

October 3, 2013

To: Members of the Senate Committee on Elections and Urban Affairs
From: Senator Glenn Grothman
Re: Senate Bill 282

Thank you for scheduling Senate Bill 282 for a public hearing. Senate Bill 282 is a simple bill that changes the requirement that individuals who give over one hundred dollars to a political candidate in a state election must list their employer on Wisconsin campaign finance reports to individuals who give over five hundred dollars to a political candidate.

The idea for the bill was created after Wisconsin professional police and police firefighters and various local teachers unions called for boycotting various Wisconsin business. Individual local businesses were boycotted solely because they had employees who contributed to Governor Walker. This bill makes sense for many reasons.

First, it is important to maintain Wisconsin's business climate. Obviously, Wisconsin manufacturing and other businesses are more likely to have employees contribute in political campaign than businesses from out of state or out of country. When hysterical public employee unions call for boycotts of businesses whose employees contributed to republicans they put Wisconsin businesses at a competitive disadvantage.

Second, when teachers, firemen and police use the vast purchasing power that the taxpayer gives them to punish Wisconsin businesses, it creates a general dislike for Wisconsin government. Taxpayers believe that they are paying taxes for their children's education, and the public health and safety. Instead, they found out that the vast purchasing power from their taxes was actually used to enforce a political orthodoxy, so that any person who decides to express their prolife, pro first amendment or pro property rights views with a campaign contribution can expect that purchasing power of their taxes to be used to try to put some businesses in a state of financial ruin.

Third, the use of boycotts regarding a contributor's occupation will inevitably create friction between employees and employers. It is only human nature that if an employer is boycotted because of an employee's contribution some anger or distaste may arise. I find it highly unusual

when groups that purport to care about employee rights use the system to create a natural state of pressure between employer and employee.

Fourth, it creates a general level of incivility in society. Traditionally, I view Wisconsinites as people who have built an easy going civil society. This hatred espoused will eventually result in separate businesses known as “Republican” or “Democrat” – a Republican law firm and a Democrat law firm, a Republican funeral home and a Democrat funeral home, a Republican restaurant and a Democrat restaurant. This may be the type of society that Wisconsin firefighters, police, and teachers want but I don’t believe it’s the type of society that the legislature should encourage.

Fifth, the reason for a contribution may have nothing to do with the employer anyway. While I can’t speak for all elected officials in this building, the vast majority of the people who contribute to me do so for my general political beliefs, not for issues specific to their employer. To imply that the employees of a car dealership gives me money because of where I stand on car dealer legislation or that an employee of an insurance company gives me money because of where I stand on insurance issues is entirely false. While conduit and political action committee contributions are given for these purposes, individual contributions are not. Why not include information such as a contributor’s church, whether they a gun owner, a hunter, or whether they receive a form of public assistance. The idea of putting things on forms that may or may not be related to a person’s purpose in contributing is on its face absurd.

Finally, at a time when the legislature is putting more and more burdens on campaign treasurers and the Government Accountability Board, this is just one more thing they have to worry about. I’m sure my book keeper isn’t the only one wasting their time trying to track down contributors who didn’t include their employer on a check. Also, one hundred dollars today is nowhere near as significant as one hundred dollars was in 1970, when this amount was put in place.

We don’t ask people to publically declare who they are voting for because we are aware that some people would exact revenge on them if the ballot is not secret. After this bill is passed we will still know who gave money to which campaigns and what their address is. I can see no obvious purpose to include one’s employer. Please strike a blow for civility in our society and pass Senate Bill 282 out of committee.

March 10, 2011

Mr. Tom Ellis, President
Marshall & Ilsley Corporation
770 N. Water Street
Milwaukee, WI 53202

SENT VIA FACSIMILE AND REGULAR MAIL

Dear Mr. Ellis:

As you undoubtedly know, Governor Walker recently proposed a "budget adjustment bill" to eviscerate public employees' right to collectively bargain in Wisconsin. Collective bargaining has maintained labor peace between public employers and employees for more than 50 years, and according to every poll taken in the last few weeks, it enjoys overwhelming public support. In refusing to accept the willingness of many of the unions to be flexible on economic matters, Governor Walker has made it clear that his bill is really aimed at union busting, rather than "putting the state's fiscal house in order." This revelation has caused Wisconsin citizens to hold massive demonstrations at the State Capitol and throughout Wisconsin in adamant opposition to Governor Walker's attempt to destroy collective bargaining. Never before in our State's history have we witnessed such a massive and continued outpouring of opposition to any governor or issue.

As you also know, Scott Walker did not campaign on this issue when he ran for office. If he had, we are confident that you would not be listed among his largest contributors. As such, we are contacting you now to request your support.

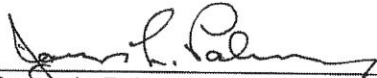
The undersigned groups would like your company to publicly oppose Governor Walker's efforts to virtually eliminate collective bargaining for public employees in Wisconsin. While we appreciate that you may need some time to consider this request, we ask for your response by March 17. In the event that you do not respond to this request by that date, we will assume that you stand with Governor Walker and against the teachers, nurses, police officers, fire fighters, and other dedicated public employees who serve our communities.

In the event that you cannot support this effort to save collective bargaining, please be advised that the undersigned will publicly and formally boycott the goods and services provided by your company. However, if you join us, we will do everything in our power to publicly celebrate your partnership in the fight to preserve the right of public employees to be heard at the bargaining table.

Wisconsin's public employee unions serve to protect and promote equality and fairness in the workplace. We hope you will stand with us and publicly share that ideal.

In the event you would like to discuss this matter further, please contact the executive Director of the Wisconsin Professional Police Association, Jim Palmer, at 608.273.3840.

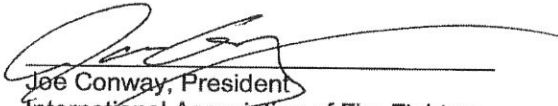
Thank you in advance for your consideration. We look forward to hearing from you soon.



James L. Palmer, Executive Director
Wisconsin Professional Police Association



Mahlon Mitchell, President
Professional Fire Fighters of Wisconsin



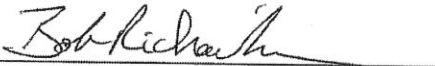
Joe Conway, President
International Association of Fire Fighters
Local 311



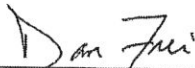
John Matthews, Executive Director
Madison Teachers, Inc.



Keith Patt, Executive Director
Green Bay Education Association



Bob Richardson, President
Dane County Deputy Sheriffs Association



Dan Frei, President
Madison Professional Police Officers Association

Testimony of the Wisconsin Democracy Campaign on Senate Bill 282

Senate Committee on Elections and Urban Affairs

October 3, 2013

Chapter 11 of Wisconsin's state laws begins with the following declaration of policy: "**The legislature finds and declares that our democratic system of government can be maintained only if the electorate is informed.** It further finds that excessive spending on campaigns for public office jeopardizes the integrity of elections. It is desirable to encourage the broadest possible participation in financing campaigns by all citizens of the state, and to enable candidates to have an equal opportunity to present their programs to the voters. **One of the most important sources of information to the voters is available through the campaign finance reporting system.** Campaign reports provide information which aids the public in fully understanding the public positions taken by a candidate or political organization. **When the true source of support or extent of support is not fully disclosed, or when a candidate becomes overly dependent upon large private contributors, the democratic process is subjected to a potential corrupting influence.** The legislature therefore finds that **the state has a compelling interest in designing a system for fully disclosing contributions** and disbursements made on behalf of every candidate for public office, and in placing reasonable limitations on such activities. Such a system must make readily available to the voters complete information as to who is supporting or opposing which candidate or cause and to what extent, whether directly or indirectly. This chapter is intended to serve the public purpose of stimulating vigorous campaigns on a fair and equal basis and to provide for a better informed electorate."

Senate Bill 282 does violence to the public purpose so eloquently articulated by your predecessors in the legislature by radically limiting campaign finance transparency.

SB 282 would do two things, both of which are dangerous and destructive to the public interest. First, this legislation would blind the public to the financial interests of most campaign donors. Current law requires the disclosure of both the occupation and employer of any donor giving more than \$100. SB 282 requires disclosure of only the occupation of donors giving over \$500.

Since 1996, the Democracy Campaign has enabled the public to follow the money in Wisconsin politics by managing a searchable online donor database. There are 862,064 contributions from individuals in our database. Of those donations, 825,827 or 96% are \$500 or less. Contributions of more than \$500 total 36,237. If SB 282 had been state law when we launched this money tracking system back in 1996, the database would be 96% smaller and would show only the occupation but not the employer of each of the donors who made those 36,237 contributions.

The second thing SB 282 would do is hinder law enforcement and make criminal activity easier. In recent years Wisconsin has seen two wealthy campaign contributors – one a major Democratic donor and the other a major Republican supporter – convicted of money laundering. In both instances, the Democracy Campaign was contacted by law enforcement officials who asked for our assistance in identifying employees of their companies who made campaign donations. If SB 282 is enacted, such investigations would be next to impossible.

Your committee should take no further action on SB 282 and instead should go in exactly the opposite direction, strengthening rather than weakening disclosure laws by holding hearings on and then approving the bipartisan Senate Bill 166 authored by Senators Ellis and Erpenbach.

131 West Wilson Street, Suite 303
Madison, WI 53703
(608) 630-9575



**Testimony of Lisa Subeck
Executive Director, United Wisconsin
SB 282
Election and Urban Affairs Committee, 10/3/13**

Chair Lazich and Committee Members,

My name is Lisa Subeck, and I am the Executive Director of United Wisconsin, a grassroots organization of over 200,000 Wisconsin citizens committed to supporting Wisconsin's longstanding tradition of democracy in action. On behalf of our members, I am here today to urge you to reject Senate Bill 282.

The proposed bill changes the threshold at which an individual's employer must be disclosed on campaign finance reports from over \$100 per calendar year to over \$500 in a two year period, more than doubling the minimum contribution for which such disclosure is required. This proposed increase works to diminish the public's right to know who is trying to influence our elections.

Even a quick look at campaign finance reports reveals patterns of giving among lobbyists and executives of various businesses and industries. No matter where we fall on the political spectrum, there is no denying that these contributions have influenced policy decisions made in our state Capitol. In a few instances, our current disclosure law has even led to the detection of illegal activity in which an employer avoided exceeding contribution limits by laundering donations through employees.

In addition to my role with United Wisconsin, I also serve on the City Council here in Madison. It appears that this change would apply not only to state races but also to our local elections. Contributions to a candidate in a City Council election are limited to \$250 per individual, meaning that if the current law is changed as proposed in SB 282, even the largest contributors to me and to my colleagues would never require disclosure of the donor's employer. Effectively, all special interest contributions directly to candidates would go undetected by the electorate.

In a post-*Citizens United* era where outside spending on our elections is at an all-time high, it is more important than ever that we strengthen our disclosure laws to ensure the public knows who is trying to influence our votes. SB 282 takes us in the opposite direction by weakening disclosure laws and is a giant step backward for democracy. While we continue to work for a day when the voice of the people reigns over the contributions of moneyed special interests, the very least we can do is implement strong disclosure policies.

Our elections should belong to the people, not to special interest groups or corporations. To make truly free and informed choices at the ballot box, the people of Wisconsin must have access to more – not less – information about who is trying to influence their vote. Again, I urge you not to gut one of our state's most important campaign finance disclosure laws by rejecting Senate Bill 282.

**Testimony of Kevin J. Kennedy
Director and General Counsel
Wisconsin Government Accountability Board**

Senate Committee on Elections and Urban Affairs

October 3, 2013

Room 201 Southeast, State Capitol

Public Hearing

Senate Bills 94, 282 and 297

Chairperson Lazich and Committee Members:

Thank you for the opportunity to comment on the three bills before you today. I am appearing here for information purposes and to answer any questions you or Committee members may have. The Government Accountability Board is not taking a position for or against any of these bills. While SB 94 and SB 297 address some technical election administration issues, we again encourage the Committee to focus its attention on AB 225, which passed the Assembly overwhelmingly. That legislation makes a tremendous leap forward in the administration of elections in Wisconsin by allowing online voter registration. By taking advantage of innovative technology, the efficiency and integrity of Wisconsin elections can be improved significantly.

Senate Bill 94

Senate Bill 94 relates to the method of reporting election returns by municipalities. It would allow any municipality with a population of 35,000 or more to combine small wards with adjacent wards. G.A.B. staff has previously commented on earlier versions of this bill. The proposed legislation provides valuable flexibility for municipalities when tallying and reporting election results. However, we suggest a slightly higher threshold of 100 voters rather than 20 voters for the size of the added ward. This would be

consistent with current provisions permitting the use of paper ballots in lieu of electronic voting equipment. See Wis. Stat. §5.40 (3)(a).

Senate Bill 282

Senate Bill 282 is fundamentally flawed. It eviscerates the basic principle of disclosure on which campaign finance law is based. That principle was articulated by the Legislature as a Declaration of Policy when the campaign finance law was enacted in 1973 following the Watergate campaign funding abuses. A copy of that declaration of policy is attached for your consideration. The policy begins with this statement: “The legislature finds and declares that our democratic system of government can be maintained only if the electorate is informed.”

The Legislature’s Declaration of Policy goes on to say: “One of the most important sources of information to the voters is available through the campaign finance reporting system. Campaign reports provide information which aids the public in fully understanding the public positions taken by a candidate or political organization. When the true source of support or extent of support is not fully disclosed, or when a candidate becomes overly dependent upon large private contributors, the democratic process is subjected to a potential corrupting influence.”

SB 282 would eliminate the requirement for candidates and political committees to disclose the names and addresses of employers of people who contribute more than \$100 per year. It would also raise the threshold for reporting of contributors’ occupations so that significantly less information would be available to the public.

This new standard for campaign finance reporting would greatly diminish the information available to members of the public about the sources of financial support for candidates for public office, and would undermine the right of the public to have a full, complete and readily understandable accounting of those financial activities intended to influence elections.

In addition to eliminating one of the crucial pieces of information about large contributors -- the name and address of the contributor's principal place of employment -- the increased threshold for disclosing occupation means this information will never be available for most local races or Assembly contests because the individual contribution limit for those offices is \$500 or less.

My mother always told me you are judged by the company you keep. The fundamental purpose for campaign finance disclosure is to enable citizens to know who supports candidates for public office. Campaign contributors are more than just a name on a piece of paper. Knowing a contributor's occupation, employer and place of employment provides vital information for evaluating the source of a candidate's support.

Such information is also important to avoid confusion between people with the same or similar names. Recently the Government Accountability Board completed its annual audit of prohibited campaign contributions by registered lobbyists. Our staff found 11 registered lobbyists with the same names as people who made legal campaign contributions. Having employer information about contributors allowed our staff to quickly exonerate those lobbyists with the same names.

Employer and occupation information also helps distinguish between contributors with similar names. It might surprise you to learn that there are several women in Wisconsin named Mary Burke who make campaign donations to Republican and Democratic candidates and committees. Employer information helps the public and the media distinguish between which one is a retired teacher, and which one is the bicycle executive rumored to be running for governor. Since 2008, there have been 537 campaign contributions to candidates and committees from people with some variation of the name David or Dave Johnson. Even middle initials are not always helpful, as there are multiple David E. Johnsons, David L. Johnsons, David M. Johnsons and David R. Johnsons. In many cases, employer information, when provided, helps distinguish one from another.

Employer information is also a critical enforcement tool. Just two years ago, the G.A.B. levied a record forfeiture of \$166,900 against Wisconsin Southern Railroad, and its CEO

William Gardner pleaded guilty to two felonies for laundering illegal campaign contributions through several of his employees. We learned about the scheme through a tip from Mr. Gardner's former girlfriend, to whom he had given \$10,000 to make an illegal campaign contribution. But it was employer information in the campaign finance system that helped the G.A.B. investigate the case and identify the railroad employees who had also received payments from Mr. Gardner. We believe that disclosure of employer information from large donors serves as an effective deterrent to similar money laundering schemes.

Senate Bill 297

Senate Bill 297 would require local election officials to dispatch special voting deputies (SVDs) to certain adult-care facilities to conduct absentee voting instead of allowing discretion in determining whether to dispatch special voting deputies to those facilities. The facilities where such absentee voting would be required, upon the request of an absentee voter, include adult family homes, community-based residential facilities, and residential care apartment complexes. The requirement would not apply, however, to such facilities in which less than five registered electors are occupants.

The State currently licenses 1,568 adult family homes, 1,514 community-based residential facilities, and 309 residential care apartment complexes. Because the bill makes it mandatory to conduct absentee voting via special voting deputies at some of these facilities where it is currently optional, we anticipate some increase in local costs in the form of wages for local clerks and special voting deputies to correctly administer the new provisions. However, several factors make it difficult to estimate the local fiscal impact.

First, there is no statewide data reflecting the number of such adult-care facilities which are currently served by special voting deputies despite the fact that less than five registered voters are occupants, and therefore the increase in the number of facilities that would be served cannot be calculated. Second, the number of registered voters in individual facilities constantly fluctuates, making it impossible to calculate the effect of

the exception based on the existence of five registered voters at specific facilities. Under both existing law and the proposed bill, we believe that local election officials may simply choose to dispatch special voting deputies to conduct absentee voting at the facilities upon receiving one request for an absentee ballot, regardless of the total number of registered voters who are occupants of the facility. Finally, wages for local election officials and special voting deputies are established at the local level and vary widely across municipalities.

In addition to an expected increase in local costs, we have heard concerns from local clerks regarding the requirement to post a public notice at least five days prior to absentee voting at adult-care facilities, rather than the 24-hour notice required under current law. We understand the purpose of the five-day notice is to give family members adequate time to prepare their loved one to participate in voting.

The five-day notice may cause administrative challenges because there is a limited time window for absentee voting to take place. Oftentimes a clerk needs to send special voting deputies to a facility a second time because a resident may not be available to vote during the initial visit. Requiring that a notice be posted five days before the second and any subsequent visits will make it difficult and sometimes impossible to accommodate voters in those facilities.

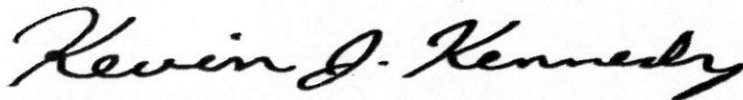
We would suggest modifying the notice requirement to provide more flexibility for clerks, by shortening it or possibly requiring the five-day notice only for the initial visit and a shorter notice for subsequent visits.

It is important to keep in mind that, once a clerk provides special voting deputies to conduct absentee voting at nursing homes and other facilities where it is currently optional, residents of those facilities may vote only by that method. The bill would continue the current prohibition against those individuals casting an absentee ballot by mail or in the clerk's office.

Conclusion

Thank you for the opportunity to share my thoughts with you. I hope this testimony will help inform the Committee's consideration of these bills. As always, we are available to answer questions and work with you in developing proposed legislation.

Respectfully submitted,



Kevin J. Kennedy
Director and General Counsel
Wisconsin Government Accountability Board

608-266-8005
608-267-0500 (Fax)

Kevin.Kennedy@wi.gov

11.001 Declaration of policy. (1) The legislature finds and declares that our democratic system of government can be maintained only if the electorate is informed. It further finds that excessive spending on campaigns for public office jeopardizes the integrity of elections. It is desirable to encourage the broadest possible participation in financing campaigns by all citizens of the state, and to enable candidates to have an equal opportunity to present their programs to the voters. One of the most important sources of information to the voters is available through the campaign finance reporting system. Campaign reports provide information which aids the public in fully understanding the public positions taken by a candidate or political organization. When the true source of support or extent of support is not fully disclosed, or when a candidate becomes overly dependent upon large private contributors, the democratic process is subjected to a potential corrupting influence. The legislature therefore finds that the state has a compelling interest in designing a system for fully disclosing contributions and disbursements made on behalf of every candidate for public office, and in placing reasonable limitations on such activities. Such a system must make readily available to the voters complete information as to who is supporting or opposing which candidate or cause and to what extent, whether directly or indirectly. This chapter is intended to serve the public purpose of stimulating vigorous campaigns on a fair and equal basis and to provide for a better informed electorate.

(2) This chapter is also intended to ensure fair and impartial elections by precluding officeholders from utilizing the perquisites of office at public expense in order to gain an advantage over nonincumbent candidates who have no perquisites available to them.

(3) This chapter is declared to be enacted pursuant to the power of the state to protect the integrity of the elective process and to assure the maintenance of free government.

History: 1973 c. 334; 1979 c. 328; 1985 a. 303; 2001 a. 109; 2005 a. 177.

Campaign finance in Wisconsin after *Buckley*. 1976 WLR 816.