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*Special note: While the past or current affiliations of these task force members are listed along with their names, these members served on this task force as private citizens and not as representatives of any organization, business or political party. Their recommendations in this report reflect the consensus of the task force members, and do not necessarily reflect the views of any of their employers or any organization or association with which they are affiliated.

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1. About this report

This is a report of the Illinois Campaign Finance Task Force, which was organized early in 1995 as part of the Illinois Campaign Finance Project and whose members spent two years discussing and debating campaign finance issues.

The research for this report was prepared largely by the staff of the Illinois Campaign Finance Project. The principal investigator and researcher was Professor Kent D. Redfield of the University of Illinois at Springfield. With some staff and students' assistance, he prepared a comprehensive, computerized database of 1994 election contributions and expenditures.

The sections on "Tainted Democracy" and the "Recommendations for Changing Illinois Campaign Finance Laws" are the reflections and opinions of the task force members, and not of *Illinois Issues* magazine, the University of Illinois at Springfield, the Joyce Foundation, or the Illinois Campaign

Finance Project staff. Task force members served as individuals and not as representatives of their organizations, and so these recommendations and principles should not be construed as endorsed by the organizations or agencies which they serve or which employ them. The task force agreed on the 10 principles and the recommendations by consensus over a series of meetings in 1996. In a few cases, not all members agreed with the majority of the task force, and their "minority comments" are noted in the report.

The task force addresses this report to all of the people of Illinois, and in particular to Governor Jim Edgar, the state's other constitutional officers, and members of the Illinois General Assembly.

Our aim has been, and is, to raise public awareness of campaign finance crisis in Illinois, and to elevate campaign finance reform onto the legislative agenda in 1997.

Preface: The Urgency of Campaign Finance Reform

By Former Senator Paul Simon and Former Governor William Stratton

The problem we address in this report is urgent. Urgent for our country, urgent for our state, urgent for democracy.

We have been around and involved in Illinois politics for a long time. For decades. As observers, participants and elected officials. We are grateful to the people of Illinois for having given us a chance to serve them, and to shape, develop and implement public policy to make our state and our nation a better place.

But we are increasingly concerned, sometimes alarmed, by some of the changes we have observed in the political culture. And we are equally concerned by a declining public trust in government at all levels since we first entered the political thicket many years ago.

One of the problems that has become a plague on our electoral process and governmental process is the startling growth and dominance of money in those processes. People with money and power use our democratic process to add to their power and wealth. People without large amounts of money increasingly feel left out and unrepresented by their own elected officials, and they feel powerless to change the system. That certainly played a role in a majority of eligible voters not casting their ballots in the 1996 presidential election.

In addition, people in politics spend too much time raising money for their campaigns.

Campaigns are so long and so expensive that even during legislative sessions, office

holders have to leave their offices and stop doing the people's business in order to get on the phones and ask individuals and interest groups for money.

That is why we enthusiastically agreed to co-chair this bipartisan, diverse Illinois Campaign Finance Task Force. It is not the first attempt to bring attention to the need for campaign finance reform in Illinois, but it should prove to be significant. We have benefitted from the expertise of Professor Kent Redfield of the University of Illinois at Springfield, the principal researcher for this project and one of Illinois' leading experts on the topic of campaign finance.

Many of our task force members deliberated at great length over the course of many meetings on how to improve Illinois' campaign finance system. At times their discussions focused on a single word, phrase or concept. They reached consensus about the 19 recommendations in this report only after much thought and deliberation. These recommendations deserve careful attention and great public debate in Illinois.

The concern of many people interested in campaign finance reform is that the farther removed we get from the 1996 elections, the less concerned anyone will be about seriously reforming the system—that is, until the next campaign season begins in earnest and once again we're all complaining about our campaign finance system.

The time for making changes is now. Let's get going. Let's get started.

Executive Summary

After two years of research, discussion, and public meetings, the Illinois Campaign Finance Task Force reached consensus on 19 recommendations for reform of the state's campaign finance system. We call for the creation of an official Oversight Commission to monitor the flow of political money in each election cycle and to make recommendations to the governor and the General Assembly for needed refinements in the law; greater disclosure of contributions and expenditures; contribution limits; and a severe restriction on the transfer of money between campaign committees, in order to diversify the sources of contributions to candidates.

We believe the following changes are necessary in Illinois' campaign finance system:

- More disclosure
- Easier, more timely access to public records by the media and general public
- Contribution limits
- Restrictions on the expenditure of campaign funds
- More election competition
- More effective enforcement of the law
- Ongoing monitoring and evaluation

Our 19 recommendations are grounded in the following ten principles:

10 PRINCIPLES GUIDING OUR RECOMMENDATIONS FOR CAMPAIGN FINANCE REFORM

Before deciding what changes are needed for Illinois, the task force first adopted a set of principles to guide the rest of its discussion. The recommendations set forth in this report are grounded in the following 10 principles:

- 1. Giving:** Giving money to a political campaign is an American tradition, and is a legitimate, valid way for citizens to participate in the electoral process, and should be encouraged.
- 2. Accountability:** A first priority for Illinois should be to improve accountability of candidates and officials through greater disclosure about contributions and expenditures, and by making information about campaign finances more accessible to Illinois citizens and the media in a timely manner.
- 3. Competition:** Because candidates need money to conduct their campaigns, care should be taken so that changes in campaign finance laws do not make campaigns less competitive. Challengers and incumbents, both in primaries and general elections, must be given opportunities to be competitive.
- 4. Voter information:** Election campaigns should provide the widest possible dissemination of information about candidates and issues. Therefore, the capacity of candidates to communicate with voters should be increased and enhanced.

- 5. Political parties:** The role of political parties in the electoral process, including new parties commonly called “third parties,” should not be weakened by changes in the law.
- 6. Election costs:** Despite the public’s concern about the increasing cost of elections—a concern shared deeply by this task force—it may not be valid to say universally the cost of elections has become too high. Nonetheless, we believe the cost of running for election should not be a major barrier to running an effective campaign in Illinois, especially for challengers. Nor should the need to raise large sums of money detract from the ability of incumbent officials to carry out their duties.
- 7. Special interests:** Access to officials should not be determined by large contributions to political campaigns, and contributions should not be of such magnitude that they appear to control officials’ behavior.
- 8. Legislative responsiveness:** The enormous flow of money under legislative leaders’ control undermines the principle of representation and reduces flexibility in policy discussion and formulation in the legislature. Reform of the law should address this concern. Sources of funds raised and spent by candidates should be diversified so that elected officials are not unduly influenced by large contributions from a few sources.
- 9. Personal use:** Campaign funds should be used exclusively for campaign purposes, and not for personal use. Also, officials should not be allowed to take campaign contributions with them for personal use after they leave office.
- 10. Enforcement:** Adequate authority, funding and resources, including staff and technology and sufficient enforcement powers, should be allocated to the agency or agencies given the responsibility of administering campaign finance laws.

19 RECOMMENDATIONS FOR CHANGE IN ILLINOIS' CAMPAIGN FINANCE LAWS

Following are the 19 specific recommendations of the Illinois Campaign Finance Task Force to improve Illinois' campaign finance system. They are divided into five categories:

A. IMPROVE DISCLOSURE

1. Create an Oversight Commission:

Create a bipartisan Illinois Campaign Finance Oversight Commission, adequately staffed and funded, with public and private members appointed by the governor and legislative leaders, to monitor the state's campaign finance system and make reports to the governor and the General Assembly after each general election, identifying problems and recommending changes.

2. Eliminate the Form D-3:

Eliminate the requirement that persons inspecting or purchasing campaign finance reports must sign a State Board of Elections' Form D-3, which lists their name, address, phone number, occupation, employer and reason for examining the reports. Campaign finance reports are public records, and people should be able to view them anonymously and without hassle.

3. Include occupation and employer of contributors:

Require that when political committees report itemized contributions, those reports must include the occupation and employer (if any) of individual contributors. Also, the state should prohibit campaign committees from spending funds from contributions for which they do not obtain and report complete information.

4. Increase penalties:

Increase penalties for willful noncompliance and failure to adhere to stricter campaign finance laws.

5. Ensure resources for compliance and investigation of abuses:

Provide staffing and resources to the State Board of Elections at a level sufficient to ensure adequate processing and dissemination of information in campaign reports and increased oversight. We recommend increasing staffing and resources for the State Board of Elections in order to enable the board to expand the development and dissemination of reports.

6. Require filing by more groups, unions and corporations:

Require all groups, unions and corporate entities that raise or spend more than the statutory threshold in support of a candidate or candidates to file the same reports that candidates file. (Currently, this

A formal oversight commission would provide a mechanism for ongoing dialogue about campaign finance reform

Without resources to enforce compliance, efforts at reform are unlikely to be successful

Legislative leaders now dominate the funding of targeted legislative races in Illinois

Limiting transfers of campaign funds to \$25,000 would drastically affect how candidates raise money in targeted races

Many groups routinely give contributions in excess of the \$2,000 limit we are recommending

threshold for candidates is \$1,000.)

7. Require electronic filing:

Require all candidates for legislative and statewide office who are required to form political committees, as well as all incumbents, to file their reports with the State Board of Elections in electronic form in a standard database format.

8. Make information easily accessible to public:

Maintain reasonable fees charged by the State Board of Elections for hard copies and electronic copies of campaign finance reports, and maintain the information in formats that are easily accessible in a timely manner.

B. LIMIT CONTRIBUTIONS

9. Limit transfers to \$25,000:

Restrict transfers to any candidate from candidate political committees, political parties, legislative leader committees and state or local parties to \$25,000 in the primary election period and \$25,000 in the general election period.

10. Limit contributions to \$2,000:

Limit contributions from groups, corporations, associations, and individuals to political committees (including leadership committees) and political parties to \$2,000 for the primary and \$2,000 for the general election.

11. Allow one political committee per candidate for the General Assembly:

Restrict legislators and candidates for the legislature to establishing only one political committee per office.

12. Restrict total giving by any individual or group to \$200,000:

Restrict total giving by any individual or political committee to \$200,000 per election cycle.

13. Adjust limits for inflation:

Index and adjust these contribution limits for inflation every two years.

14. Establish tax credit of \$50:

Provide an incentive for individuals to contribute to political campaigns by giving a state tax credit of up to \$50 annually for contributions made by individuals to any state political committee or party.

C. REDUCE ETHICAL CONFLICTS

15. Require closing of political committees:

Require elected officials who leave office due to defeat or retirement, as well as all candidates who have been defeated for elective office, to close their political committees and dispose of any remaining funds within five years after leaving office or losing an election, unless they file for another elected office.

16. Define inappropriate expenditures and prohibit personal use:

Define and prohibit non-electoral expenditures and personal use of campaign funds, and empower the State Board of Elections to determine, investigate and rule on what constitutes an appropriate campaign expenditure.

17. Prohibit legislators from holding organized fundraisers in the Springfield area in March, April, May and June, during the busiest period of the General Assembly’s session.

Holding fundraisers in Springfield during the legislative session gives an advantage to special interests with large amounts of money

D. INCREASE ELECTION COMPETITION

18. Limit carryover of more than \$25,000:

Prohibit successful candidates and incumbents who were not up for re-election from carrying a surplus of more than \$25,000 into the next election cycle. The task force recommends that carryover funds in excess of these amounts would have to be returned to contributors or given to charity.

19. Publish and distribute state-funded candidate guide books:

Distribute to all voters in every general election period state-funded “candidate guide books” containing profiles of and statements from all candidates who are on the ballot for statewide and legislative offices. These guide books, tailored for different senatorial districts or regions of the state, would be mailed to all households.

At the end of 1994, 34 House members and 33 senators had balances of at least \$25,000, giving them a head start on their next

E. RECONSIDER BUCKLEY, AND THE PROBLEM WITH SPENDING LIMITS

The task force joins the growing national sentiment in favor of mandatory spending limits on political campaigns, and therefore strongly supports efforts that would result in a reconsideration of *Buckley v. Valeo* by the U.S. Supreme Court. That 1976 decision makes it unconstitutional to impose spending limits unless they are voluntary and a condition for receiving a benefit, such as public finances for a campaign.

2. TAINTED DEMOCRACY:

How Money Distorts the Election Process in Illinois and What Must Be Done to Reform the Campaign Finance System

Illinois is seriously ill, suffering from overexposure to political money. This condition has produced a chronic infection that has been left uncontrolled for too many years. Restoring a healthy political system will require constant monitoring and frequent therapeutic intervention if the patient is to get healthier. But no state in the Union takes worse care of itself. Illinois exerts no control over the flow of private money through its political system, and barely manages to keep

The campaign finance system is so out of control that our lifeblood, democracy, is tainted

track of its vital signs and viral load. The illness may not be fatal, but it is debilitating and disfiguring. It makes us weak, and it makes us look bad.

Illinois needs a better regimen of monitoring and intervention. We need to know where the money comes from, where it goes and what it buys. We need to limit the amount of political money going through the system. We need

accountability from those who give the money and those who get it. And we need to understand that, yes, we can get well, or at least better, if we face our illness frankly and determine to fight it. For if we choose to continue in our passivity, if the governor and the legislature and other state leaders ignore the public's cry for help, people will feel even

more disconnected from the electoral process. The campaign finance system is so out of control that our life-blood, democracy, is tainted.

The four legislative leaders virtually control who can run a viable campaign for a seat in the Illinois General Assembly

The task force conducted a statewide poll for this project. More than eight in 10 Illinoisans say they are “concerned” or “very concerned” about the role of money in Illinois politics. There are no contribution limits and no spending limits. Neither is there a system of public financing. No state exercises less control than Illinois over the role that money plays in the political process. But information about candidates' contributions and expenditures is limited and not easily accessible by the average voter. The public perceives the role of money in Illinois politics as a serious problem—a fact that contributes to the public's cynicism about government.

Statement of the problem

Adding to a feeling of disenfranchisement among Illinoisans is a perception that “special interests” wield an inordinate amount of control over Illinois government by making large, frequent contributions to candidates, especially to Illinois' legislative leaders. The four legislative leaders virtually control who can run a viable campaign for a seat in the Illinois General Assembly. For many citizens, the cost of running a successful campaign is a barrier to entering a race at all.

The cost of elections in Illinois continues to set new records with each election cycle. That record for statewide and legislative candidates in 1994 was \$63 million. The record for a state Senate race became \$1.3 million in the 29th district, in which Republican Kathleen Parker defeated incumbent Democrat Grace Mary Stern. The House record became \$701,000 in the 103rd district, in which Republican Rick Winkel defeated incumbent Democrat Laurel Prussing. General election spending for all legislative races almost

doubled from 1990 to 1994, from \$9.5 million to \$18.5 million. Final contribution data for the 1996 elections will not be available until after reports are filed at the end of January 1997, but the results are easy to predict: even higher records for spending, more groups contributing more money, more legislative leader control, more expensive races, and less competition for incumbents not targeted by the legislative leaders. And no one who observed the last round of campaigns can argue successfully that these kinds of expenditures elevated the discussion of important issues.

There are no restrictions on how candidates can spend their campaign contributions—a fact that sometimes leads to abuses and allows candidates to spend the money for personal use.

And for Illinoisans, information about campaign contributions and expenditures is not easily accessible in a timely manner and is unnecessarily difficult to analyze.

“Isn’t there something wrong?”

These are the major reasons the Illinois Campaign Finance Task Force believes that changes in the Illinois campaign finance system are necessary. People throughout the state are asking, “Isn’t there something wrong with spending a half-million or even more than a million dollars to win a seat in the Illinois General Assembly? When will the madness stop?” Money from interest groups continues to flow quickly into the system; contributions to candidates from gambling interests leaped from being almost non-existent in 1990 to becoming a major financial force in the elections of 1994 and 1996. Reasonable people conclude that such interests have motives that go far beyond just wanting to support good candidates.

As we concluded two years of deliberations late in 1996, it was clear that campaign finance reform had become a major issue nationally. Campaign finance reform became

a hot item at the federal level just before the election last November, propelling voters in several states to approve initiatives or referenda on campaign finance reform.

But no clear consensus has yet emerged on solutions for Illinois’ campaign finance system. We understand the legal and political constraints involved in changing Illinois’ campaign finance law. We understand the potential conflicts between regulating campaign finances and the First Amendment right to free speech. We also emphasize our realization that other variables besides money influence the outcome of elections. These other variables include the quality of the candidates themselves, the presence or absence of an incumbent in the election, as well as the demographics of the voters in any given legislative district.

Because the issues are complex, because the external variables in the debate continue to change, and because this year’s “reforms” may become outmoded by next year, we are recommending the creation of an Illinois Campaign Finance Oversight Commission to continually monitor Illinois campaign finance laws and to become an established and permanent voice for reform.

The overwhelming concern among citizens and officials alike has energized us to tackle this project and make some practical recommendations for change in Illinois. We believe that by addressing campaign finance reform in highly visible ways and establishing an Oversight Commission that will revisit the issue regularly, the General Assembly will take a step forward in restoring public confidence in state government. People want their government to be fair, honest, open and responsive, but current practices in campaign fundraising and spending contribute to the

Current practices in campaign fundraising and spending contribute to the public’s feelings of alienation and suspicion

public's feelings of alienation and suspicion. Campaign finance reforms are fundamental building blocks toward restoring public trust.

So this report and our recommendations provide a road map. Change can happen incrementally, but change there must be, now.

A call to action:

Why the time is ripe for change

The time is ripe for campaign finance reform in Illinois. The feedback from our polling and our town hall meetings throughout the state makes it abundantly clear that Illinoisans want change. Our conversations with key political players in the campaign finance process in Illinois reveal that many

insiders are equally unhappy with the role of money in Illinois politics. Furthermore, the coverage of our press conferences and town hall meetings in the media throughout the state in the past two years has heightened awareness of the problems.

Therefore, we call on Illinois legislators to review our list of recommendations as a starting point for change...

Therefore, we call on Illinois legislators to consider our list of 19 recommendations as a starting point for change and to package them into specific legislation in the 1997 session of the General Assembly.

We exhort legislators and other political leaders to be bold in discussing this topic, the media to be bold in reporting on the flow of money in elections, and the people of Illinois to be bold in demanding change in an electoral system that everyone agrees is seriously tainted by the vast amounts of money that candidates must raise and spend in today's political culture.

Our state's leaders stand at a risky crossroads, and if they take the business-as-

usual path, they will contribute to a continuing deterioration of the trust and confidence of the people of Illinois in their government. The time to enact meaningful campaign finance reform is now.

We also urge concerned citizens, civic organizations, associations, government officials, and business leaders (perhaps those who manage political action committees) to come together in coalition to promote a serious push for reforming Illinois' campaign finance system. This is not a Republican or Democratic issue; it is not a corporate or nonprofit or union or other interest-group issue. It is a problem the Illinois citizenry at large believes must be fixed.

All people of goodwill in Illinois must demand changes, and must demand that campaign finance reform become a top legislative priority. The times demand it.

And because the role of money in Illinois politics must be monitored formally on an ongoing basis, we emphasize the importance of our recommendation for the creation of the Illinois Campaign Finance Oversight Commission. The people of Illinois must regularly be given an opportunity to evaluate the impact of money on politics and be prepared to respond to changing campaign finance practices.

The issue of campaign finance reform is not going away. There has been no significant reform in Illinois since 1974, and Illinois' reporting and disclosure law is among the most wide-open and weakest in the nation. We call on elected officials, the Democratic and Republican parties, media leaders, organizations' leaders, business leaders, and other Illinoisans to take a proactive stand in favor of effective and appropriate campaign finance reform in Illinois.

3. Recommendations of the Task Force

A. IMPROVE DISCLOSURE

The task force believes that timely campaign finance information should be easily accessible to Illinoisans. Strengthening disclosure requirements will make information more accessible, and thereby help to restore the public's confidence in their government. We should:

1. **Create a bipartisan Illinois Campaign Finance Oversight Commission, adequately staffed and funded, with public and private members appointed by the governor and legislative leaders.** The commission would be charged with monitoring the state's campaign finance system and making reports to the governor and the General Assembly after each general election, identifying problems and recommending changes. These reports would include examples of non-compliance in the previous election cycle and an audit of a sampling of campaign finance reports. We further recommend that the General Assembly change its rules so that the recommendations of the Campaign Finance Oversight Commission automatically receive priority consideration by the General Assembly.

X The problem: No institutional structure exists with the specific task of monitoring the Illinois campaign finance system and making recommendations for changes.

✓ What would change: It would keep the spotlight on the role of money in the political process and provide a mechanism for an ongoing dialogue among the public and public officials. Restoring the public's faith in the way that we finance elections requires more than just infrequent flurries of activity; it requires a long-term commitment to working on changes and making changes that work.

This recommendation is based on our discussion of the timeliness of reform. The system needs changes, and the people are ready for change. But we recognize that as changes are enacted, they will need constant oversight, adjustment and improvement. A formal oversight commission would guarantee that campaign finance reform would remain an important public policy agenda item for years to come.

Among ideas the Oversight Commission might wish to examine are:

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| (a) Facilitating electronic filing by requiring the State Board of Elections to provide software and technical support to candidates. | (c) Prohibiting contributions from corporations and individuals with financial involvement in certain industries regulated by state government (i.e., public utilities, insurance companies, banks). |
| (b) Prohibiting contributions from corporations and individuals with financial involvement in existing or proposed gambling operations, and in other industries where there is potential for significant abuse. | (d) Prohibiting contributions from businesses or individuals who receive contracts to do work for the state of Illinois. |
| | (e) Implementing public financing of Illinois campaigns. |

2. Improve access to information by eliminating the requirement that persons inspecting or purchasing campaign finance reports filed with the State Board of Elections must sign a Form D-3 listing their name, address, phone number, occupation, employer and reason for examining the reports. A copy of that form is now sent to the treasurer of the campaign whose records are being examined.

X The problem: The requirement to identify oneself has a chilling effect and makes some citizens, who want to remain anonymous, reluctant to take a look at campaign finance reports. Campaign finance reports are public records, and people should be able to view them without hassle. Also, the existence of this needless requirement, which is not present in other states, places an enormous paperwork strain on the staff of the State Board of Elections, which must process the D-3 forms.

This recommendation is based on our principle #2 (Accountability), in which we want citizens and the media to have easier access to public records.

✓ What would change: Citizens requesting campaign finance reports from the State Board of Elections would no longer have to identify themselves in writing. They could simply ask to examine or purchase the reports in which they were interested, and the political committees would no longer be told who is looking at their reports.

3. Increase disclosure by requiring that when political committees report itemized contributions, those reports must include the occupation and employer (if any) of individual contributors. Also, prohibit campaigns from spending contributions for which they do not obtain and report this complete information.

X The problem: It is often impossible to identify individual contributors—which makes it easy for groups, unions and corporations to hide their contributions. The lack of incentives for complete disclosure on itemized contributions often results in incomplete reports.

This recommendation is based on our principle #2 (Accountability).

✓ What would change: Political committees would have to collect and report information on occupations and employers from individual contributors who gave more than \$150. Currently, contributions from an individual, group or corporate entity of less than \$150 for a filing period can be summarized without identifying the donors, but contributions of \$150 or more must be itemized by the amount and the name and address of the contributor. Campaigns would also have to obtain address information from all contributors and disclose the sources of itemized contributions before they could spend the funds.

4. Increase penalties for willful noncompliance and failure to adhere to stricter campaign finance laws. The task force wishes to distinguish between what might be considered inadvertent human error and willful noncompliance. Political committees occasionally will make mistakes in arithmetic, fail to fill out a form properly, or overlook

some technical detail in the law. For such human errors, the committees should be given a chance to correct their reports without penalty. However, for willful mistakes or abuses of the law, committees should be subjected to greater civil and criminal penalties.

- ✗ **The problem:** The current law lacks teeth. No aggressive mechanism exists, nor severe penalties, for failure to abide by the current law. Nor does the State Board of Elections have the authority to rule on the appropriateness of candidates' expenditures.

This recommendation is based on our principle #2 (Accountability).

- ☑ **What would change:** Facing the possibility of more severe penalties would provide an incentive for political committees to abide by all state campaign finance laws.

5. **Improve reporting and monitoring by providing staffing and resources to the State Board of Elections at a level sufficient to ensure adequate processing and dissemination of information in campaign reports and increased oversight.** We recommend increasing staffing and resources for the State Board of Elections in order to enable the board to expand the development and dissemination of reports, provide technical support to candidates, and increase its investigation and compliance activities. To strengthen disclosure requirements and increase penalties without giving the State Board of Elections additional resources would make it less likely that the public could access information in a timely manner and that political committees would adhere to more stringent laws.

- ☑ **This is common sense,** but must not be overlooked. Without resources to enforce compliance, efforts at campaign finance reform are not likely to succeed.

This recommendation is based on our principle #2 (Accountability).

6. **Increase disclosure by requiring all groups, corporate entities and unions that raise or spend more than the statutory threshold in support of a candidate or candidates to organize as a political committee and file the same reports that candidates file. (Currently, this threshold for committees is \$1,000.)**

- ✗ **The problem:** Sources of campaign contributions can be hidden. If an association, company or group of individuals gives money directly from corporate resources or personal funds under a name such as the "Good Guy PAC" without filing the documents for forming a political committee, it is difficult to determine who the PAC contributions represent. Unless all groups and associations file reports, there is incomplete disclosure. It is impossible to crosscheck the reports filed by a campaign if the groups contributing to the campaign do not also file reports. Making it possible to cross-check candidate reports would provide an additional incentive for complete and accurate disclosure by those making and receiving contributions.

This recommendation is based on our principle #2 (Accountability).

☑ **What would change:** The application of the law is ambiguous. State Board of Elections rules require all candidates for public office who spend more than a certain amount (generally \$1,000) to form a political committee and file campaign finance reports. Individual citizens who contribute to campaigns do not have to form political committees, no matter how much they contribute. The status of groups who contribute to campaigns is unclear. Most associations (e.g., the Illinois Trial Lawyers Association, the Illinois State Medical Society) have formed political committees and file reports, but not all. Some labor unions do and some do not. Most corporations and firms do not.

“Minority comment” of three task forces members: Sam Gove, Ron Michaelson and Paul Simon believe the current statutory threshold of \$1,000 is unrealistic, and contribution levels should be higher before an individual or committee is required to file a report.

7. **Require all candidates for legislative and statewide office who must form political committees, as well as all incumbents, to file their reports with the State Board of Elections in electronic form in a standard database format.** Electronic filing is the only way to make information available to the public in a timely manner. We recommend that this requirement be implemented immediately for candidates for statewide and legislative offices, and for groups and corporate political committees. However, this requirement should not become a barrier to anyone wishing to run for office, and initially, candidates for local offices (i.e., mayor, school board, county board) would be exempt.

✗ **The problem:** Voters cannot access information quickly enough—and information about the final few intensive months of a campaign is not available until after the election, because reports on spending and contributions for the last six months of the year are not filed until January of the following year. So this information does not help voters decide for whom to cast their ballot in November. We assume many political committees, if not most, use computers to keep track of their campaign finances. So it makes sense for the state to implement a system in which all candidates are using the same software. Electronically filed information could be downloaded easily by the State Board of Elections, and reformatted quickly for public access. The more disclosure there is before an election, the more informed the media and the electorate will be before election day.

This recommendation is based on our principle #2 (Accountability) and #4 (Voter information)

☑ **What would change:** Electronic reports are not required now and would become the normal way of filing reports; paper reports are now acceptable under State Board of Elections rules for all committees.

8. **Improve access to records by maintaining reasonable fees charged by the State Board of Elections for hard copies and electronic copies of campaign finance reports, and by maintaining the information in formats that are as accessible as possible.** We make no specific recommendations regarding costs and formats, but we do believe that public access should be as inexpensive as possible, and that the information should be available in reasonable paper and electronic formats.

✗ **The problem:** The cost of purchasing campaign finance reports is considered by some groups and individuals to be prohibitive. In addition, while records of contributions are now available in an electronic database format, expenditure records are still available only on paper or on microfiche.

✓ **What would change:** A recent agreement by the State Board of Elections to decrease the cost of purchasing an electronic database of contributions on computer diskette may have resolved the primary cost concern, but copying and microfiche costs should be reviewed. The State Board of Elections now charges 25 cents a page for a photocopy, 50 cents a page for microfiche and \$25 for a copy of an electronic database covering one six-month reporting period. Making expenditure as well as contribution records available in an electronic format would greatly expand public access to campaign finance information.

This recommendation is based on our principle #4 (Voter information). All records should be made available electronically and in a more timely manner. The State Board of Elections, to its credit, is moving in this direction, and has recently reduced the cost of contribution data released on computer diskette.

B. LIMIT CONTRIBUTIONS

The task force believes it is not sufficient to strengthen disclosure and ethics laws regarding the Illinois campaign finance system. Placing limits on contributions and restricting the transfer of funds from one political committee to another—particularly from legislative leaders to individual candidates in targeted races—would open the playing field. It would help ensure that no individual or group would have undue influence on who can run for office, the outcome of elections or the legislative process. The task force recommends these limits in order to make it necessary for candidates to rely on a broader base of contributions:

9. **Restrict transfers to any candidate from candidate political committees, political parties, legislative leader committees and state or local parties to \$25,000 in the primary election period and \$25,000 in the general election period.**

(The task force also considered limiting transfers from political parties to \$50,000 in each election period instead of \$25,000—a suggestion that would make the political parties relatively stronger than the political committees. But the task force members did not reach a consensus on this idea.)

✗ **The problem:** Legislative leaders dominate the funding of targeted, contested legislative races in Illinois. Many critics say this gives the legislative leaders an undue influence over victorious legislators, and some legislators have told the task force they feel “beholden” to their leaders who control the

This recommendation is based on our principle #8 (Legislative responsiveness).

campaign funds.

- ✓ **What would change:** Current law does not prohibit or limit a candidate, legislative leader committee or political party from accepting contributions and then transferring those funds to another candidate or spending them on another candidate's campaign. Legislators who are not indebted to legislative leaders for the funding of their campaigns are more likely to show independence in representing the concerns of their constituents. Even with this change, care must be taken so that one form of subservience is not replaced by another.

Special note on the significance of this change: This recommendation would result in major changes in the way that the targeted, contested legislative races are funded. Currently, legislative candidates who are in "targeted races" often receive more than 50 percent of their funding from their legislative leaders, who give hundreds of thousands of dollars to several candidates.

Number of candidates to which legislative leaders transferred \$25,000 or more, 1994 general election cycle

Leadership committee	Number of races, less than \$25,000	Number of races, \$25,000 or more
House Democratic leader	28	*30
House Republican leader	10	*21
Senate Democratic leader	11	*5
Senate Republican leader	7	*6
Totals	56	*62

*These are the number of transfers in the 1994 general election that would have exceeded the maximum \$25,000 limit recommended by the task force.

This table illustrates how heavily legislative leaders get involved in the financing of campaigns, and how this recommendation would drastically reduce their involvement. The table shows that leaders transferred more than \$25,000 to 62 legislative candidates during the 1994 general election cycle.

10. **Limit contributions from groups, corporations, associations, and individuals to political committees (including leadership committees) and political parties to \$2,000 for the primary and \$2,000 for the general election.** Most states and the federal government set different contribution limits for individuals and political action committees. However, the task force considered such options and chose not to set higher limits for PACs, choosing instead to emphasize the importance of contributions from individuals.

- ✗ **The problem:** Some groups have been the major contributors to Illinois campaigns in the past two decades, and these groups have both a perceived and real dominating influence over the legislature. Also, in Illinois it is easy to pour hundreds of thousands of dollars into the campaign finance system in a short period of time and thereby become a major player. Gambling

This recommendation is based on our principle #1 (Giving); #3 (Competition); #5 (Political parties); #7 (Special interests); and #8 (Legislative responsiveness).

interests contributed only about \$50,000 in 1990, but their contributions soared to more than \$1 million in the 1994 election cycle.

- ✓ **What would change:** Current law places no limit on how much an individual, a PAC or a corporate entity can contribute to a candidate for state or local office or to any political committee.

How this would change giving patterns: Establishing a \$2,000 limit on contributions would significantly reduce the amount that dominant interest groups contribute to legislative candidates, and it would significantly affect their contributions to legislative leaders.

Appendix A on page 39 of this report illustrates what impact a \$2,000 contribution limit would have had on a selected group of interest groups for the 1994 general election period.

Special note: The task force debated at length on whether to allow higher contribution limits to political parties, thereby giving the parties relative strength compared to political committees. But the task force did not reach a consensus on this issue, and therefore is recommending the same limits for political committees and political parties.

11. Allow legislative candidates to establish only one political committee per office. This would prevent candidates or incumbents from establishing multiple committees and then encouraging contributors to make donations to all of their committees.

- ✗ **The problem:** One likely consequence of establishing contribution limits is that a candidate could circumvent the limits by setting up multiple—perhaps dozens of—political committees, then advising major contributors to give \$2,000 to each committee, amounting to tens of thousands of dollars from a single individual or interest group. Restricting a candidate to one political committee per office would prevent this method of circumvention.

This recommendation is based on our principle #3 (Competition) and #8 (Legislative responsiveness).

- ✓ **What would change:** Current law does not limit the number of political committees a candidate can establish.
Note on independent expenditures: Because there are now no limits on contributions or limits on transfers, expenditures made by groups or individuals on behalf of candidates are treated and reported in the same manner as direct contributions. These expenditures on behalf of candidates in Illinois are reported by the candidates as in-kind contributions. Proposed limits on contributions and limits on transfers would stop direct contributions to candidates in excess of \$2,000 and stop transfers from political committees to candidates in excess of \$25,000. These limits would not prevent groups, individuals, legislative leaders or political parties from spending more than \$25,000 on behalf of a candidate, but any amount in excess of the contribution or transfer limits would have to be made as independent expenditures, separate and apart from the campaign they support. With our recommendations in place, any such independent expenditures would have to be fully disclosed.

12. **Restrict total giving by an individual or group to \$200,000 per election cycle. This aggregate limit would prevent any individual or political committee from pouring an unlimited amount of money into any given election cycle, and in doing so, reduce the influence of these donors over the electoral and policymaking processes.**

X The problem: Some interest groups contribute hundreds of thousands of dollars to candidates during each election cycle, thus fueling the public's suspicion about their influence.

✓ What would change: Current law does not place any aggregate limit on how much individuals, PACs, interest groups, corporations and unions can contribute during an election cycle. There were 17 groups, corporations or unions that contributed more than \$200,000 to legislative candidates and leaders in the 1994 election cycle.

This recommendation is based on our principle #3 (Competition), #7 (Special interests), and #8 (Legislative responsiveness).

13. **Index and adjust these contribution limits for inflation every two years.**

X The problem can be found at the federal level, where contribution limits have been in place for many years, with no increase for inflation. That means a \$1,000 contribution from an individual is not as significant now as it would have been 10 years ago.

✓ What would change: Current Illinois law has no contribution limits, but indexing them to the rate of inflation would allow the contribution limits to increase slightly on a periodic basis to maintain their current value over time.

This recommendation is based on our principle #1 (Giving) and #10 (Enforcement).

14. **Provide an incentive for individuals to contribute to political campaigns by giving a state tax credit of up to \$50 annually for contributions made by individuals to any state political committee or party.**

X The problem: Voters no longer enjoy the tax incentive they once enjoyed at the federal level for giving to a political campaign.

✓ What would change: Currently, contributions to political campaigns are not tax deductible on either federal or Illinois tax returns. Providing a modest state tax credit would encourage more Illinoisans to contribute to campaigns, thereby increasing the percentage of people who contribute to campaigns. (It is difficult from current records to determine exactly how many Illinoisans contribute to campaigns, especially since contributions of less than \$150 are not itemized. But we estimate that between 30,000 and 80,000 individuals contributed to Illinois legislative or statewide campaigns in the 1994 election cycle, which means—if all gave at least \$50 and were eligible for the tax credit—that the state would have given up between \$1.5 million to \$4 million annually in tax revenue in exchange for giving Illinoisans this added incentive to participate in the political process.)

This recommendation is based on our principle #1 (Right to give) and #7 (Special interests).

C. REDUCE ETHICAL CONFLICTS

Because of public distrust and cynicism about government, particularly regarding the role of money in Illinois politics, the task force recommends a series of changes that would diminish opportunities for unethical behavior or the appearance of unethical behavior by contributors, political committees and candidates. We should:

15. Require elected officials who leave office due to defeat or retirement, as well as candidates who have been defeated for elective office, to close their political committees and dispose of any remaining funds within five years after leaving office or losing an election, unless they file for another elected office.

X The problem: Neither elected officials who leave office, nor individuals who run unsuccessfully for office, are required to close their political committees. They can keep them open indefinitely and continue to spend any funds they have, without restrictions. A number of constitutional officers and state legislators have left office with hundreds of thousands of dollars in their political funds, which they continue to spend for a variety of political and private purposes.

This recommendation is based on our principle #9 (Personal use).

✓ What would change: The five-year limit would allow any losing candidate or public official leaving office to keep his or her political committee open through one four-year election cycle should they want to run for office again. Once the five-year limit is reached, the committee would be closed, and any remaining funds would be disposed of according to current law. The options are to transfer the money to another political committee, give it to charity or return it to contributors on a pro-rated basis.

16. Define and prohibit non-electoral or personal use expenditures of campaign funds, and empower the State Board of Elections to determine, investigate and rule on what constitutes an appropriate campaign expenditure. Rules would need to be established so that the board could issue advisory opinions about expenditures.

X The problem: Current law does not define what is a proper or improper expenditure of campaign funds, and the State Board of Elections has no authority to examine how campaign funds are spent. However, candidates sometimes now spend campaign funds for purposes that are obviously personal and unrelated to their campaigns.

This recommendation is based on our principle #2 (Accountability); #9 (Personal use); and #10 (Enforcement).

✓ What would change: This recommendation would have the state define improper campaign expenditures and have the State Board of Elections investigate abuses of campaign finance laws. It would also make candidates more accountable, because they could be subject to negative publicity, fines or jail terms if accused of or found in violation of the new campaign finance expenditure restrictions.

17. Prohibit legislators from holding fundraisers in the Springfield area in March, April, May and June.

X The problem: Many legislators and legislative leaders conduct fundraisers in or near Springfield during the busiest months of the legislative session. Many officials, lobbyists, PAC leaders and others involved in the legislative process feel pressured to attend these fundraisers and “prove” their loyalty by making a contribution. They fear that their non-attendance and failure to contribute could prevent them from being heard at critical times in the legislative session, which generally is in full swing in March, April, May and sometimes June. It is convenient for legislators to organize fundraisers when all of the players are in Springfield. This custom gives an advantage to special interests with large amounts of money to contribute, and to legislative leaders, who control millions of campaign dollars.

This recommendation is based on our principle #7 (Special interests), and #8 (Legislative responsiveness).

✓ What would change: Current law does not limit where or when contributions can be made.

Minority comment from task force member: Helen Satterthwaite believes not allowing fundraisers in March could place hardship on Springfield-area legislators.

D. INCREASE

ELECTION COMPETITION

The task force is interested in increasing competition in elections by providing some resources to candidates who are challenging incumbents or running for open seats—which would lessen the advantages held by incumbents and encourage more candidates to run, thereby helping to restore the public’s faith in the electoral system. Therefore, we should:

18. Prohibit successful candidates and incumbents who were not up for re-election from carrying a surplus of more than \$25,000 into the next election cycle. The task force recommends that carryover funds in excess of these amounts would have to

X The problem: Some incumbents raise funds year-round and then do not spend all of the money they receive in the next campaign. A few incumbents carry surpluses of hundreds of thousands of dollars, which certainly decreases the likelihood that anyone would challenge them in the next election.

This recommendation is based on our principle #3 (Competition).

✓ What would change: There are no limits on how much a political committee can carry over after an election is over. (At the end of 1994, 34 Illinois House members and 33 state senators had balances of \$25,000 or more. The largest balances were held by the legislative leaders, in amounts ranging from \$443,000 to \$772,000.)

Minority comment from task force member: Paul Simon recommends that legislative leadership committees be allowed to carry over \$100,000 into the next election cycle.

be returned to contributors or given to charity.

19. **Distribute to all voters in every general election period state-funded “candidate guide books” containing profiles of and statements from all candidates who are on the ballot for statewide and legislative offices.** These guide books, tailored for different senatorial districts or regions of the state, would be mailed to all households. This program would be administered by the State Board of Elections. (A similar activity now takes place when constitutional amendments are on the Illinois ballot. The Secretary of State’s office prepares and mails information about the implications of the proposed
- ✗ **The problem:** For legislative and statewide races, voters receive information only from the candidates themselves. The task force is aware that in targeted legislative elections and in statewide races, voters generally receive numerous direct-mail pieces from the candidates. In some parts of the state, particularly where there are no targeted races, voters sometimes receive little or no information about the candidates running to represent them. *This recommendation is based on our principle #4 (Voter information).*
- ☑ **What would change:** There is no authority and no funding under current law for the preparation, printing and mailing of state-funded candidate guides. These new candidate guide books would allow each state legislative and statewide candidate on the ballot to be equally represented in the guide book.

amendments.)

E. RECONSIDER *BUCKLEY* DECISION: PROBLEM WITH SPENDING LIMITS

THE

For two years, the task force heard consistent cries of outrage from politicians, lobbyists, citizens, and challengers about the growing cost of elections in Illinois. The task force joins those Illinoisans who are alarmed by campaign price tags of \$500,000 or more than \$1 million in a targeted race for a seat in the General Assembly, a position for which the base pay is \$47,039 a year.

Many reasonable people ask, “Can’t we just place a limit on the amount a candidate can spend, and force candidates to obey those limits?”

The legal answer to this question is no. Mandatory spending limits by themselves are not possible at this time. The U.S. Supreme Court ruled in *Buckley v. Valeo* in 1976 that campaign expenditures are protected speech under the First Amendment and therefore cannot be limited. The task force regrets that efforts to implement reasonable spending limits are hampered by this 20-year-old court decision.

The task force joins the growing national sentiment in favor of mandatory spending limits on political campaigns, and therefore strongly supports efforts that would result in a reconsideration of *Buckley v. Valeo* by the Supreme Court. To enact spending limits now under current law, the most common method other states and the federal government use are voluntary programs that link spending limits to

public financing. In such arrangements, candidates who accept partial or total public funding of their campaigns must abide by the spending limits. But in Illinois, the public *would* support spending limits. Hence our strong endorsement of efforts at reconsideration of *Buckley v. Valeo*. The task force believes the concept of spending limits should be more open to discussion on its own merits.

The task force also recognizes that voluntary spending limits are now possible. Opposing candidates can agree to spending limits on their own, or candidates can choose to limit their own expenditures to a certain amount. This was the case in the recent campaign for the United States Senate in Massachusetts, in which incumbent Senator John Kerry and his challenger, Governor William Weld, agreed to a high but definite limit on the amount they would spend; they stuck to their agreement despite what turned out to be an extremely tight race.

But in Illinois, without legally binding spending limits, Illinois candidates in targeted and contested races have generally tried to spend as much money as they can in order to win, despite their personal and public objections to the high cost of their campaigns. And they feel forced to spend more as the spending of their opponents increases. Although spending the most money does not guarantee victory, candidates are understandably reluctant to self-impose spending limits if lower spending makes victory at the polls less likely.

Minority comment from two task force members: John Birkinbine and Ron Michaelson do not concur with the majority of the task force on the reconsideration of *Buckley*. Michaelson says, “I prefer to have our previously stated recommendations implemented, and then review their effect on the campaign finance system in Illinois before considering whether spending limits/public financing should be adopted. Thus, although the time may be ripe for a reconsideration of the holding in *Buckley*, I am not willing to commit to spending limits and/or public financing at this time.”

Minority comment from two task force members: Paul Simon believes that public funding of elections should receive major attention in Illinois. He supports all of the recommendations in this report, but also believes that fundamental campaign finance reform will not be achieved without public financing. Jim Lewis concurs with Simon on these points.

4. Research about campaign finance issues in Illinois

A. FINANCING OF CAMPAIGNS FOR LEGISLATORS and CONSTITUTIONAL OFFICERS, 1994

Financing State Elections in Illinois: A Story in Three Parts

Elections in Illinois have become very expensive. Overall, elections for the legislature and statewide office cost over \$63 million for the 1994 primary and general elections. The two candidates for governor in 1994 (Republican Jim Edgar and Democrat Dawn Clark Netsch) spent more than \$12 million. The cost of elections in Illinois is accelerating rapidly, particularly the cost of legislative elections. Spending by legislative candidates in the general election almost doubled between 1990 and 1994, rising from \$9.5 million to \$18.5 million.

The financing of elections in Illinois takes place through three related but strikingly different processes that are triggered by the nature of the election contests. Elections for statewide office are funded quite differently from legislative elections that are targeted by the legislative leaders, which are in turn funded quite differently from legislative elections which are not targeted by the legislative leaders.

1. THE IMPORTANCE OF TARGETED LEGISLATIVE RACES, 1994: ONLY 27 OF 118 IN THE HOUSE; 5 OF 21 IN THE SENATE

The political geography in Illinois is not uniform. There are large areas of Republican and Democratic strength and a small number of competitive districts, which are located in the suburbs of Cook, Lake and Will County, and scattered in some of the more rural areas of downstate Illinois. The legislative map placed on the state through the redistricting process reinforces those trends. The relatively small number of competitive legislative districts have become the battleground (the targets) where legislative leaders fighting for control of their chambers have concentrated their efforts and resources.

Legislative leaders raised \$15.4 million in 1993 and 1994, more than double the \$7.1 million they raised in 1989 and 1990. The \$7.5 million they spent directly on legislative races during the general election by the House Democratic and Republican leaders was more than two times the \$3.5 million they spent in 1990. What is at stake for the legislative leaders in raising and spending these huge sums of money is control of the legislature. As a direct result of victories in key targeted districts, the Republicans took

control of the senate in 1992 and gained control of the House in 1994. Two years later the same districts were again the battleground, but this time the Democrats won five targeted races in the south suburbs of Chicago and one downstate district and regained control of the House for the 1997-98 session of the General Assembly. The Senate Democrats picked up two seats in 1996, but fell short of regaining control. The battle lines are already being drawn for the fight over control of both the House and the Senate in 1998.

Targeted legislative races are by definition races in which one or both of the candidates receive significant support from their legislative leaders. In 1994 there were 27 House races out of 118 and five Senate races out of 21 that were targeted by one or both of the legislative leaders. Sources of funds for these races were dominated by the legislative leaders. The 64 candidates in the 32 targeted House and Senate races spent a total \$13.2 million in the general election. Of that total, \$7.5 million (56%) of the money came from the legislative leaders. Less than 10% of the money spent by these candidates came from individuals. The remaining amount (34%) came primarily from statewide associations and interest groups. On a percentage basis, very little money was raised by these House and Senate candidates from within their districts. The combined spending in targeted House races averaged \$380,000 in 1994, while combined spending in targeted Senate races averaged \$595,000.

Records were set in 1994 for combined general election spending by candidates in a House race and by candidates in a Senate race. The tables on this page and the next show the most expensive House and Senate races in 1994. A record for combined spending of \$701,000

**TOP 10 HOUSE RACES IN COMBINED
GENERAL ELECTION SPENDING, 1994**

District	Total Spending	Candidates (winner v loser)	
103	\$701,000	Winkel (R)	v Prussing (D)*
68	\$654,000	Wait (R)	v Giolitto (D)*
89	\$574,000	Ackerman (R)*	v Lievens (D)
100	\$542,000	Klingler (R)	v Kent (D)
110	\$532,000	Stephens (R)*	v Daiber (D)
35	\$495,000	O'Connor (R)	v Steczo (D)*
38	\$472,000	Wennlund (R)*	v Mayer (D)
37	\$471,000	Zabrocki (R)	v Sheehy (D)*
95	\$460,000	Meyer (R)	v Edley (D)*
69	\$425,000	Winters (R)	v Rotello (D)*

**Incumbent at time of election*

**TOP FIVE SENATE RACES IN COMBINED
GENERAL ELECTION SPENDING IN 1994**

District	Total Spending	Candidates (winner v loser)	
29	\$1,344,000	Parker (R)	v Stern (D)*
35	\$ 567,000	Burzynski (R)*	v Chaussee (D)
38	\$ 507,000	Welch (D)*	v Studzinski (R)
53	\$ 398,000	Woodyard (R)*	v Mattis (D)
50	\$ 340,000	Hasara (R)*	v Schanzle-Haskins (D)

* Incumbent at time of election

was set when Republican candidate Rick Winkel defeated incumbent Democratic Representative Laurel Prussing for the 103rd House seat in the Champaign-Urbana area. The record for a Senate seat was shattered in the race for the 29th Senate district in Lake County: When Republican challenger Kathleen Parker defeated incumbent Democratic Senator Grace Mary Stern, the two spent a combined \$1.34 million.

A much more detailed analysis of contribution and spending patterns for legislative races in 1994 is provided in the initial report of Illinois Campaign Finance Project, "Money in Illinois Politics - 1994," written by Professor Kent Redfield

of the University of Illinois at Springfield and released in March 1996. Free copies of this report are available from the Illinois Campaign Finance Project, whose address is provided at the end of this report.

The money raised by legislative leaders and by legislative candidates came primarily from statewide interest groups and associations and from large corporations and labor unions. Only a relatively small portion of the total raised came from individual contributors or state or local political parties or

**TOP TEN INTEREST GROUP SECTORS
IN CONTRIBUTIONS TO LEGISLATIVE
CANDIDATES, 1993-94 (in thousands)**

1. Lawyers and law firms \$3,112
2. Manufacturing 2,227
3. Trade unions 2,014
4. Physicians/ health professionals 1,932
5. Finance 1,770
6. Transportation/distribution 1,168
7. Public teacher unions 1,147
8. Retail sales businesses 1,127
9. Health facilities 988
10. Gambling interests 822

from sources solely from within the legislative district. The tables on pages 29-30 show the sources of campaign contributions for legislative candidates for the 1994 election cycle.

2. NON-TARGETED LEGISLATIVE RACES

These races are contests in “one-party districts” between incumbents (or replacements for incumbents) and unknown or non-existent challengers. Races of this type make up the majority of legislative races. In 1994 there were 100 legislative races (out of 139) where the winner had no general election opposition or an opponent who spent less than \$50,000 and received less than 40% of the vote. In contrast to candidates in targeted legislative races, contributions to candidates in non-targeted races come primarily from individuals and companies within the districts and from statewide interest groups. For non-targeted House races, combined spending for all candidates was \$2.77 million. Of that total, 9% came from the legislative leaders and 17% came from individuals. The remaining 74% came from a combination of statewide associations and interest groups and local businesses and professionals. Money from statewide associations and unions and large corporations went almost exclusively to the winning candidates, most of whom were incumbents. For losing candidates in non-targeted House districts, what money they raised came from individuals and businesses within their districts. The patterns were similar for non-targeted Senate races.

TOP TEN INTEREST GROUPS IN CONTRIBUTIONS TO LEGISLATIVE CANDIDATES AND LEADERS, 1993-94 (in thousands)

1. Illinois State Medical Society \$1,332
2. Illinois Education Association 938
3. Illinois Manufacturer’s Association . . . 453
4. Associated Beer Distributors of Illinois 400
5. Illinois Bankers Association 372
6. Illinois Trial Lawyers Association . . . 368
7. Illinois Realtors Association 300
8. Illinois Hospital and Health Facilities Association 263
9. International Brotherhood of Teamsters 227
10. International Brotherhood of Electrical Workers 226

TOP TEN CORPORATIONS IN CONTRIBUTIONS TO LEGISLATIVE CANDIDATES AND LEADERS, 1993-94 (in thousands)

1. Philip Morris \$225
2. Waste Management 215
3. Ameritech 207
4. Household International 174
5. Sears 166
6. Commonwealth Edison 109
7. Walgreen’s 94
8. Caterpillar 88
9. Illinois Power 90
10. CNA Insurance 87

The power of the legislative leaders in affecting the outcome of elections was clearly demonstrated in 1994, when 91 incumbent senators and representatives ran for re-election in districts where the opponent received no financial support from the legislative leader of the opposite party. These incumbents raised a total of \$3.3 million for the general election. They all won. Meanwhile, 37 non-incumbent candidates ran for legislative seats without backing from their own party's legislative leaders. They raised a total of \$390,000 for the general election. They all lost.

3. ELECTIONS FOR STATEWIDE OFFICE, 1994

Running a competitive race for a statewide office requires a significant amount of money. Putting together a statewide campaign organization and then running a campaign based on strategies of polling, targeting, direct mail, advertising and grassroots campaigning is very expensive. Governor Jim Edgar spent \$8.2 million in the general election in 1990 in a race that was competitive against Neil Hartigan, and \$8.4 in the general election in 1994 in a race against Dawn Clark Netsch that proved to be less competitive. Hartigan spent \$6.4 million in 1990, and Netsch spent \$3.9 million in 1994. Combined spending by candidates for governor dropped from \$14.6 million in 1990 to \$12.3 million in 1994.

Combined spending by the candidates in the secretary of state's race increased from \$3.0 million in 1990 to \$4.2 million in 1994, while combined spending in the race for attorney general jumped from \$1.8 million in 1990 to \$5.0 million in 1994. At the same time, combined spending on the race for state treasurer dropped from \$1.2 million in 1990 to \$600,000 in 1994, and combined spending on the race for state comptroller dropped from \$1.1 million in 1990 to \$600,000 in 1994.

Does this mean the overall trend is for elections for statewide office in Illinois to become less expensive? Probably not. The variations in spending reflect the level of competition in a given race in a given year. In this era of weak state political parties, candidates for statewide office are largely on their own. Given the power that the office holds over fiscal and policy matters in the state, candidates for governor have a much easier time attracting campaign contributions than do candidates for state treasurer or state comptroller, while the offices of attorney general and secretary of state fall in between.

While the average cost of electing a governor in Illinois in the 1990s ranks in the upper 20% nationally, it was nowhere near the average cost of electing governors in states like California, Texas, New York, Florida or New Jersey during the same period. Based on this comparison, spending on statewide elections in Illinois has not reached whatever the practical limit is for how much can be spent effectively in this type of election. The potential for a closely contested governor's race to climb into the \$20 million range under existing campaign

In 1994, 37 non-incumbent candidates ran for legislative seats without backing from their own party's legislative leaders. They all lost

finance rules is very strong.

The most striking difference between contributions to statewide candidates and legislative candidates is the much greater proportion of funding that comes from individuals rather than from associations, corporations, unions and other interest groups. As the table for contributions to the two general election candidates for governor in 1994 shows, individual contributors are a major source of funding.

Detailed contribution data for the two candidates for governor in 1994 are presented on the next page. Contribution data for the 1994 candidates for the other statewide offices (secretary of state, attorney general, treasurer and comptroller) are presented in Appendix B on page 40. These data were not included in the "Money in Politics - 1994" report issued by the Illinois Campaign Finance Project in March 1996.

A breakout of the sources of campaign money for the 1994 general election period for statewide offices (see Appendix B) shows that Republican candidates raised their money primarily from individual businesses and financial institutions (19% to 45%) and individual contributors (19% to 28%). Contributions from statewide professional and business interest groups (7-11%) played an important but secondary role.

Democratic candidates raised their money primarily from contributions from individual contributors (17-39%) and labor unions (11-25%). Attorneys and attorney groups, individual businesses and statewide interest-group associations played an important but secondary role for Democratic candidates. The Democratic candidate for the attorney general's office, Al Hofeld, provided over 90% of the funding for his own campaign through personal loans. Because that is abnormally high, his totals have been excluded from our comparisons between sources of support for Republican and Democratic candidates. State and local party groups and legislative leaders played a very limited role in the races for governor, secretary of state and attorney general, while they were more significant for the offices of state treasurer and state comptroller.

CONTRIBUTION PATTERNS, CANDIDATES FOR GOVERNOR, 1994 GENERAL ELECTION

Netsch (D)

Number of itemized contributions
from individuals

1,221 contributions

\$1,000 or less	=	1,112
\$1,001 to 2,000	=	70
\$2,001 to 5,000	=	20
\$5,001 or more	=	19

Number of contributions from
groups and corporations

563 contributions

\$1,000 or less	=	414
\$1,001 to 2,000	=	61
\$2,001 to 5,000	=	50
\$5,000 or more	=	17

Edgar (R)

Number of itemized contributions
from individuals

1,311 individuals

\$1,000 or less	=	1,067
\$1,001 to 2,000	=	145
\$2,001 to 5,000	=	80
\$5,001 or more	=	19

Number of contributions
from groups and corporations

1,268 Contributions

\$1,000 or less	=	787
\$1,001 to 2,000	=	258
\$2,001 to 5,000	=	149
\$5,001 or more	=	71

**TOP CONTRIBUTORS
1993-94**

Edgar

IL State Medical Society ..	\$155,000
Michael R. Martin	115,000
Statesman of the Year	110,000
IL Manufacturers Assoc ...	38,500
Waste Management	37,000
Ch. Mercantile Exchange ...	36,000
Mayer, Brown & Platt	35,000
Chicago Stock Exchange ...	30,000
Chicago Board of Trade	28,000
Road Builders PAC	28,000

Netsch

Walter Netsch	\$429,000 (plus \$920,000 loan)
IL Education Assoc IPACE ..	218,000
Fred Eychaner	125,000
Ben Heineman	100,000
Emily's List	53,000
Sidney Port	50,000
State AFL-CIO COPE	41,000
Anesi, Ozman & Rodin	40,000
Power, Rogers & Smith	35,000
IL Trial Lawyers Assoc	30,000
Pavalon & Gifford	30,000
James Demos	30,000
Philip H. Corboy	30,000

**1994 GOVERNOR'S RACE
GENERAL ELECTION RECEIPTS (Units of \$1,000)**

	Edgar		Netsch	
	\$	%	\$	%
Candidate/Party	93	2	103	4
Individuals	1100	28	1072	39
Loans	0	0	240	9
Business/Finance	1781	45	222	8
Lawyers	96	2	179	6
Health Professionals				
/Facilities	328	8	62	2
Issue Groups	0	0	16	2
Gambling	99	2	3	*
Trade Unions	184	5	245	9
Teacher Unions	0	0	263	9
Public Employee Unions	7	*	10	*
Not-itemized Receipts	326	8	366	13
Total	\$3985	100%	\$2781	100%

1993-94 RECEIPTS AND EXPENDITURES

		Edgar	Netsch
1993	Beginning balance	\$2,371,000	\$56,000
1993-94	Receipts	\$10,894,000	\$6,979,000
1993-94	Expenditures	\$12,487,000	\$7,005,000
1994	Ending balance	\$778,000	\$30,000

B. REPORT ON TOWN HALL MEETING RESPONSES:

Support for Greater Disclosure, Contribution Limits and Limiting Transfers from Leaders

March - October 1996

BACKGROUND

The Illinois Campaign Finance Project, to raise public awareness of campaign finance issues, hosted eight town hall meetings between March and October 1996. With the help of local League of Women Voters chapters and local media, project staff traveled throughout the state to conduct public forums in Champaign, Galesburg, Collinsville, Carbondale, University Park, Lombard, Oak Park and Evanston (see Appendix E). These events, along with our kickoff event in Chicago and several other programs at which one of our project staff members talked about campaign finance issues, attracted a total of more than 500 persons and generated considerable media attention throughout the state.

At the end of each town hall meeting, members of the audience were surveyed regarding their attitudes and recommendations on a variety of campaign finance reform options. The results of the surveys from 135 participants who responded to our questions are summarized.

SUMMARY OF SURVEY RESULTS

Of the 11 possible options on the survey, two stand out as having the support of more than 90% of the respondents:

- Prohibition of the use of campaign funds for non-electoral expenditures, with 99% agreeing that such spending should not be allowed.
- Expanded disclosure — support for requiring the State Board of Elections to provide campaign finance information in a more timely and useful manner.

Following closely, with over 80% of the respondents agreeing, were the following recommendations:

- 1) Placing a limit on contributions - 81%
- 2) Limiting the amount legislative leaders can transfer to other political committees - 81%
- 3) Requiring contributors to disclose their occupation and employer - 83%

The third tier of recommended options (defined as questions garnering the support of 70% and above of the respondents), include:

- 1) Prohibiting contributions from gambling interests - 70%
- 2) Prohibiting contributions from industries regulated by the state - 76%

A somewhat surprising result was the support for some form of public funding of campaigns. The option of providing public funding for candidates who accept voluntary spending limits attracted the support of 71% of the respondents.

On several options, those supporting and/or opposing campaign finance reforms were more evenly divided: Prohibiting corporations and unions from contributing directly was supported by 41% of the respondents and opposed by 38%. Another issue on which the audience was divided was the option of providing media or postage at public expense to challengers who are opposing an incumbent. On that question, 38% were in support and 39% in opposition.

C. CONVERSATIONS WITH KEY PLAYERS: WHAT THEY THINK

In the past two years, project staff members formally and informally interviewed at least three dozen “players” in the electoral process in Illinois. Among those interviewed were legislators, former legislators, constitutional officers, lobbyists, and members of legislative staffs. Some of these people talked on the record, while some offered their views only with the understanding that they would not be identified. We sought to interview even more people, but some declined and others never became available.

The purpose of these interviews was to gain a deeper understanding of what is happening on the inside of the electoral and legislative processes in Illinois politics. Project staff wanted to ask questions that are on the minds of Illinoisans, and they wanted to test whether the concern of Illinoisans about the role of money in politics seems justified, according to insiders’ assessments of what is happening. That is why project staff allowed people to talk off the record, and why this section of the report is relatively brief. This chapter is included to give you a glimpse of insiders’ anecdotal information, which helps explain why the task force made certain recommendations, and why it believes the timing for campaign finance reform is ripe in Illinois. While the conclusions expressed here are rarely those of every person interviewed as part of this project, they do represent a collective understanding of what is happening in Illinois. Because a diversity of individuals was interviewed, we naturally found differences of perception about the role of money in Illinois politics and what ought to be done about it. Where individuals are identified, the views expressed are their personal views that we believe are worth sharing and thinking about.

Nearly everyone agreed that giving a contribution to a campaign helps an individual or group gain access to legislators and their leaders

1. CONTRIBUTIONS HELP PEOPLE GET “ACCESS”

Nearly everyone agreed that giving a contribution to a campaign helps an individual or group gain access to legislative leaders and individual legislators. When asked what the contributors expect to get for their money, the most common response was “access.” Access generally means that phone calls get returned, meetings get scheduled, and

points of view and specific requests for actions get taken into consideration. This point was the one most consistently raised by people we interviewed. Most people, however, went on to say that giving money does not buy votes in the legislature, because the process is more complicated than that.

Steve Brown, spokesman for Speaker Madigan, said the media almost always treat money in politics as unwholesome...

At least two influential lobbyists told us that giving money is a test of loyalty, especially to legislative leaders. Therefore, there is intense pressure to contribute especially to the leaders, and failure to do so is perceived by many players as a grave mistake.

A couple of lobbyists pointed out they are heavily involved in advising their clients to contribute to certain political committees or to attend certain fundraisers, and there is pressure on them as lobbyists to put pressure on their clients. One of the lobbyists said it is as important for some of his smaller clients to give \$100 as it is for larger ones to give thousands, because the mere fact of giving proves they want to play the game. Some people believe that so much money is now involved in campaigns that there has been a subtle change

about its influence: whereas making a contribution once placed individuals and groups at a competitive advantage and this is still true to a certain extent, it also now appears that *not giving money* places individuals and groups at a distinct *disadvantage*. In other words, giving money might help gain some access, but failure to give will almost certainly cause problems for groups that sit one out. That's what some people are saying.

2. MEDIA FEED CYNICISM ABOUT THE PROCESS

Although not everyone expressed this view, several of those interviewed noted that the media often write articles and broadcast stories about campaign money with a negative slant. This fuels public cynicism about the electoral process, sometimes unfairly, according to Dawn Clark Netsch, former comptroller and the 1994 Democratic candidate for governor.

Steve Brown, spokesman for Speaker Michael Madigan, said the media almost always treat money in politics as unwholesome, and despite claims to the contrary in the media, Democratic House members are not “punished” by Madigan for voting “the wrong way.” One former lobbyist said the public seems to have a lot of cynicism, but many legislators still want to do the right thing and will vote their consciences. Most of those interviewed said there is not an actual *quid pro quo* — money for votes, although many believe that policy issues that are either addressed or not addressed by the legislature are driven by interest groups that contribute to campaigns. A couple of lobbyists pointed out there are other ways to influence the process—with grassroots organizations providing volunteers, for example.

3. SHORTER CAMPAIGN SEASON

A number of those interviewed said one way to curb the need for large amounts of money is to shorten the campaign season. This idea has been around a long time. Many insiders lament the December filing dates for a March primary, and then the eight-month campaign season from March to November. They say it's just too long.

4. EFFECT OF THE CUTBACK AMENDMENT

Several veteran players also said so much has changed since legislative districts became single-member districts after voters adopted the Cutback Amendment. Brown said the leaders gained more power after the Cutback Amendment went into effect, because the new system has tended to limit diversity and eliminate some of the more independent-minded legislators.

5. REFORM THE SYSTEM?

It is hard, if not impossible, to find any insiders who believe Illinois' campaign finance system is a good system in terms of equity or the behavior it fosters. While most dislike the system, no one is willing to disarm unilaterally. Some legislators said privately they do not like the control that legislative leaders enjoy over their members because of the leaders' role in financing campaigns, while several candidates and former officials said it is distasteful (or "obscene," to use the word expressed by Rep. Rick Winkel of Champaign) to have to raise so much money to run a campaign. In general, the insiders we talked with agree with our polling that indicates Illinoisans want change.

Exactly what to change, however, is open to a lot of discussion among today's players. Many would like to see spending limits on campaigns, despite the constitutional problems with doing so. Former state Rep. Laurel Prussing of Urbana is among those who advocate spending limits, and state Rep. Tom Dart said spending limits are more important than contribution limits.

Others, such as Netsch and Attorney General Jim Ryan, would like to see contribution limits in place, while state Treasurer Judy Baar Topinka and some others expressed a concern that candidates usually find ways to get around whatever contribution limits are enacted in other states and at the federal level.

Almost no one would have objections to stronger disclosure and reporting laws. Former state Sen. Grace Mary Stern added that the Statement of Economic Interests that candidates are required to complete should be modified and strengthened because it is almost unintelligible.

A few players advocate public financing of campaigns—Netsch and Topinka among them.

Almost no one would have objections to stronger disclosure and reporting laws

APPENDIX A:

NUMBER OF CONTRIBUTIONS FROM DOMINANT INTEREST GROUPS TO LEGISLATIVE CANDIDATES, 1994 GENERAL ELECTION CYCLE

Group	Number of contributions, \$2,000 or less	Number of contributions, \$2,001 or more
Ill. State Med. Society	90	44*
Ill. Education Assn.	50	37*
Ill. Manufacturers Assn.	66	18*
Ill. Trial Lawyers Assn.	52	40*
Ass. Beer Dist. of Ill.	147	2*
Ill. Realtors Assn.	96	7*
Ill. Bankers Assn.	101	2*
Ill. Hospital Assn.	136	2*
Philip Morris Corp.	56	0
Waste Management Corp.	90	1*
UAW of Illinois	73	22*
Personal PAC	5	16*
TOTALS	961	191*

*These are the contributions that would have exceeded the maximum if the \$2,000 contribution limit, recommended by the task force, had been in place for the 1994 general election.

ACTUAL CONTRIBUTIONS FROM DOMINANT INTEREST GROUPS TO LEGISLATIVE LEADERS AND CHAMBER PACS, 1994 GENERAL ELECTION PERIOD

Group	Cont. to House Dems.	Cont. to House Repubs.	Cont. to Senate Dems.	Cont. to Senate Repubs.
Ill. State Med. Society	\$5,000*	\$157,000*	\$5,000*	\$12,000*
Ill. Education Assn.	42,000*	0	20,000*	0
Ill. Manufacturers Assn.	1,500	69,000*	0	11,000*
Ill. Trial Lawyers Assn.	15,000*	5,000*	13,000*	0
Ass. Beer Dist. of Ill.	12,500*	2,500	12,500*	13,000*
Ill. Realtors Assn.	10,000*	16,300*	10,000*	6,000*
Ill. Bankers Assn.	17,500*	16,000*	8,500*	5,000*
Ill. Hospital Assn.	25,000*	21,000*	5,000*	0,000*
Philip Morris Corp.	35,000*	24,500*	20,000*	25,000*
Waste Management Corp.	15,000*	23,000*	2,500	7,640*
UAW of Illinois	10,000*	0	4,000	0
Personal PAC	0	0	0	0

*These are the contributions that would have exceeded the maximum \$4,000 that would have been allowed if the recommendations of this task force had been in place in 1994. This assumes the group would have given the maximum of \$2,000 to a leader's political committee and a maximum of \$2,000 to the leader's chamber committee.

APPENDIX B: STATEWIDE RACES, GENERAL ELECTION, 1994

1994 SECRETARY OF STATE RACE GENERAL ELECTION RECEIPTS (UNITS OF \$1,000)

Candidate/Party	G. Ryan (R)		Quinn (D)	
	\$	%	\$	%
Candidate/Party	81	4	35	7
Individuals	557	27	183	35
Loans	0	0	4	1
Business/Finance	769	37	111	21
Lawyers	58	3	42	8
Health Professionals/Facilities	89	4	21	4
Issue Groups	1	*	0	0
Gambling	20	1	0	0
Trade Unions	58	3	54	10
Teacher Unions	23	1	4	1
Public Employee Unions	2	*	1	*
Not-itemized Receipts	420	20	66	13
TOTAL	\$2,078	100%	\$521	100%

* less than 1%

TOP CONTRIBUTORS (DOLLARS)

G. Ryan

Trucking Industry PAC	\$24,500
IL Education Assoc IPACE	22,000
IL State Medical Society	18,400
IPAC (Inland Development)	17,500
TIP Hotel/Motel Employee Union	15,500
Don Stephens Com Fund	15,500
IL Com Currency Exchange PAC	14,400
Woodward Governor Co.	12,100
Frederick Weissberg	11,500
Nick & Marilyn Cagnoni	10,600

Quinn

Development Specialists, Inc.	\$25,000
Foot and Ankle Clinics (Chicago)	20,100
Drive Pol Fund - Nat. Teamsters	16,000
CAN PAC	13,000
Myron Cherry	11,000
J&B Assoc	10,000
M. Blair Hull	10,000
Stipend - Teamsters	9,500
East Lake Man. and Development	7,500
Lawrie Dean	7,500

**1994 ATTORNEY GENERAL RACE
GENERAL ELECTION RECEIPTS
(UNITS OF \$1,000)**

Candidate/Party	J. Ryan (R)		Hofeld (D)	
	\$	%	\$	%
Candidate/Party	181	11	5	*
Individuals	342	21	163	5
Loans	454	28	2848	91
Business/Finance	308	19	55	2
Lawyers	118	7	28	1
Health Professionals/Facilities	62	4	5	*
Issue Groups	13	1	0	0
Gambling	7	*	0	0
Trade Unions	2	*	0	0
Teacher Unions	0	0	0	0
Public Employee Unions	0	0	0	0
Not-itemized Receipts	108	7	25	1
TOTAL	\$1,595	100%	\$3,129	100%

* less than 1%

1993-1994 TOP CONTRIBUTORS

J. Ryan

Fred Krehbiel	.....	\$160,000	
		(plus 75,000 loan)	
Joseph Kindlon	.....	100,000	loan
James Fletcher	.....	50,000	loan
IL State Medical Society	.....	45,000	
Victor Cacciatore	.....	46,000	
Stuart Levin	.....	35,000	
		(plus 100,000 loan)	
Donald Stephens Fund	.....	30,000	
G&W Electric Co.	.....	25,000	
Citzn for Thompson	.....	25,000	loan
Molex International	.....	21,000	
James "Pate" Philip Fund	.....	17,000	
IL Manufacturers Assn.	.....	15,000	
Com Exch Management	.....	13,525	

Hofeld

Hofeld loans to campaign	..	\$4,416,000
Accent Chicago, Inc	.....	24,000
Philip H. Corboy	.....	10,500
Fred Eychaner	.....	10,000
Joseph Kotlarz	.....	10,000
Power, Rogers and Smith	.....	10,000
Karlin and Fleisher	.....	10,000
Howard Schaffner	.....	10,000
William J. Harte Ltd	.....	10,000
Paul Episcopo Ltd	.....	10,000
James Demos	.....	10,000
Anesi, Ozmon and Rolin	.....	10,000
Burke and Ryan	.....	10,000
Robert A Clifford & Assoc	.....	10,000

**1994 STATE TREASURER RACE
GENERAL ELECTION RECEIPTS
(UNITS OF \$1,000)**

Candidate/Party	Didrickson (R)		Collins (D)	
	\$	%	\$	%
Candidate/Party	56	16	22	19
Individuals	87	24	23	20
Loans	1	*	0	0
Business/Finance	103	28	12	10
Lawyers	10	3	7	5
Health Professionals/Facilities	27	7	1	1
Issue Groups	1	*	0	0
Gambling	16	5	0	0
Trade Unions	1	*	17	15
Teacher Unions	0	0	5	4
Public Employee Unions	0	0	8	7
Not-itemized Receipts	61	17	22	19
TOTAL	\$363	100%	\$117	100%

* less than 1%

1993-94 TOP CONTRIBUTORS

Didrickson

Citz for Jim Edgar	\$ 30,000
Portrait Homes	20,775
Duchossois Ind./Arlington Race	20,650
Citz for G. Ryan	10,000
Dr. George Andrews	6,000
Cancer Treatment Centers	6,000
IL State Medical Society	5,500
Andrew & Nanci Agostini	5,000
IL Council on Long Term Care	5,000
Harold B. Smith	5,000
George Palivos	5,000
Empress Riverboat Casino	5,000
Thrall Car Manufacturing Co	5,000

Collins

Emil Jones Committee	\$ 6,000
Stroger for President	5,000
IBEW Local 193	5,000
IL Education Assoc IPACE	5,000
Il Riverboat PAC	5,000
AFSCME IL PAC	4,500
AFSCME IL	3,000
Jacoby Dickens	3,000
Friends of Joe McGlaughin	2,500
Teamsters Local 705	2,000

**1994 COMPTROLLER STATE RACE
GENERAL ELECTION RECEIPTS
(UNITS OF \$1,000)**

Candidate/Party	Topinka (R)		Sheehan (D)	
	\$	%	\$	%
Candidate/Party	63	20	40	17
Individuals	58	19	38	17
Loans	0	0	0	0
Business/Finance	89	29	71	31
Lawyers	4	1	17	7
Health Professionals/Facilities	30	10	1	*
Issue Groups	2	1	0	0
Gambling	0	0	0	0
Trade Unions	1	*	34	15
Teacher Unions	0	0	4	2
Public Employee Unions	0	0	2	1
Not-itemized Receipts	61	20	22	10
TOTAL	\$308	100%	\$229	100%

* less than 1%

1993-1994 TOP CONTRIBUTORS

Topinka

Philip Campaign Fund	\$12,500
IL State Medical Society	11,000
Citz for G. Ryan	10,000
Citz for Jim Edgar	7,500
Scheck Mechanical Corp	6,250
Harold B. Smith	5,000
Frank Risnik	5,000
Berwyn Republican Organization . .	5,000
Molex International	5,000
IL Credit Union PAC	3,000

Sheehan

13th Ward Democratic Organization	\$20,000
Edm. Burke Campaign Fund	10,000
Chicago Stadium Corporation	10,000
UAW IL PAC	7,000
Drive Political Fund - Teamsters . .	7,000
Thomas M. Tully LTD	5,000
Tom Fuller Campaign Fund	5,000
David Cox	5,000
STIPEND - Teamsters	5,000
Charles E. Robbins	5,000
The Equity Group	5,000
O'Brien's Restaurant	5,000
James Kirie	5,000

APPENDIX C: ABOUT THE ILLINOIS CAMPAIGN FINANCE

The Illinois Campaign Finance Project is a project of *Illinois Issues* magazine and the Institute for Public Affairs at the University of Illinois at Springfield. Its primary funding source is the Joyce Foundation of Chicago. The project has three basic components:

1. RESEARCH:

The research involved the creation of a computerized database of campaign contributions and expenditures from the 1994 election cycle for: all candidates for the Illinois House and Senate; candidates for all constitutional offices; the reports of groups such as state political parties and major interest groups. This data was combined with data from the 1990 and 1992 election cycles.

Project staff also interviewed many “key players” in the Illinois campaign finance system, including some legislators and constitutional officers, to document their perspectives, insights and experiences. Also, polling data was compiled. Directing the research component and building the database was Professor Kent Redfield of the University of Illinois at Springfield, who has been studying campaign finance issues intensively in Illinois for many years. The research led to the release of numerous reports in 1996. A list of reports published by the Illinois Campaign Finance Project is listed in Appendix D on page 47.

2. CITIZEN EDUCATION:

Project staff made a major effort to release the results of their research to a widespread audience in Illinois. They held a kickoff press conference in March 1996 to release their first research report, and then sponsored “town hall meetings” in Champaign, Galesburg, Collinsville, University Park, Carbondale, Lombard, Oak Park and Evanston, in collaboration with the League of Women Voters. At each site they released a “regional report” about campaign finance issues in that part of the state, and solicited feedback from the town hall participants. In addition to these meetings, project staff (Redfield, Ed Wojcicki and Carol Frederick) responded to individual requests for speaking engagements on the subject of campaign finance in Chicago, Peoria, Champaign, Wilmette, Galesburg and Springfield. Many of these speaking engagements led to exposure in the local press and on local radio and television—which further advanced the project’s goal of raising public awareness of campaign finance issues in Illinois. The project received additional media exposure with the help of David Bennett, executive director of the Illinois Press Association, who served on the Illinois Campaign Finance Task Force, and with the assistance of L.R. Glenn Communications in Chicago.

3. THE TASK FORCE:

The Illinois Campaign Finance Task Force is a group of Illinoisans from a wide-ranging group of interests. Members offered advice and support to project staff, met nine times over a two-year period to review research from Illinois and other states, and issued this final report.

Goals of the project

- 1) Building on existing research, create a database of campaign finance in Illinois for 1990-1994.
- 2) Create a process of public education through which the role of money in politics is placed on the public agenda in Illinois, so that public awareness is sufficiently heightened to make serious discussion of campaign finance reform possible.
- 3) Make analysis of campaign finance more accessible to opinion leaders, the news media and the public.
- 4) Increase the interest and expertise of the news media in dealing with campaign finance issues and campaign finance documents.
- 5) Increase the interest of Illinois legislators, constitutional officers and their staffs, as well as other major players in the Illinois electoral and legislative process, in making campaign finance issues a topic of serious discussion in the public debate.
- 6) Issue a report by December 1996 including recommendations regarding Illinois campaign finance laws.
- 7) Make the issue of campaign finance reform a serious topic of debate during the 1996 election season, and then a topic on the legislative agenda in the 1997 session of the Illinois General Assembly.

PROJECT STAFF, ILLINOIS CAMPAIGN PROJECT

Project director: Ed Wojcicki, Publisher, *Illinois Issues* magazine
University of Illinois at Springfield

Principal investigator: Professor Kent Redfield
Associate Director, Illinois Legislative Studies Center, UIS

Project associate: Barbara Ferrara
Associate Director, Institute for Public Affairs, UIS

Project coordinator: Carol Frederick

Project secretary: Joyce Butler

Although this project concluded at the end of 1996, information is still available from Wojcicki or Redfield, whose addresses are listed at the end of this report, or from the Joyce Foundation, 135 South LaSalle Street, Suite 4010, Chicago, IL 60603; phone (312) 782-2464. (The Joyce Foundation announced in December 1996 that it was committing \$6 million over the next three years to reform the nation's campaign finance laws at the federal and state levels.) Or contact the Institute for Public Affairs, University of Illinois at Springfield, Springfield, IL 62794; phone (217) 786-6576.

APPENDIX D: FREE REPORTS OF THE ILLINOIS CAMPAIGN FINANCE PROJECT:

Money in Illinois Politics - 1994.

A 45-page report on election finance data, with a statewide perspective on races for the Illinois House and Illinois Senate. (Released in Chicago on March 4, 1996)

Regional Report #1:

The battleground for money: east-central Illinois politics, 1994 (Released in Champaign on April 3, 1996)

Regional Report #2:

West-central Illinois: Where the cost of running for office is going up, up, up (Released in Galesburg on May 16, 1996)

Regional Report #3:

Metro-East: An area of great interest in the overall statewide picture (Released in Collinsville on June 25, 1996)

Regional Report #4:

All state eyes (and lots of money) on the south suburbs in 1994 (Released in University Park on July 25, 1996)

Regional Report #5:

Southern Illinois campaign funds in 1994 assist big shift for Republicans (Released at Southern Illinois University at Carbondale on August 28, 1996)

Regional Report #6:

DuPage County, 1994: Home of legislative leaders and safe legislative districts (Released at Lombard, Illinois, on September 19, 1996)

Regional Report #7:

West-central Cook County, 1994: A diverse area with many safe legislative districts and one major battleground (Released at Oak Park, Illinois, on October 10, 1996)

Regional Report #8:

North Chicago/North Shore, 1994: A battleground that includes the most expensive campaign in Illinois history (Released at Evanston, Illinois, on October 17, 1996)

ALSO:

Media and Citizens Guide to Campaign Finance Data in Illinois

A step-by-step guide to obtaining election finance data on any Illinois candidate or office holder. (1996)

The pros and cons: 38 possible options for changing how Illinois candidates raise and spend money. (April 1996)

For **free** copies of any of these reports (while supplies last), write:

Illinois Campaign Finance Project,
c/o *Illinois Issues*, University of Illinois at Springfield,
Springfield, Illinois 62794; or call (217) 786-6084

APPENDIX E - TIMELINE, ILLINOIS CAMPAIGN FINANCE PROJECT

- January 1, 1995**
Project begins
- March 3, 1995**
Task Force Meeting #1
- August 18, 1995**
Task Force Meeting #2
- October 26, 1995**
Formal announcement of this project
Capitol Building Press Room
Springfield
- November 16, 1995**
Task Force Meeting #3
- March 4, 1996**
Kickoff Forum - release of first report
Bismarck Hotel, Chicago
- March 4, 1996**
Task Force Meeting #4
- April 3, 1996**
Champaign Town Hall Meeting (#1)
Champaign City Hall
- April 26, 1996**
Task Force Meeting #5
- May 16, 1996**
Galesburg Town Hall Meeting (#2)
Jumer's Continental Inn-Galesburg
- June 12, 1996**
Task Force Meeting #6
- June 25, 1996**
Collinsville Town Hall Meeting (#3)
Collinsville Holiday Inn
- July 25, 1996**
South Suburbs Town Hall Meeting (#4)
Governors State University,
University Park
Interactive teleconference at three other
locations:
Prairie State College
South Suburban College
Morraine Valley Community College
- August 16, 1996**
Task Force Meeting #7
- August 28, 1996**
Carbondale Town Hall Meeting (#5)
SIU-Lesar Law School Auditorium
- September 18, 1996**
Wilmette League of Women Voters
(Ed Wojcicki)
- September 19, 1996**
DuPage County Town Hall Meeting (#6)
York Township Center-Lombard
- September 21, 1996**
Aurora Area League of Women Voters
Walter Payton's Round House
(Carol Frederick)
- September 25, 1996**
Peoria-Women's Civic Federation
St. Paul's Lutheran Church
(Carol Frederick)
- October 11, 1996**
Task Force Meeting #8
- October 17, 1996**
Evanston Town Hall Meeting (#8)
Northwestern University - Norris
University Center
- October 17, 1996**
Bob Kirchner Public Forum, Champaign
(Carol Frederick)
- October 19, 1996**
League of Women Voters of Illinois
"CPR for Democracy" regional meeting
YWCA building, Springfield
(Ed Wojcicki)
- November 15, 1996**
Task Force Meeting #9
Discussion of final report and
recommendations
- November 20, 1996**
Springfield League of Women Voters
meeting, Springfield
(Carol Frederick, Kent Redfield)
- January 29, 1997**
Release of final report
Midland Hotel, Chicago

ACKNOWLEDGMENTS

A project of this magnitude is possible only with the support and assistance of many people.

First, the task force is grateful to the Joyce Foundation of Chicago, which provided the funding for this project. In particular, we want to acknowledge the enthusiasm of Lawrence Hansen, vice president at the Joyce Foundation, who gave us frequent encouragement and put us in touch with experts on campaign finance issues around the country. Hansen also connected our project staff with people in other states who are working on campaign finance reform projects. This network proved to be quite valuable.

Four national experts came to Illinois during the past two years to advise the task force, and we are grateful to them: Michael Malbin, director, Legislative Studies Center, State University of New York's Rockefeller Institute, Albany; Ellen Miller, executive director, Center for Responsive Politics, Washington, D.C.; Frank Sorauf, Regents' Professor of Political Science, University of Minnesota; and Robert Stern, assistant director, Center for Governmental Studies, Sacramento, Calif. We spent a day with these people in March 1996 and benefitted greatly from their years of experience in the arena of campaign finance reform.

Also, the task force wants to recognize the League of Women Voters, with whose assistance we organized the eight town hall meetings and other meetings to educate people about what's happening and raise awareness through the local media about

campaign finance issues in Illinois. Our first contact was with the League of Women Voters of Illinois, whose executive director, Cynthia Canary, helped us get in touch with local leagues around the state. We were repeatedly impressed by Canary's enthusiasm and professionalism and by the local leagues' eagerness to cosponsor town hall meetings and handle the many details involved in organizing these events.

In several locations we also received cosponsorships from local media, and to all of these we are equally grateful, because we realize that unless the people of Illinois become more aware of campaign finance issues through the media, no changes are likely to take place. We are also grateful to other media in the state who focused on campaign finance issues this year, and who have covered our events, used our reports as background and developed their own reports on the subject. The media help make certain the issue of campaign finance problems will not go away.

In addition, the project staff wishes to acknowledge the cooperation and assistance provided by the staff at the State Board of Elections, notably executive director Ronald Michaelson, and staff members Rupert Borgsmiller, Steve Flowers and Barb Mason.

And on the campus of the University of Illinois at Springfield, where *Illinois Issues* and the Institute for Public Affairs are located and where this project was based, we salute the many students and graduate assistants who helped Professor Kent Redfield and other staff deal with hundreds

of thousands of pieces of information that were sifted and sorted to build databases and make sense of what's happening in Illinois' campaign finance system.

Also at the Springfield campus, we acknowledge the support of Chancellor Naomi Lynn and the contributions of the Institute for Public Affairs, whose associate director, Barbara Ferrara, devoted many hours to this project and was instrumental in drafting the original grant proposal. And we would be negligent in not mentioning the university's printing office, which produced our reports in a timely manner, even though our project staff usually

allowed precious little turn-around time to get the job done. Also in the last days of getting this report together, it would not have been completed on time without the tremendous technical support of graphic designer Michelle Sutphin and the assistance of Jackie Wright, both at the Publication Unit of the Institute at UIS.

Finally, a word of gratitude goes to Charlene Lambert, the secretary at *Illinois Issues* who provided invaluable support to the project director, project staff and task force at many crucial times, always with great enthusiasm and a genuine desire to support the project.

FOR MORE INFORMATION

This report, “Tainted Democracy,” is a publication of the Illinois Campaign Finance Task Force, which was created as part of the Illinois Campaign Finance Project, a project of *Illinois Issues* magazine and the Institute for Public Affairs at the University of Illinois at Springfield. For more information about the Illinois Campaign Finance Project or this report, or to receive additional copies of this report or any report listed on page 47, contact:

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From that site, click on **Illinois Campaign Finance Project**

TAINTED DEMOCRACY:

**How Money Distorts the
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