

# Campaign Finance Talk

The Voice of the Michigan Campaign Finance Network

December 2001

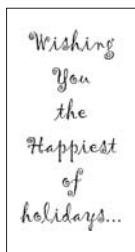
## Voluntary Electronic Filing Project

The first state candidate campaign finance reports of the 2002 election cycle are due in the office of the Secretary of State on January 31, 2002. Those reports will cover calendar year 2001, and all active candidate committees are required to file. If recent history is a good indicator, fewer than 20% of those reports will be filed electronically.

All campaign finance reports can be seen online through the Secretary of State's web site, [www.sos.state.mi.us](http://www.sos.state.mi.us), but there is a great difference between analyzing electronically-filed reports and paper reports. Electronically-filed reports become part of a campaign finance database that is maintained by the Secretary of State, where information is easily accessible. Any user of the site can make a simple query and display contributions to a candidate committee in order of amount and sorted by zip code, for example. Or one can display all the candidate committees to which an individual or PAC has made contributions. In contrast, analyzing hard-copy reports online is the Internet equivalent of thumbing through thousands of pages of paper and taking notes as you go. It is nearly impossible to recognize patterns of contributions.

Electronic filing improves citizen access to campaign finance information and it saves the Secretary of State the time and money spent scanning hard-copy reports into an online format. The software and training for electronic filing are available at no charge and evaluations of the software by current users show 95% found it easier to use than filing paper reports.

Several public interest organizations, including Common Cause, the League of Women Voters, PIRGIM, the Michigan Prospect for Renewed Citizenship and the



Michigan Campaign Finance Network are encouraging all candidates with active campaign committees to file their campaign finance reports electronically throughout this election cycle.

Please support this effort to improve citizen access to campaign finance information. Call, write or meet with your legislators and tell them it is important to you that they file their campaign finance reports electronically. To make this grassroots lobbying effort as easy and pleasant as possible, MCFN has posted printable holiday greeting cards on our web site, [www.mcfn.org](http://www.mcfn.org), which you can download and mail to your legislators to urge them to file electronically.

Beginning in January 2004, all campaign finance reports for state candidates who will raise more than \$20,000 must be filed electronically. But there is no good reason to continue to use 19th century technology in 2002. Any candidate campaign that is raising and spending money is keeping records on a computer. These records should be reported to the state electronically.

**Take action:** Call, write or meet with your legislators and tell them it is important to you that they file their campaign finance reports electronically. Go to [www.mcfn.org](http://www.mcfn.org), download printable greeting cards and mail them to your legislators to urge them to file electronically in 2002.

## Dollars & Diplomacy

Ronald Weiser, founder and chairman of McKinley Associates, an Ann Arbor-based property management firm, was sworn-in as Ambassador to the Slovak Republic on November 27th. Mr. Weiser, who told the *Detroit Free Press*, "I don't believe that people can buy ambassadorships in this country," contributed more than \$500,000 to Republican candidates and the party during the 2000 election cycle.

Mr. Weiser, the campaign finance chairman for George W. Bush in Michigan, and his wife Eileen, a member of the Michigan Board of Education, contributed \$3,000 to Mr. Bush. In addition, they financially supported Bush cabinet members Spencer Abraham, John Ashcroft and Christine Todd Whitman, Senators George Allen of Virginia and Bill Frist of Tennessee, and Michigan Congressmen Mike Rogers and Nick Smith and candidate Chuck Yob. In all, they made more than \$40,000 in federal contributions. McKinley Associates, Mr. Weiser's firm, gave \$225,000 in soft money contributions to the Republican National Committee, and Mr. Weiser made a loan of \$175,000 to the Governor Engler Leadership Fund. As of October 2001, that loan has not been repaid or forgiven. The *Free Press* reports that Mr. Weiser also picked up the tab for more than 100 Michigan delegates to the 2000 GOP convention to attend a \$1,000 per plate fund-raiser with Mr. Bush.

# Campaign Finance Talk with... Alma Wheeler Smith

State Sen. Smith discusses her campaign for governor & campaign finance reform

**T**his is the second of Campaign Finance Talk's interviews with Michigan's gubernatorial candidates for 2002. State Sen. Alma Wheeler Smith from Washtenaw County's Salem Township is running for the Democratic Party's nomination.

## Why are you running to be governor?

I've been here for the last seven years as a state Senator, and I worked for (former Senator) Lana Pollock for eight years before that. I have watched this Governor strip away environmental enforcement and regulations that protect citizens. I have watched this Governor sign legislation that takes away a woman's right to choose. I have watched games that we play with school districts where we say we are providing funding at some level but we take away with one hand while giving with the other. Because I know this system well and I have some very different goals for the state of Michigan I decided to run for governor to make changes in how we do business, so we put people first. We have had corporations as our first interest for the last eleven years and it's time we shift the pyramid and put the people back on top as our most important concern.

## The fiscal health of the state is not good. As governor, what would you do about the state budget?

What the governor will have to do in 2003 really depends on what we do today to resolve our budget problems. We should use a three-pronged approach. There will have to be budget reductions. And we will have to draw some dollars from the budget stabilization fund. But we should also delay further reductions in the state income tax and Single Business Tax. If we hadn't made the cuts in the income tax and Single Business Tax in 1999, there would be a \$1.5-2 billion

difference in state revenues.

We have an opportunity as a Legislature and an administration to work to resolve future difficulties, or we can take a course that will be devastating to this state government and its ability to respond to public issues. With the Governor announcing that he doesn't want to delay the tax rollback - he's setting us up. It appears that the goal of the Republicans is to make the problem worse so the next governor, who will probably be a Democrat, will have no choice but to eliminate programs or make an unpopular tax increase just to survive fiscally.

We've got some critical problems and we need some critical solutions. We need leadership that knows this process and knows the budgets. And term limits put a very different level of responsibility on the governor's office. The governor has to know the legislative process and you have to be able to interact with a variety of individuals. I would manage those interactions very differently than John Engler. The governor has to recognize that legislators have responsibilities to their constituents. The public interest has too often taken a severe back seat to political interests, and that needs to be changed.

## The readers of this newsletter share a concern about the influence of money in state politics. What are your concerns about money in politics?

I am concerned about access to the ballot. As a candidate, the more you're required to raise for an election in order to be competitive, the less likely it is that ordinary citizens of middle income who aren't supported by special interest groups are going to be able to run for public office. It's the presence of public funding for the gubernatorial campaign that allows me to run and to be competitive.

In the Supreme Court races the past two election cycles, there has been a tremendous influence of money changing the

philosophy of the court to a very business-dominated perspective. Was there interest money in the court races before? Sure, but it was a low level. When the Chamber of Commerce said the Court was going to be their battleground and they started raising huge sums of money to support candidates, there was an egregious move to politicize the Supreme



Court races. One of the reforms we should take up is to make sure those Supreme Court candidates who are nominated at party conventions carry their party designation on the ballot - so voters know what their political philosophy might be. I think we need to do some kind of public financing for the Supreme Court campaigns, to get the special interest money out of the campaigns as much as possible.

We also need to address soft money. While we have public funding for the gubernatorial campaigns, there is going to be a tremendous amount of soft money on the outside channels. We need to have strict guidelines on how soft money can be spent and there should be stiff penalties that are enforced immediately.

In terms of votes on the floor, do people bow to interest groups that have helped them get elected? Yes, they do. It's not 'tit for tat,' like a cynical public

might think it is. But when things are hot, there's a lot of pressure. On 90% of the issues, contributors will let you go your own way, but for something like deregulation – if you've received a lot of money from utility PACs or telecom PACs, they are going to put a tremendous amount of pressure on you to see things their way. Is that bad? It's bad to the degree that the public doesn't have an equal voice and an equal opportunity to sway the process.

I think campaign finance reform is long overdue. I really think that what people were trying to get at when we voted for term limits was campaign finance reform. You had the post office scandal and the banking scandal in Congress, and term limits were offered as a solution to what was really a money problem. It's not that people are in office for a long time and come under the influence of special interest money – the special interest money is there from the beginning.

There seemed to be some kind of reverse psychology about term limits because people thought if lobbyists were against it, it must be the right solution. But many lobbyists are former legislators and legislative staffers, and they knew the importance of institutional memory. We've ended up with diminished citizen representation, because we've taken away citizens' rights to vote for a group of very well qualified candidates. Bureaucrats and staff persons have a greater role than they had in 1994, and the balance between the administration and the Legislature has shifted toward the administration. Some power was yielded willingly to the Governor by legislators of his party, and some power was taken by the Governor because legislators aren't prepared for their role in the process. I think that getting rid of term limits is nearly as important as campaign finance reform. And I believe that if you have real and enforceable campaign finance reform, the voters of this state will be ready to look at term limits as a non-answer to the concerns they had.

**Comment on issue advertising. If an ad makes reference to a candidate, with that candidate's name or picture or image, but doesn't say "vote for" or "vote against" the candidate, is that any different from a candidate sponsored ad in the voter's mind or in your mind?**

Those ads are no different from an ad that is paid for directly by a candidate's campaign. A real issue ad does not have the name or image of a candidate in it.

**You mentioned that there should be some form of public funding for Supreme Court campaigns. Should we have full public funding for the Supreme Court, or a partial public funding system, like we have for gubernatorial candidates?**

We have to look at where public funding is going to come from and how we generate that pool of resources. With the tax return check-off we have to support the gubernatorial campaigns, there is always a question whether there is going to be enough funding to meet the state's obligation for the two-to-one match of qualifying contributions. If we add another category of candidates to be supported,

*"I really think that what people were trying to get at when we voted for term limits was campaign finance reform."*

then you've got to have the money to support those campaigns. Right now, we use a positive check-off, and I think a lot of people don't realize that checking to support public funding doesn't add to your tax bill. I think we should go to a system of negative check-off: unless you check the box, some amount of the taxes you already pay, not new taxes, will go to support public funding for campaigns. That would generate more revenue for the fund and allow us to open up public funding for another tier of offices.

**At the federal level, there are limits on contributions that can be made to parties and political action committees, with the exception for soft money contributions to parties that are for "non-election" activities. In Michigan, there are no contribution limits for the parties or PACs, even for party election activity. Should we have limits on contributions to the parties and PACs in Michigan?**

During the last ten years the Legislature has made it much more difficult for organizations that support Democrats to raise money so I'm not sure we should put limits on what those organizations

can give. We want an even playing field, but I think we should look very carefully at this. And we also need to be careful about free speech issues. I'd like to see the McCain-Feingold bill pass so the Supreme Court would revisit the free speech area.

**As a gubernatorial candidate, you'll be filing your campaign finance reports electronically. But for all the other candidate committees, mandatory electronic filing won't go into effect until after this election cycle is completed. Does it make sense to accelerate the schedule for mandatory electronic filing?**

I think it would be very reasonable. It's helpful to the public and to watchdog groups to have as immediate access as possible. The mechanisms are in place at the Bureau of Elections.

My campaign's experience with the MERTS software is that we'd like it to be a bit more flexible, but it doesn't create some kind of hardship to running for office. That's important, because we don't want barriers that keep people from running for office.

**The first candidate campaign finance reports of this election cycle aren't due until the close of the calendar year. Should there be more frequent reporting in the odd-years now that state campaigns seem to run two years?**

Right now, the media focuses a lot of their attention on who has raised how much money. If there was a report required during the off-year, you'd have more attention on the money and less attention given to issues. The January report is still several months before the filing deadline, so it gives a lot of opportunity to see who initial contributors are: how much comes from PACs, how much comes from \$3400 (maximum individual) contributors and how much comes from ordinary citizens. I think the current schedule gives adequate oversight.

# Campaign Finance **Talk**

The voice of the

Michigan **Campaign Finance** Network

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V.E.F. Project Page 1

*...and hoping you'll file your campaign finance reports electronically in 2002!*

Electronic filing of your campaign finance reports is a great way to streamline your campaign finance records, save tax-deductible money and provide your constituents care overnight of your campaign finances. Make a commitment to excellence in 2002 - file electronically.

*Happy Holidays!*

## Inside this issue

Voluntary Electronic Filing Project .....p. 1  
 Dollars & diplomacy .....p. 1  
 Campaign Finance Talk with . . .  
     state Senator Alma Wheeler Smith .....p. 2-3  
 Support research and education on  
     money in Michigan politics .....p. 4

## Support research and education on money in politics

**T**he Michigan Campaign Finance Network has an ambitious research and education agenda for 2002. By February, we will release a longitudinal study of money in Michigan's Supreme Court elections since 1994. We will show how, and from whom, the current Supreme Court justices have raised more than \$7 million to win their seats, and we will show how PAC contributions to one party's candidates have increased by nearly 100 fold. In addition, we'll provide you with on-going analysis of money in politics in the 2002 election cycle.

You can help the Michigan Campaign Finance Network to continue conducting research and education on the issues of money in Michigan politics. Your tax deductible contribution will help us to report who is giving what to whom, and what it all means. Save on your tax bill. Send a check to Michigan Campaign Finance Network. Thank you!

**Yes! I'd like to support the research and education work of the Michigan Campaign Finance Network.**

Please check all that apply.

- Enclosed is my tax-deductible donation of \$ \_\_\_\_\_.
- I would like to receive regular email updates.
- I would like to assist with public education on campaign finance issues.

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