "reform" bills



TO: Members of the Senate Committee on Campaign Finance Reform,
Rural Issues and Information Technology

FROM: Susan Armacost, Legislative Director,
Wisconsin Right to Life

DATE: February 12, 2008

Wisconsin Right to Life strongly opposes SB 12 and SB 463,

legislation authored by politicians for the protection of politicians at the expense of the First Amendment rights of citizens and citizen organizations.

SENATE BILL 12

Unconstitutional Reporting Requirements

Senate Bill 12 would impose prison sentences and fines on citizens and citizen organizations if they disseminate **objective** information regarding politicians' voting records and stands on issues within 60 days of an election through mass communications.

Apparently, some politicians fear having their voting

records and stands on issues discussed in the public arena. Senate Bill 12 would subject ordinary citizens and citizen organizations, like Wisconsin Right to Life, to prison sentences of up to six months for even mentioning a politician's name in a radio or television ad within 60 days of an election. The only way a citizen or citizen organization could avoid such punishment would be to submit to unreasonable, unwieldy and complicated state-mandated regulations.

SB 12 would require, **for the first time in the history of our state**, that the personal information of the members of **citizen organizations**, like Wisconsin Right to Life, Inc., also become a matter of public record if WRTL, Inc. even mentions the name of a politician who is running for office through mass media communications within 60 days of an election. Many people who belong to citizen organizations do not want their personal information to become public record.

A 2006 poll conducted by the Institute for Justice found that 60% of those polled would think twice about contributing to an organization if their personal information is disclosed. The result of SB 12 on citizen organizations would be a significant loss of membership. And this is precisely the result the supporters of SB12 want. After all, fewer members translate into fewer contributions used to disseminate information on politicians' voting records and positions.

But even worse would be the effect of this legislation on Wisconsin Right to Life, Inc. chapters throughout the state. The WRTL, Inc. chapters are made up of volunteer-citizens who live and work in their communities. Sometimes, as a public service, WRTL, Inc. chapters run radio ads on their local stations with **objective** information about the voting records and positions of politicians on right to life issues. It is up to the listeners of the ads to decide how they feel about those votes and positions.

If Wisconsin Right to Life chapters don't submit to the unwieldy and burdensome restrictions in SB 12, they risk prison sentences and fines for simply exercising their First Amendment right within 60 days of an election. It is likely that this will discourage many citizens from exercising their First Amendment rights. And this is, of course, exactly the result the supporters of SB 12 want!

Unconstitutional Prohibitions in SB 12 on PAC to PAC Contributions

Wisconsin Right to Life has strong objections to the provision that prohibits any committee making a contribution to a "special interest" committee. This is a clear violation of the constitutional right of freedom of association.

SB 12 Would Force Political Committees to Fund

Candidates They Oppose

Wisconsin Right to Life also takes great issue with the provision that would mandate that a candidate receive a "supplemental grant in the amount of any independent disbursement in close proximity to the election that are made by special interest committees to oppose that candidate, or to support that candidate's opponent." This amounts to forcing "special interest" committees into financially supporting candidates they oppose!

SENATE BILL 463

In June, 2007, the U. S. Supreme Court, in *FEC v. Wisconsin Right to Life*, ruled that "electioneering communications" without an "appeal to vote" were not "electioneering." The Court said that the government has no justification for regulating such non-campaign speech.

In spite of the clarity of the Court, the Federal Election Commission promulgated rules that do not reflect the Court's ruling by requiring the disclosure and reporting of communications that do not advocate the election or defeat of any candidate.

James Bopp, Jr., the attorney who represented Wisconsin Right to Life in *FEC v. Wisconsin Right to Life*, is currently litigating the disclosure and reporting requirements contained in the FEC rules (*Citizens United v. FEC*). At this time, it is not clear when the U.S. Supreme Court would take up this matter.

SB 463 is essentially the same as SB 12 except that the authors of SB 463 use the constitutionally flawed FEC "electioneering communication" rule to justify a disclosure and reporting requirement on political speech and apply it to mass media communications.

The grave objections we expressed above in regard to the reporting requirements contained in SB 12 are the very same objections we have in regard to the reporting requirements contained in SB 463. The fact that the authors of SB 463 included the language of the FEC rule does not change or diminish our objections to this legislation in any way.

Wisconsin Right to Life urges you to oppose SB 12 and SB 463.

Thank you.

February 12, 2008
Public Hearing
Testimony

My name is **William R. Benedict**. As a proud citizen of Wisconsin, it is a privilege to have this opportunity to testify before the Senate Committee on Campaign Finance Reform and Rural Issues and Information Technology.

I am a retired social worker who is now working full time as a citizen advocate for campaign finance reform and state funding of stem cell research. My special constituency is myself, my family and the citizens of the State of Wisconsin.

I am here this morning because I sincerely believe that our body politic is sick at the core and it is urgently in need of comprehensive campaign finance reform. Our legislature has a systemic and insidious disease so strong that it infects our most dedicated public servants. Wisconsin voters know deep down in their soul that their vote no longer counts. They believe that you have sold them out to those who pay for your elections term after term and now have put in jeopardy their sacred political freedom.

It hurts me this morning to have to say that I believe you have prostituted your office in order to have your election campaigns paid for by the rich and the powerful.

Not until every Wisconsin citizen can run for public office regardless of how much money they have will we have a state government by the people and for the people. I urge you and all of your Senate and Assembly colleagues to take the strong medicine needed to cure this terrible sickness. Please pass Senate bills 12, 25, 171 and 463.

Make Wisconsin pure and clean again!

Thanks again for this opportunity to speak.

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QUEST COLUMN

2-11-08

Governor's speech misses mark on stem-cell innovation

By **WILLIAM BENEDICT**

As a senior citizen of the state of Wisconsin whose family suffers from three serious cell-based diseases and who has been working with both private and public officials in support of public funding for stem cell research in Wisconsin, I was deeply disappointed when my governor in his State of the State address looked our legislators and the citizens of Wisconsin in the eye and boasted that Wisconsin has stayed at the forefront of the stem-cell innovation "because we kept politicians out of it."

I have to assume the "we" he was referring to are the citizens of Wisconsin. Or did the "we" refer to his administration? In either case, I predict taxpayers and the health consumers of this state soon will deeply regret that the people and their representatives acquiesced and remained disengaged while the most critical health policy issues were left undressed.

How can the citizens of this state and our policy makers remain disengaged around a human health concern having to do with the essence of life itself?

If not us — the citizens through our Legislature — then who will decide? While I support our free marketplace and the critical role that private enterprise must play if Wisconsin's stem cell program is to succeed, I am not about to support anyone who advocates that citizens and their policy makers withdraw from the public square on this or any other vital public issue.

As much as I admire James Thomson and his team of talented and dedicated scientists, neither they nor the UW research community nor the biotech/pharmaceutical industry can be left to mind the people's business relating to how best to fund stem cell research and to ensure that the needs and interests of taxpayers and future health consumers of this state are fairly



Benedict

represented.

The media are trying to distract us from this issue by framing it primarily as an economic answer to all our problems. They would prefer that citizens see the chief public benefit in terms of the trickle-down economic effect and the promise of future job creation.

While this benefit is worthy, it is far too narrow and short-sighted.

Further allocation of public tax incentives and innovation grants must be accompanied with accountability and public benefit requirements, including intellectual property rights, public disclosure and conflict of interest safeguards.

To continue to focus primarily on job creation outcomes and ignore the state's present health care crisis is short-sighted and irresponsible.

Now is the time for our policy makers to decide whether the miracle cures promised will be made accessible and affordable to Wisconsin families with cell-based diseases.

The answer to this question must be reflected in the language of the state's financial and tax research innovation incentives now being proposed.

Asking the grantees to do the right thing after giving away the farm is like asking the fox to cough up the chickens after giving him the key to the hen house.

If Wisconsin truly is to remain at the forefront in its stem cell initiative, like California and many other states, we will set about immediately to fill the policy gaps referred to above.

Without legislative leadership we should not expect that cell-based therapies and drugs derived from this research will eventually benefit all of us as health consumers and taxpayers.

I hope a year from now, when our governor again gives his State of the State address, he will be able to thank your legislators and mine for building a policy platform that will match the genius of our science and will ensure Wisconsin's stem cell program remains at the forefront of both health care policy innovation.

Benedict is a retired social worker who lives in Madison.



Center for Competitive Politics

www.campaignfreedom.org

Statement of

Sean Parnell

President

Center for Competitive Politics

Before the Hearing of the

Wisconsin State Senate

**Committee on Campaign Finance Reform, Rural Issues and
Information Technology**

With Respect to

“Senate Bills 12, 25 and 463”

Madison, Wisconsin

February 12, 2008

Introduction

Chairman Kreitlow, Vice-Chairman Erpenbach and members of the Committee, thank you for the opportunity to submit my statement for the record regarding Senate Bills 12 and 25. My name is Sean Parnell, and I am President of the Center for Competitive Politics, an organization dedicated to promoting and defending the First Amendment's political rights of speech, assembly and petition.

Currently the Wisconsin Senate is looking to enact numerous changes to its existing system of taxpayer subsidies for political candidates. The aim of these changes is primarily to halt any perceived erosion in public confidence Wisconsinites have in their democratic institutions.

Wisconsin is not alone in using taxpayer funds for political campaigns in an attempt to improve public perceptions of the legislature and election process. Arizona and Maine have, since 2000, operated statewide programs that are more ambitious than Wisconsin's, offering full taxpayer funding of political campaigns to candidates who qualify.

In light of Arizona and Maine's more ambitious programs, I think the actual experience of their so-called "clean election" programs would provide valuable insight to the Wisconsin Senate as you consider amending Wisconsin's current laws.

After all, if a system of full subsidies to political campaigns is able to achieve success, then a system of partial subsidies might be expected to achieve some lesser degree of success. Conversely, if complete taxpayer financing of campaigns fails to achieve its aim, then a system of partial subsidies is even less likely to succeed.

It is my hope today to give you a research-based perspective of the experience in Arizona and Maine with taxpayer funded political campaigns, primarily by comparing the intended goals of the "clean election" program with the actual outcomes.

Decreases Confidence in Government

Across Wisconsin, advocates of campaign finance regulation are proposing sweeping changes to existing campaign financing laws in hopes that it will restore public confidence in the State's democratic processes and institutions. Research to date strongly suggests, however, that taxpayer funding of elections fail to increase public confidence in government, and may in fact erode the public's confidence.

In 2003 the federal government published a study of taxpayer funded campaigns in Maine and Arizona, finding that taxpayer financing did not increase the public's confidence in government. A plurality of citizens said that government-financed elections had no effect on their confidence in state government,¹ and only one in five citizens said their confidence in government had increased.

¹ <http://www.gao.gov/new.items/d03453.pdf>

Research by professors Jeffrey Milyo and David Primo examined taxpayer financing of campaigns to see if they led to increased confidence in government. Their conclusion was that taxpayer funding laws have a "negative effect on public views about whether 'people have a say' in their government or whether 'officials care.'²"

Special Interests

One of the claimed benefits of taxpayer funding of political campaigns is that it reduces the power and influence of lobbyists and so-called "special interests." For example, Arizona state representative Steve Gallardo has said "The biggest benefit to the voters in my district is it takes the special interest out of politics..."³ while Maine Senate President Beth Edmonds states that "When I'm walking the halls of the legislature and I see lobbyists from major corporations... I know that I get to make decisions [for] all the people in my district and not just specific interest groups."⁴

If these officeholders are correct, if taxpayer subsidies to politicians actually reduce the influence and effectiveness of lobbyists and "special interests," we would expect to see declines in, or at least not substantial increases in, the number of lobbyists in these so-called "clean election" states. Lobbyists are, after all, employed because they are skilled at advancing the interests of their clients. If "clean elections" make lobbyists less valuable to the interests that hire them, then we would expect to see fewer people employing lobbyists.

The reality is quite different. In 2002 in Maine, the second election cycle in which candidates ran under their "clean elections" program, there were only 92 active state-registered lobbyists. By 2007, that number had grown to 192 lobbyists, an increase of 208%.⁵

Lobbying is of course not the only way in which interest groups participate in the legislative and political process. In "clean election" systems, interest groups are still able to provide substantial support to favored candidates, and may in fact be able to provide even more support than before.

This is because well-organized, pre-existing interest groups are ideally situated to aid candidates in collecting the required number of signatures and small donations. Utilizing their membership lists, paid staff, volunteer networks and frequent communication with members, the task of collecting the needed signatures and donations is far easier for candidates who are able to rely on the support of these interest groups.

² David M. Primo and Jeffrey Milyo, "Campaign Finance Laws and Political Efficacy: Evidence from the States," working paper 0413, University of Missouri, Department of Economics, (June 2005): 17.

³ <http://www.publiccampaign.org/node/39242>

⁴ *ibid*

⁵ The yearly totals for registered lobbyists in Maine were obtained through public registration records which can be found at: http://www.mainecampaignfinance.com/public-entry_list.asp?TYPE=LC.

An example of this is the case of Arizona Governor Janet Napolitano, who relied upon labor unions to collect nearly one quarter of the required signatures and \$5 contributions⁶ needed for her to qualify for millions of dollars in "clean election" funding. It's difficult to imagine that Governor Napolitano is any less grateful to Arizona's labor unions for this support than if they had just written her a check.

Although Wisconsin does not propose a system of full taxpayer funding like Arizona and Maine, it is still relatively easy for organized interest groups to encourage their membership to contribute their favored candidate, helping them to qualify for a larger taxpayer subsidy. It seems reasonable that Wisconsin candidates receiving such assistance will feel grateful for the assistance of these allies.

Perhaps more importantly, citizens in Arizona and Maine are deeply skeptical of claims that taxpayer subsidies reduce the influence and effectiveness of lobbyists and interest groups. In fact, more citizens in Arizona thought that government-financing *increased* the influence of "special interests groups" than thought government-financing decreased the influence of special interests.⁷ Similarly, just 25 percent of Maine residents thought that government financing decreased special interest's influence.⁸

Voters are right to be skeptical of the ability of taxpayer subsidies for political campaigns to reduce the influence of organized interest groups. The explosive growth of registered lobbyists in Maine and the aid of labor unions provided to Governor Napolitano to allow her to collect millions in taxpayer dollars for her campaign demonstrate that, at the very least, taxpayer subsidies laws do little or nothing to curb the influence of interest groups or their ability to support favored candidates.

Does Not Lead to "Better" Representation

Another mistaken belief about taxpayer subsidies for political candidates is that they will lead to different legislative outcomes, presumably more representative of the interests of citizens and constituents. This is based on the premise that without contributions from individuals and groups with interests contrary to the broader public good, it would be relatively easy to pass popular legislation.

Political scientists Stephen Bronars and John Lott explored this premise in a 1997 study published in the University of Chicago's *Journal of Law and Economics*.⁹

⁶ Chip Mellor, *Three Lessons from Arizona*, WELFARE FOR POLITICIANS 31, 37-8 (John Samples, ed., Cato Institute, 2005).

⁷ <http://www.gao.gov/new.items/d03453.pdf>

⁸ <http://www.gao.gov/new.items/d03453.pdf>

⁹ Stephen G. Bronars and John R. Lott, *Do Campaign Donations Alter How a Politician Votes? Or, Do Donors Support Candidates Who Value the Same Things That They Do?*, 40 J. LAW & ECON. 317, 346-47 (1997).

Their research revealed that campaign contributions are driven by ideology and that legislators vote according to their own beliefs, their party loyalty, and the views of their constituents. They found no evidence of contributions influencing legislative votes.

Bronars and Lott are not alone in their finding; in fact most of the academic research on this subject has repeatedly found that legislative votes are tied directly to the ideology, party, or constituent interests.

Another study was conducted by 3 professors at the Massachusetts Institute of Technology. Noting that "The large majority of studies find no significant effects of hard money contributions on public policy...",¹⁰ these professors decided to look at whether soft money contributions by corporations had influenced public policy in a way that benefitted the donor.

Their conclusion was consistent with the overwhelming majority of research: donations had not unduly influenced public policy. The results of their research were, in their words, "exactly the *reverse*" of what they would expect to find if soft money donations by corporations had unfairly influenced public policy.

In another study, the Goldwater Institute in Arizona analyzed the voting records of legislators elected with taxpayer dollars compared to legislators who relied on private contributions. The study concluded that legislators funded with taxpayer dollars "voted no differently from legislators who accepted private contributions."¹¹

Other Failures

Failure to improve the public's confidence in elected officials, failure to diminish influence or support by interest groups and lobbyists, and failure change the way elected officials vote, are just three of the many significant shortcomings of taxpayer funded political campaigns.

Briefly, other problems with taxpayer subsidies of political campaigns include:

- They have little impact on the number of competitive campaigns. A study of the Arizona system found that "...access to public funding in 2000 and 2002 did not affect incumbent reelection rates, and [in] 2004, it would seem incumbent reelection rates actually *rose* for House seats."¹²
- Taxpayer subsidy programs are targets for fraud. Taxpayer monies in Maine were used to pay \$100,000 in "consulting fees" to one candidate's husband and to "campaign" in

¹⁰ Stephen Ansolabehere, James M. Snyder, Jr., Michiko Ueda, MIT Departments of Political Science and Economics, *Did Firms Profit from Soft Money?* January, 2004 (later in: *Election Law Journal*, spring, 2004)

¹¹ Robert J. Francosi, *Is Cleanliness Political Godliness?* p. 16, November 2001, Goldwater Institute

¹² Allison Hayward, *Campaign Promises: A Six Year Review of Arizona's Experiment with Taxpayer-financed Campaigns*, p. 12 March 2006, Goldwater Institute.

nightclubs in Arizona. Portland, Oregon was scammed out of \$150,000 by one candidate who submitted forged signatures and fake contributions.

- Spending limits are actually speech limits. Candidates accepting taxpayer subsidies for their political campaigns must agree to limit their total spending in a campaign. Because campaign spending is primarily aimed at promoting a candidate's message to voters, limiting overall spending means limiting the frequency, effectiveness, and number of messages a candidate is able to communicate to voters. Spending caps also limit a candidate's ability to respond to late campaign developments, such as key endorsements or unfavorable media coverage.
- They discourage and suppress speech by small citizen groups. SB 12 offers a "supplemental grant" to candidates who are targeted by third-party groups or whose opponent is aided by third party groups. These "supplemental grants" are explicitly designed to discourage citizens from spending money to speak out for or against candidates, because any contribution to or spending by a third-party group is going to be offset by a matching grant from the taxpayers.
- "Supplemental grants" can actually increase spending in campaigns by big citizen groups. While smaller groups with limited funds may be discouraged from running advertisements because their spending will be countered with a taxpayer subsidy for the targeted candidate, large groups with significant funds may be willing to spend well beyond the maximum "supplemental grant," particularly if they know a candidate has exhausted their funds responding to earlier advertisements and is unable to spend more.

Wisconsin Senate Bill 25

In addition to the taxpayer subsidy scheme outlined in SB 12, I would like to take a moment to comment on Senate Bill 25. This bill prohibits any incumbent partisan elective state official or his or her personal campaign authorized support committee from accepting any political contribution for the purpose of promoting his or her nomination or reelection to the office held by the official during the period from the first Monday in January of each odd numbered year through the date of enactment of the biennial budget act.

In doing so, this bill would create an uneven playing field during election cycles. While it prohibits incumbent office holders from raising the necessary funds needed to run a competitive campaign, it does not similarly restrict challengers.

While many may regret the fact that campaigns seem to start earlier each year, the fact remains that running for office is often a long and arduous process that may begin a year or more before the election. Allowing some candidates to begin raising funds for their campaigns and start communicating with voters at a time when other candidates are prohibited from doing so is fundamentally unfair, and dramatically limits an incumbents ability to communicate with voters at crucial early stages of a campaign.

All campaigns ought to be run on even terms, giving incumbents and challengers an equal opportunity at raising the funds necessary to convey their message to the electorate so that they can cast their vote based on who they feel shares like-minded ideas and policy proposals. Adopting SB 25 would represent a step backwards for political freedom and an informed electorate.

Conclusion

In conclusion, I would like to make the following three observations that I hope you will consider as you move forward with debate on overhauling current campaign finance law in Wisconsin:

First, programs that offer taxpayer subsidies have, as the research and evidence demonstrate, failed almost completely to achieve the goals set out by supporters of such programs. Confidence in government does not increase, elections do not become more competitive, the influence and effectiveness of lobbyists and "special interests" does not decline, and legislators do not vote differently once they are subsidized by taxpayer dollars.

In short, taxpayer subsidies for political campaigns do not provide the benefits that advocates believe they do.

Second, in relation specifically to "supplemental grants" as a way to discourage and suppress independent third-party participation in campaigns, I feel the need to point out that the idea that political candidates should be able to insulate themselves from the criticisms of citizen groups and prevent citizen groups from focusing attention on issues, events and topics that candidates believe unimportant, is wholly inconsistent with the First Amendment and our heritage of political liberty.

It isn't surprising that politicians don't like to be criticized. What is surprising is that so many people are willing to abridge important First Amendment rights in order to silence or diminish the voices of these independent citizen groups at election time. Wisconsin should avoid travelling down the path represented by "supplemental grants" that would silence critics of candidates and government policy.

My third and final, and perhaps most important, observation is that taxpayer subsidies for political campaigns are based on a fundamentally flawed premise, which is that elected officials are essentially "bought off" by a small number of individuals and groups with interests diametrically opposed to the greater good, and that if the contributions of these individuals and groups were to be limited or offset through taxpayer subsidies, then legislators would be able to quickly and easily enact legislation that the overwhelming majority of citizens all agree on.

This flawed premise is based on the idea that the United States is a politically and ideologically homogenous society, filled with citizens who all share roughly identical

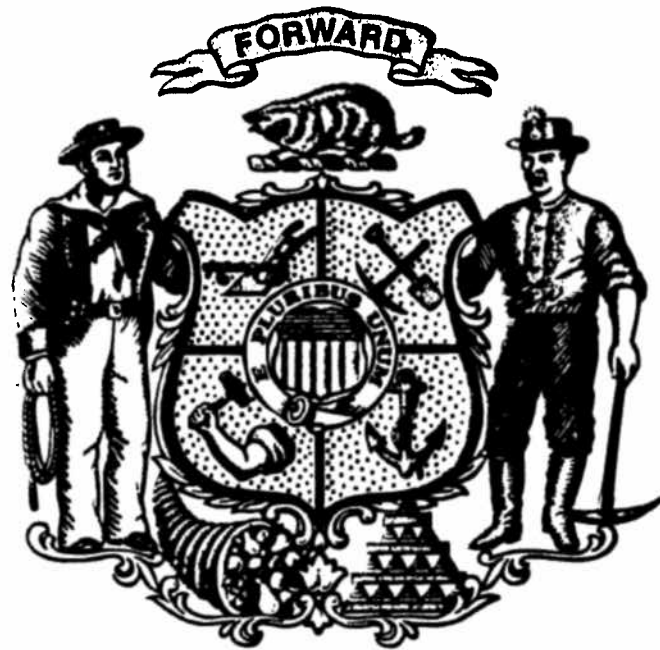
perspectives, beliefs, and interests. It assumes that there is no real, honest disagreement among citizens about the size, scope, and direction of government policy, and that it is only a small, narrow cabal of "special interests" that manage through contributions to candidates to regularly thwart policies that nearly all citizens want implemented.

In fact, the United States has a vibrant and competitive two-party political system, along with several smaller parties, precisely because large numbers of Americans fundamentally disagree with each other about the size, scope, and direction of government policy. There are serious and intense disagreements over how to best achieve the "common good" and what represents good public policy.

By basing a system of taxpayer subsidies for political candidates on such a fundamentally flawed premise, advocates ensure that such a system will fail to achieve its goal. Even with full taxpayer financing of political campaigns, legislators and voters will continue to disagree with one another on what represents good public policy and on what government should and should not do.

I hope this Committee recognizes both the general failure of taxpayer subsidy schemes to deliver on its stated promises and the fundamentally flawed premise that such programs are based on. Senate Bill 12 is little more than welfare for politicians and would erode the ability of future political candidates to get out their message. Even worse, the proposal is purposely designed to muzzle speech by groups of independent citizens. It is difficult to conceive of a worse way to halt any real or perceived decline in Wisconsinites' confidence in their government.

If members of the Committee or anyone else interested in this issue would like additional information, I and my organization would be happy to provide it. With that I would like to conclude my statement by thanking the Committee again for allowing me to submit my statement for the record.





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MEMORANDUM

To: Senate Committee on Campaign Finance Reform, Rural Issues and Information Technology

From: Thomas J. Basting, Sr., President-Elect
State Bar of Wisconsin

Date: February 12, 2008

Re: State Bar of Wisconsin Support for Senate Bill 12 and Special Session Senate Bill 1 (Campaign Finance Reform)

The State Bar of Wisconsin reiterates its strong support for the provision of general purpose revenue to fund public financing of Supreme Court election campaigns.

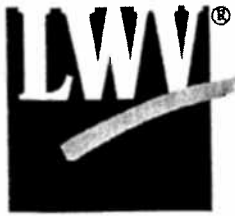
The State Bar is chartered by the Wisconsin Supreme Court to, among other things, "provide a forum for the discussion of subjects pertaining to the practice of law, the science of jurisprudence and law reform and the relations of the bar to the public..." With this vital mission in mind, I am writing to convey the State Bar's strong support for the principles embodied in SB 12 and Special Session Senate Bill 1, as they pertain to public funding of Supreme Court campaigns.

We recognize the inherent benefit public campaign financing for Wisconsin judicial elections offers as a means to avoid even the perception that contributions to the election campaigns of judicial candidates could influence their decisions. This reflects the unique and critical role that the justice system plays in our system of government.

The State Bar's Board of Governors specifically addressed the issue of public financing for Supreme Court campaigns in 2006 and concluded that such a reform would "help maintain the integrity and independence of Wisconsin's courts, where even the perception of bias destroys public trust and confidence in the justice system."

These two bills offer members of this committee an opportunity to build public trust and confidence in Wisconsin's justice system. On behalf of the State Bar of Wisconsin, I strongly urge members to use this opportunity to affirm the fundamental principle that Wisconsin's highest court is and will remain fair, neutral, impartial and nonpartisan.





LEAGUE OF WOMEN VOTERS® OF WISCONSIN
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February 12, 2008

To: Senate Committee on Campaign Finance Reform, Rural issues and Information Technology

Re: Support for Senate Bill 12, Special Session Bill 1, and SB 25

The League of Women Voters of Wisconsin is pleased to offer our support for this proposal for comprehensive campaign finance reform. These bills make important and needed amendments to the statute, which has regulated campaign financing in Wisconsin for many years.

The intent of our current law, enacted in the 1970s, was that state funds assure that state candidates have adequate resources to reach the voters with their messages, that contributions and spending are limited and special interest influence is controlled and disclosed. Until the late 1980s, most candidates used these state funds in exchange for keeping spending under the limits, and the check-off provided enough money to fund full grants.

- By the 1990s several things had changed. The number of tax filers checking-off dropped significantly, full grants equaling 35% of the limits were not available, and candidates often faced high spending opponents. It has become too risky for candidates to apply for the ever-smaller grants while accepting the 1970s spending limits and possibly facing big-spending opponents.
- Our current system clearly no longer works. Public funds are not there but special interest funds are - and are used by both candidate committees and independent spenders.

This legislation goes a long way toward assuring adequately and equitably financed campaigns. We offer the following thoughts about some key provisions:

- The check-off should be raised to \$5 and GPR funds provided as needed. This guarantees that full grants will be available and that candidates will not be discouraged from applying for the funds.
- Candidate spending limits are increased to amounts adequate for viable campaigns. The League believes this will allow candidates to effectively reach voters with their messages.
- Grants are set at 45% of spending limits for partisan offices. While we believe a higher level would be preferable, further reducing the level of private funds, 45% will provide adequate funds for candidates to get their message out given the spending limit increases.
- Supplemental grants are provided for victims of independent spending and opponent spending beyond the limits as a means of discouraging such special interest spending by both candidates and independents.

(continued)

- There should be full disclosure of expenditures and the sources of funds by all groups that are involved in Wisconsin campaigning which is defined as express advocacy according to the US Supreme Court decision in 2007 and the related Federal Elections Commission regulations adopted in Nov. 2007.
- Most committee-to-committee transfers are eliminated as is special status for legislative campaign committees, both of which have become ways to conceal special interest influence, which unfairly increases incumbent and leadership control of the legislative process.

If enacted, Special Session Bill 1 will provide Wisconsin with a workable basic comprehensive campaign finance law and we urge its passage. The League, however, will continue - now and after passage - to support and work for certain stronger provisions.

- We would favor a higher percentage of public funding for all state campaigns. Whatever the level, we strongly believe that individual contribution limits should be lowered. Current limits give candidates with access to large contributors a significant advantage and continue to provide a channel for special interest influence.
- We would like to see the 6% primary vote requirement lowered as a way to increase public funding for independent and third party candidates, providing voters with a wider choice of viable candidates.

We thank you as always for the opportunity to express our opinion on this very important issue. We particularly thank the Governor and those members of the Legislature who have recognized the timeliness and necessity of achieving bipartisan comprehensive campaign finance reform in Wisconsin.

Please give the Senator this posting and ask him to share it with the committee.

Campaign Finance Reform

Feb 11, 2008

Obviously the time and money spent to finance election is counter productive to our office holders and would be office holders.

Than too, this gives lobbyist's the opportunity to "buy" our officials.

We can have publicly financed campaigns, save the integrity of our elections and provide good informed elections for perhaps \$3.00 per tax payer.

The "volunteer" program is faulty. You our legislatures raise our tax, increase our sales tax, increase our fuel tax, we accept it as necessary. Certainly you can budget the cost of campaign finance reform from the general budget and appropriate the funds for it.

Here is a federal site re campaign finance reform. A number of states already do this and have had good results. There is no reason Wisconsin could not provide campaign funds for all offices in Wisconsin Government. Perhaps this could be accomplished for roughly \$3.00 per tax payer.

Please consider the information on this site: <http://www.just6dollars.org/>

There are many of us in Wisconsin who have followed this process and it is working. Please begin this matter and I am sure more feedback will come to your committee.

Thanks for all you do.

Bruce Eggum

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