



**A CHANGING LANDSCAPE:
LIFE AFTER MCCAIN-FEINGOLD
FOR FLORIDA'S POLITICAL PARTIES**

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SEPT. 15, 2004

*Published as part of the Soft Money Disclosure Project of the Institute on Money in State Politics.
The project is supported by grants from:*

*The Pew Charitable Trusts, Public Policy Program
The Carnegie Corporation of New York, Program to Strengthen U.S. Democracy
The Ford Foundation, Program on Governance and Civil Society*

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EXECUTIVE SUMMARY

This study looks at contributions raised by Florida's two state political party committees during the first 18 months of the past four election cycles, to examine how — or if — their fundraising has changed since Congress passed campaign finance-reforms that, among other things, banned money raised through large, unlimited contributions.

The Bipartisan Campaign Reform Act (BCRA), also known as the McCain-Feingold Act, went into effect November 8, 2002, the day after the election. Before that time, the six national party committees¹ could raise two types of money:

- Soft money, raised through unlimited contributions from individuals, businesses or political action committees and used only for such "party-building" activities as get-out-the-vote efforts, salaries for party committee staff members, the costs of renting office space, and helping state-level candidates, and
- Hard money, which was subject to strict contribution limits and could be used to directly influence federal elections.

The BCRA ban on soft money affected not only the national party committees, but also political action committees run by members of Congress. Both types of committees had long contributed to state party committees, often making up a large percentage of the funds they raised. Now, these national committees can raise only hard money, turning off a spigot of funds that often flowed down to the state level to support state campaign activities and to buy issue ads.

In fact, during the 2000 presidential election cycle, the six national party committees gave \$248 million in soft money to state party committees. Florida's Republican and Democratic state committees were the top recipients of these funds, receiving \$27.3 million

The Institute reviewed the campaign-finance reports that Florida's two state party committees have filed with the Florida Division of Elections (for soft-money contributions) and the Federal Election Commission (for hard-money receipts).² The study compared the money raised during the first 18 months of the 1998, 2000, 2002 and 2004 election cycles, to determine how BCRA may be affecting the parties in this first election cycle under the new reforms. The analysis focused primarily on the difference between the 2000 and 2004 cycles, since they were both presidential election cycles.

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The study shows that the two political parties raised slightly more than \$22 million of hard- and soft-money contributions during the first 18 months of this election cycle. The amount is comparable to the \$22.5 million raised by the same point during the 2000 presidential cycle,

¹ The Democratic and Republican parties each have three national committees: the Democratic National Committee (DNC), Democratic Senatorial Campaign Committee (DSCC), Democratic Congressional Campaign Committee (DCCC), Republican National Committee (RNC), National Republican Senatorial Committee (NRSC) and the National Republican Congressional Committee (NRCC).

² Where contributions were reported to both agencies, it was assumed they were hard-money contributions and the duplicative soft-money contributions were removed.

although \$20 million less than the amount raised during the first 18 months of the 2002 election cycle.

While the overall totals between the two presidential cycles are similar, a closer look at each state party committee reveals some significant changes in their financial landscape. Most notably, the Florida Democratic Party had \$2.5 million less in the bank than it had by June 2000, while the Republican Party of Florida had \$2.2 million *more*.

The absence of soft money from the national party committees is a key factor in the Democratic Party's smaller soft-money account. By the end of June 2000, the Florida Democratic Party had received more than \$1 million in soft money from two of the Democratic national party committees.

Both state parties raised more hard money from individuals, due in part to the McCain-Feingold law that doubled the hard-dollar limit on contributions from individuals to state party committees, from \$5,000 to \$10,000 per year.

And some new large donors have stepped forward. Seventeen individuals gave \$10,000 or more in soft-money contributions by June 2004, even though they had never given to the Florida state parties during the *entirety* of any of the three previous cycles. These individuals had not been major contributors to national party committees in the past, either. In addition, several businesses have also given more so far this election cycle than during the entirety of any of the three preceding cycles.

One trend has remained constant, however. The two state party committees have far outraised state-level candidates. Candidates raised \$12.8 million from Jan. 1, 2003, through June 30, 2004, or 74 percent of the \$17.3 million in soft-money contributions raised by the two parties. The difference is due primarily to the state's strict limits of \$500 per election for contributions to candidates from individuals, political action committees, corporations and unions. Yet those same contributors can give unlimited amounts to the state's political parties, which in turn can contribute \$50,000 to a candidate for each election, primary or general — an amount 100 times greater than the amount individuals, corporations and unions can give directly to candidates.

A drop in contributions to party committees could affect the efforts the state parties put forth to support their candidates. It is important to note, however, that state parties typically raise a vast majority of their money during the last six months preceding Election Day. For example, the hard- and soft-money contributions raised by the two parties during the last six months of the 2000 presidential cycle accounted for 74 percent of their two-year election cycle total. The full picture on the financing of Florida's state parties has yet to emerge.

THE FINANCING OF THE FLORIDA DEMOCRATIC PARTY

The Florida Democratic Party raised \$3.7 million in the first 18 months of the 2004 election cycle, \$2.5 million less than it had in the bank at the same point in 2000 — due to \$1.7 million less in soft-money contributions and \$781,000 less of hard money. The table below shows the amount of each type of funds the Democratic Party had received in the first 18 months of each election cycle.

TYPE OF MONEY	1998	2000	2002	2004
Hard	\$432,901	\$1,134,531	\$1,313,365	\$353,150
Soft	\$4,562,962	\$5,139,345	\$6,129,617	\$3,366,648
TOTAL	\$4,997,861	\$6,275,876	\$7,444,984	\$3,721,802

SOFT-MONEY CONTRIBUTIONS TO THE FLORIDA DEMOCRATIC PARTY

By the end of June 2000, the national party committees had given the Florida Democratic Party more than \$1 million in soft-money contributions. Since BCRA now prohibits the national party committees from raising soft money, the state party can no longer turn to its national counterparts for such large influxes of cash. Other types of donors had not made up the loss of those funds by June 2004, as the table below shows.

CONTRIBUTOR TYPE	1998	2000	2002	2004
State-Based Party Committees	\$5,500	\$00	\$264,317	\$266,250
Candidate Committees	\$118,037	\$87,297	\$20,714	\$68,165
Local Party Committees	\$38,095	\$48,390	\$94,628	\$54,057
Candidates' Personal Money	\$8,012	\$3,035	\$17,275	\$1,190
National Party Committees	\$189,136	\$1,046,203	\$622,858	\$00
Leadership PACs	\$00	\$00	\$13,000	\$00
PARTY TOTAL	\$358,780	\$1,184,926	\$1,032,793	\$389,662
Business/Special Interest	\$3,190,292	\$3,023,960	\$3,105,053	\$1,815,486
Individual Donors	\$703,780	\$385,079	\$1,206,452	\$844,015
Labor Organizations	\$310,110	\$545,380	\$785,319	\$317,485
NON-PARTY TOTAL	\$4,204,182	\$3,954,419	\$5,096,824	\$2,976,986
TOTAL	\$4,562,962	\$5,139,345	\$6,129,617	\$3,366,648

Although most of the soft-money contributor types have reduced their levels of giving so far this cycle, state-level party committees and individuals have stepped up to the plate to help fill the void left by the national committees. While their contributions through June 2004 exceeded their giving to date in the 2000 presidential election cycle, they fell short of the amount generated in the 2002 cycle.

The increase in soft-money contributions from state-based party committees is due to two party committees:

- The Florida House Victory committee — which works to elect Democratic candidates to the State House of Representatives and is funded primarily by businesses and unions — gave \$195,000 to the state party. This committee has its work cut out this cycle; currently, Republicans hold an 81-39 advantage in the 120-member House.
- The South Dakota Democratic Party, which had given \$71,250 as of June 2004.

The Florida Democratic Party also raised twice as much soft money from individuals this cycle as it had in the 2000 cycle — \$844,015, compared to \$385,079 (although still significantly less than the \$1.2 million it raised in 2002).

Also of note is a handful of new large donors this cycle who had not shown up on the Democratic Party's donor list in the past. The table below lists those individuals who had given \$10,000 or more in soft-money contributions by June 2004 and had never given to the state party committees during any of the three previous cycles. They also were not major soft-money contributors at the national level.

NEW DONOR	HOMETOWN	INDUSTRY	AMOUNT
Harden, Paul M.	Jacksonville, FL	Lawyers/Lobbyists	\$25,000
Perez, Marisa Cisneros	Coral Gables, FL	Unknown	\$10,000
Thornton, Michael P.	Boston, MA	Lawyers/Lobbyists	\$10,000
Wexler, Robert	Boca Raton, FL	U. S. Congressman	\$10,000
TOTAL			\$55,000

HARD-MONEY CONTRIBUTIONS TO THE FLORIDA DEMOCRATIC PARTY

The Florida Democratic Party raised significantly less hard money, as well, during the first 18 months of this election cycle. As of June 2004, the committee raised \$353,150, or about one-third of the \$1.1 million raised by June 2000, as detailed in the table below.

CONTRIBUTOR TYPE	1998	2000	2002	2004
National Party Committees	\$75,325	\$478,353	\$577,524	\$169,233
State-Based Party Committees	\$43,098	\$97,456	\$158,695	\$76,171
Candidate Committees	\$830	\$72,225	\$7,395	\$10,000
Leadership PACs	\$00	\$5,000	\$00	\$00
Local Party Committees	\$00	\$00	\$1,360	\$00
PARTY TOTAL	\$119,253	\$653,034	\$744,974	\$255,404
Individual Donors	\$234,168	\$348,098	\$503,855	\$58,440
Labor Organizations	\$5,500	\$31,500	\$5,312	\$15,000
Business/Special Interest	\$2,500	\$28,375	\$23,236	\$13,281
Unitemized	\$71,480	\$73,524	\$35,988	\$11,025
NON-PARTY TOTAL	\$313,648	\$481,497	\$568,391	\$97,746
TOTAL	\$432,901	\$1,134,531	\$1,313,365	\$353,150

While all contributor types had given less hard money this cycle than in 2000, the two groups most responsible for the reduction were the national party committees. They had given about \$309,000 less by June 2004. In addition, individual donors had given about \$289,000 less.

THE FINANCING OF THE REPUBLICAN PARTY OF FLORIDA

While the Florida Democratic Party raised \$2.5 million less by June 2004 than it had by June 2000, the Republican Party raised \$2.2 million *more*. The increase is due primarily to \$1.3 million additional hard money raised, although the soft-money contributions were also higher by about \$877,000. The table below shows the amount of each type of funds the Republican Party had received in the first 18 months of each election cycle.

TYPE OF MONEY	1998	2000	2002	2004
Federal (Hard)	\$2,179,809	\$3,173,204	\$7,616,640	\$4,466,716
Non-Federal (Soft)	\$13,752,397	\$13,079,508	\$27,027,234	\$13,956,423
TOTAL	\$15,934,204	\$16,254,712	\$34,645,876	\$18,425,143

SOFT-MONEY CONTRIBUTIONS TO THE FLORIDA REPUBLICAN PARTY

The Republican Party of Florida raised more soft-money contributions by June 2004 than during the same time period in the 2000 presidential election cycle, despite the absence of soft money from the national party committees. The increase in soft-money contributions was seen in all but two contributor types, as detailed in the table below.

CONTRIBUTOR TYPE	1998	2000	2002	2004
Candidate Committees	\$43,973	\$85,411	\$138,588	\$155,171
Local Party Committees	\$2,480	\$39,261	\$30,826	\$86,100
State-Based Party Committees	\$50,000	\$00	\$00	\$62,800
Candidates' Personal Money	\$165	\$24,253	\$00	\$800
Leadership PACs	\$00	\$00	\$00	\$500
National Party Committees	\$560,000	\$475,470	\$5,165,800	\$00
PARTY TOTAL	\$656,618	\$624,394	\$5,335,214	\$305,371
Business/Special Interest	\$8,558,592	\$9,610,246	\$16,142,004	\$11,557,949
Individual Donors	\$4,367,720	\$2,621,918	\$5,310,166	\$1,742,053
Labor Organizations	\$169,282	\$222,950	\$239,850	\$351,050
NON-PARTY TOTAL	\$13,095,594	\$12,455,114	\$21,692,020	\$13,651,052
TOTAL	\$13,752,212	\$13,079,508	\$27,027,234	\$13,956,423

As predicted by many, soft-money contributions from local party committees increased since the passage of BCRA. However, the jump in 2004 is due primarily to a one-time contribution of \$78,075 by the Duval County Republican Party to the Florida Republican Party in April 2003, for campaign expenses related to John Peyton's successful bid to become only the second Republican mayor of Jacksonville in more than 100 years.

State parties in Alabama, Iowa, Missouri, Mississippi and Virginia have given a combined total of \$60,300 of soft money to the Florida Republican Party. State parties give to each other for a variety of reasons, one of which is to buy and sell their different types of dollars. In the past, the national party committees often exchanged soft money for hard dollars in numerous states. Generally speaking, national committees — with their broad reach across the country — were able to raise much larger amounts of soft money from contributors willing to give large sums than were the state parties. So the practice of trading hard and soft dollars benefited both types of committees, by giving states better access to large amounts of soft money and giving national parties hard money they could spend directly on federal election activities.

Although trading hard for soft money with the national parties may be a thing of the past, state parties continue to do so. For example, on Jan. 21, 2003, the Missouri Republican Party sent \$57,000 of soft money to the Florida Republican Party, which in turn sent back \$50,000 of hard money just 11 days later, on Feb. 2. As Election Day draws nearer, these trades will likely become more common, as well.

Soft-money contributions from businesses and special interests accounted for the greatest increase of soft money to the Florida Republican Party from 2000 to 2004. The table below lists six businesses that have given more so far this election cycle than during the entirety of any of the previous three election cycles.

CONTRIBUTOR	1998 TOTAL	2000 TOTAL	2002 TOTAL	2004*
Associated Industries Insurance Services**	\$0	\$137,037	\$10,000	\$280,500
Florida Association of Realtors**	\$44,000	\$40,000	\$39,500	\$179,500
Florida Society of Ophthalmology**	\$26,250	\$101,500	\$25,000	\$146,500
Wellcare Health Plans	\$00	\$00	\$00	\$117,000
Villages of Lake Sumter	\$80,500	\$25,000	\$58,624	\$109,151
Tijid Inc.	\$00	\$00	\$50,000	\$100,000
TOTAL	\$150,750	\$303,537	\$183,124	\$932,651

*Contributions from January 2003 through June 2004.

** Also gave to the Florida Democratic Party

The McCain-Feingold Act prohibits corporations and labor unions from writing large checks to the national parties. But they can give up to \$50,000 per election to Florida's state party committees. However, it does not seem likely the ban on corporate soft-money contributions to the national party committees was responsible for the increase in these companies' contributions to the state party this cycle, as only one of these companies gave soft money to the national parties in the past. The Associated Industries Insurance Services, an insurance arm of the Associated Industries of Florida, gave just \$15,000 to the national parties since 1997, a meager sum compared to the hundreds of millions of soft money given to the national party committees in the past by other companies and special interests.

One of the political newcomers — Tijid Inc. — is owned by Jeffrey Saul, who only recently became politically active. He and his wife Karen launched — and helped finance to the tune of \$1.2 million — an unsuccessful campaign for a ballot initiative this year to double the state's homestead exemption.³ In addition to the \$100,000 given to the Florida Republican Party, they have given \$93,000 to Republican federal candidates and party committees so far this cycle, compared to just \$2,000 in the 2002 elections and none in 2000, federal records show.

The \$1.9 million increase in soft-money contributions from businesses and special interests helped offset the \$900,000 reduction in contributions from individual donors. However, new large donors have emerged for the Republican Party, as well.

The table below lists 13 individuals who had given \$10,000 or more in soft-money contributions through June 2004 and who had not given to the Republican Party of Florida during the entirety of the three previous cycles. They also were not major soft-money contributors at the national level.

³ "Secretive Millionaire Fuels Homestead Push," *St. Petersburg Times Online*, June 7, 2004, http://www.sptimes.com/2004/06/07/State/Secretive_millionaire.shtml.

NEW DONOR	HOMETOWN	INDUSTRY	AMOUNT
Malone Jr., Wallace Davis	Birmingham, AL	Commercial Banks	\$50,000
Coxwell, John & Helen	Jacksonville, FL	General Contractors	\$50,000
Edwards, William	Treasure Island, FL	Real Estate	\$40,000
Fischer, Henry	Sebastian, FL	Health Professionals	\$33,890
Alford, Stephen	Perry, FL	Real Estate	\$25,000
Hodges Jr., George	Jacksonville, FL	Real Estate	\$25,000
McNulty, Thad*	Jacksonville, FL	Securities & Investment	\$20,000
McLauchlan, Rodney	Ponte Vedra Beach, FL	Miscellaneous Finance	\$17,500
Adrian, Olga M.	Ocala, FL	Livestock	\$15,000
McNichols, Eugene	Tampa, FL	Misc Manufacturing/Distributing	15,000
Baker II, John	Jacksonville, FL	Building Materials/ Equipment	\$10,000
Frankel, Jon P.	Inverness, FL	Health Professionals	\$10,000
Solano, Thomas	Jacksonville, FL	Computer Equipment/ Services	\$10,000
TOTAL			\$321,390

* Thad McNulty also gave \$5,000 to the Florida Democratic Party

HARD-MONEY CONTRIBUTIONS TO THE REPUBLICAN PARTY OF FLORIDA

The Republican Party of Florida received most of its additional hard money from the national party committees and from individuals. The Republican National Committee, for example, has given \$451,500, much more than the \$154,184 it had given by June 2000. The National Republican Congressional Committee has given \$5,000 of hard money so far this cycle, after giving no hard money during any of the previous three cycles. The table below details the sources of hard-money contributions to the state Republican Party.

CONTRIBUTOR TYPE	1998	2000	2002	2004
National Party Committees	\$5,000	\$154,184	\$14,950	\$456,500
Leadership PACs	\$00	\$5,000	\$00	\$5,000
Candidate Committees	\$1,040	\$7,000	\$1,000	\$3,500
State-Based Party Committees	\$00	\$82,000	\$5,000	\$00
PARTY TOTAL	\$6,040	\$248,184	\$20,950	\$465,000
Individual Donors	\$952,116	\$1,782,992	\$5,197,994	\$2,029,304
Unitemized	\$1,219,653	\$1,135,778	\$2,380,296	\$1,926,912
Businesses/Special Interest	\$2,000	\$6,250	\$17,400	\$45,500
NON-PARTY TOTAL	\$2,173,769	\$2,925,020	\$7,595,690	\$4,001,716
TOTAL	\$2,179,809	\$3,173,204	\$7,616,640	\$4,466,716

Individual donors also gave \$246,312 more of hard money by June 2004 than they had by June 2000. In addition, unitemized contributions (those under \$200, for which contributor names do not have to be disclosed to the Federal Election Commission) also increased by about \$791,000.

While most types of contributors gave more this cycle than they had in previous cycles, state-based party committees actually gave less. For example, Republican Party committees from Maine, Mississippi, Oregon and Texas gave a combined total of \$82,000 of hard dollars by June 2000, yet no state parties had given as of June 2004.