

LOBBYING

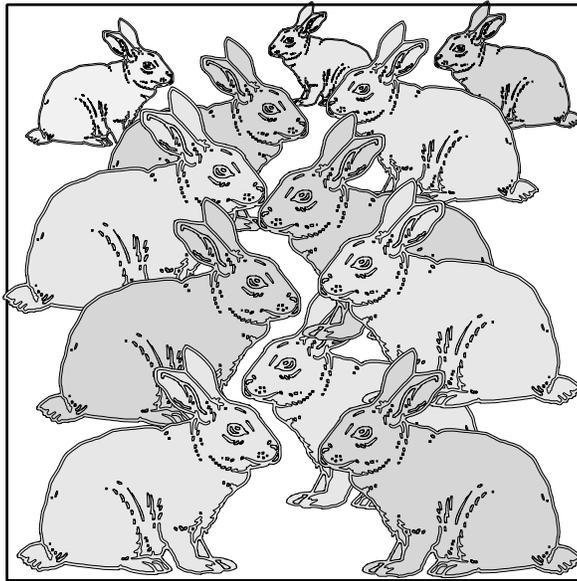
WISCONSIN'S GROWTH INDUSTRY

JEFF MAYERS

Looking for a Wisconsin growth industry? In these days when the state's manufacturing sector is shrinking, lobbying state government is one business that gets bigger and bigger every year. This government service sector is growing even as political scandals bloom.

In 2003, at least \$26.2 million was spent on lobbying state government — \$5 for every Wisconsinite. The state's biggest law firms now have lobbying arms designed especially to serve the interests of their clients. Every year, new lobbying firms and new lobbyists pop up in the capital city of Madison. And lawmakers, government bureaucrats and members of every gubernatorial administration spend some 250,000 hours a year listening to and responding to ideas and concerns pitched by an army of lobbyists.

As of March 2004, 684 corporations, trade associations and groups large and small employed 776 registered lobbyists. These lobbyists fan out over the state Capitol and flood offices with communications during every legislative session to urge, cajole and convince policymakers from the governor to freshmen Assembly members to create — and often to



block — legislative bills and administrative rules. In 1991, when the state Ethics Board took over lobbying regulation from the Secretary of State, 648 organizations with 666 lobbyists spent at least \$16.6 million influencing state government. That growth, perhaps not coincidentally, corresponded with a mushrooming in state spending. The lobbying expendi-

tures by local governments, businesses, trade associations, tribes and others collected by the state Ethics Board staff don't include the money spent by various organizations and businesses attempting to get state contracts or sell the state products and services. Part of the reason that's still unregulated is that there's debate as to whether every sales person approaching state government should have to register as a lobbyist.

Despite the Capitol scandals book-ending the decade and the enduring cartoon image of a bloated lobbyist tossing money around at the bar, the 1990s and early 2000s have been something of a golden age of Wisconsin lobbying. According to Ethics Board Director, Roth Judd,

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lobbyists, many of them women, have changed the lobbying culture, moving it from one built on mostly male friendships, bar-hopping and road trips, to a more professional relationship that occurs during normal office hours. Lobbyists view their role as communicators of reliable information. The Association of Wisconsin Lobbyists pledges on its Web site “to develop and encourage high standards of service and conduct on the part of professionals and others engaged in governmental advocacy”, and “to promote better communication and understanding among the members, the public and governmental bodies of the State of Wisconsin on the role of those engaged in the profession of governmental advocacy in the enactment of the laws and regulations of this state.”

Judd recounts the “lobby scandal” of the late 1980s, when lobbyists and lawmakers were penalized for illegal transfer of food, entertainment, travel, football tickets, and fancy suits. “Those things don’t occur anymore,” Judd said. He says some of that is the result of changing demographics — more women, and Baby Boomers going home at night to their families — and more compact legislative schedules — fewer lawmakers staying overnight in Madison with a lot of free time on their hands. Many lawmakers, even on session nights, drive home after a long day in Madison. “This is a job,” he says.

GROWTH OF LOBBYING SINCE 1991

Lobbying expenditures in first year of every two-year legislative session

1991	\$16.6 million
1993	\$18.2 million
1995	\$20.5 million
1997	\$22.5 million
1999	\$25.3 million
2001	\$25.1 million
2003	\$26.2 million

The biggest corporations and groups employ some of the best lobbyists. Among

them are a group of elite operators, contract lobbyists who often have a blue-chip list of clients. The Ethics Board counts about 130 of these lobbyists who work for more than one group. This group is populated by a healthy number of ex-legislators, ex-administration officials — and sometimes ex-governors (Martin Schreiber owns and runs one of the biggest lobbying firms) — who lobby for various causes.

Broydrick and Associates is often rated as one of the state’s most influential firms. Headed by former Milwaukee lawmaker Bill Broydrick and his wife Cynthia, the firm started in 1981 with Bill Broydrick representing four clients: Children’s Hospital, Waste Management, WEPCO and the Milwaukee Metropolitan Sewerage District. All four are still represented by the firm, which now has 18 employees (all but four lobbyists) and offices in Madison, Washington, D.C. and Tallahassee, FL., representing more than 40 clients. A Chicago office may open soon.

Broydrick says in the early days, he was building a business by signing up clients who didn’t have lobbyist representation. He says the business now is “much, much more competitive” and notes wryly that the old rules about not going after each other’s clients “have eroded.”

He says what has made his firm different and successful is that its lobbyists work hard and don’t just have contact with the top officials. “Our corporate culture is one of hard work,” he says. “We talk to everybody.” He admits in the early days lobbyists didn’t always have to work hard to be successful.

Good or Bad Causes

Are the causes these contract lobbyists — sometimes called “hired guns” — “good” or “bad”? It depends upon your point of view.

If you feel smoking is a supreme health risk, then lobbyists for the various anti-smoking groups are lobbying for a “good” cause. If you own a tavern and your business may be affected by anti-smoking rules, you likely will think that’s a “bad” cause.

Broydrick has become an expert on Medicaid through years of work on the issue, and proudly proclaims that he's helping poor people get health care. His firm helped organize a "Save Medicaid" coalition that staved off budget cuts and provider rate cuts that occurred in other states.

While hard work and tackling big issues is important, Broydrick and some of his influential colleagues also benefit from connections earned from years in the Capitol trenches.

Madison reporter Bill Lueders, of the *Isthmus* weekly, wrote a piece on lobbying for *Milwaukee Magazine* called "Zero Degrees of Separation." He found the lobbying ranks full of more than 40 former state lawmakers and state and federal officials. His piece portrays an incestuous Capitol dominated by "former legislative aides, political operatives and people looking to launch careers lobbying their former colleagues."

In short, connections and personal relationships still matter. But the contract lobbyist is a distinct minority, according to state Ethics Board statistics.

According to the Ethics Board, 622 of the registered lobbyists in 2003 worked for only one organization. Some for sure, work for big groups, such as the perennial lobby spending leaders WEAC (the Wisconsin Education Association Council) and WMC (Wisconsin Manufacturers & Commerce). Both recently listed 11 individual lobbyists each.

The Ethics Board statistics show 15 groups or corporations spent more than \$250,000 on lobbying last year. WEAC, the state's largest teachers' union and one of the 600-pound gorillas in Wisconsin politics, was number one. WEAC reported spending nearly \$1.1 million in 2003 while WMC was a distant second at nearly \$640,000 spent in 2003. The group registering the lowest dollar amount (other than \$0) in 2003 was Skipper Buds at \$60.

But many of today's registered lobbyists are officers of little groups. According to the Ethics Board, 417 groups spent less than \$25,000 in 2003. Judd says the Internet, the Ethics Board Web site (<http://ethics.state.wi.us/>) and other Web sites have allowed small groups, which can't afford full-time lobbyists, to become players. They can tell what the big players are lobby-

ing on weeks before the scheduling of a legislative hearing. "Big players can't exclude the small players anymore," Judd says. "They have to be reckoned with."

Lobbying related to unions, business interests, utilities and tobacco regulation are traditional high-spending categories. And many individuals, political action committees and conduits associated with the top lobbying

spenders also are frequent campaign donors.

One campaign finance reform advocacy group reports on these connections between legislation and campaigns. A recent Wisconsin Democracy Campaign (WDC) report said legislators who voted with special interests on

TOP 15 SPENDERS IN 2003

WEAC	\$1,083,487
WMC	\$639,925
Wisconsin Independent Businesses Inc.	\$512,692
Wisconsin Merchants Federation	\$465,314
Wisconsin Counties Association	\$462,814
Wisconsin Hospital Association	\$424,664
Wisconsin Energy Corp.	\$393,438
Forest County Potawatomi Community	\$374,276
Wisconsin Farm Bureau Federation	\$337,025
Aurora Health Care Inc.	\$315,957
SBC-Wisconsin	\$291,160
State Bar of Wisconsin	\$281,075
Philip Morris Inc	\$273,899
Coalition for Lower Gas Prices Inc.	\$269,989
Cobalt Corp.	\$260,954

key legislative proposals received over time more than four times more campaign contributions on average from those wealthy contributors than legislators who opposed them.

The Democracy Campaign reviewed Assembly and Senate votes on eight legislative proposals and the amount of campaign contributions legislators received between 1993 and June 30, 2003 from special interests with a stake in the bills. WDC found that legislators who voted with special interests supporting the measures collected \$10.36 million and those who did not received \$2.29 million from wealthy contributors with an interest in the issues.

“Money doesn’t talk in state government, it shouts. You can predict votes on bills with amazing precision just by following the money trail,” WDC executive director Mike McCabe said.

The sad conclusion reached when you analyze roll call votes is that money buys legislation in Wisconsin, and it is bought long before the day a bill is debated. Organized money does it by filling the Legislature with people in tune with the interests of organized money.

One of the bills studied by WDC was Assembly Bill 746, a bill favored by Milwaukee school choice advocates. On this issue, business and union interests have lobbied — and donated. Through the Metropolitan Milwaukee Association of Commerce political action committee and conduit and the Fund for Choices in Education conduit, school choice supporters have contributed 48 times more money to those who backed the bill — \$79,125 — versus only \$1,650 to the 33 legislators who voted against it, according to the WDC analysis. Meanwhile, said the Democracy Campaign, WEAC and groups representing school administrators who opposed the bill funneled \$64,136 to opposing lawmakers; those who supported it received \$46,320.

It shows the people lobbying lawmakers can also be political kingmakers. Bert Grover, the former state schools superintendent and lawmaker, told Lueders the system of high-spending legislative campaigns is “an oli-

garchy of the monied interests.” He told Lueders: “We have lost our democracy. Our system isn’t working.”

Broydrick, dubbed a “super-lobbyist” in Capitol circles, sounds a lot like reformer when he says, “our current campaign finance system is legalized bribery.” But he says there is no incentive for the major players in the system to change at this time. He said he personally favors reform, but in the meantime, he asks that the rules be clear. “We had a pretty good system,” he said. “It’s eroded.”

Who are the top lobby spenders?

In recent years, the Potawatomi cracked the top spenders list — more confirmation that the state’s Indian tribes have become major political players. Other significant tribal spending included: Oneida (\$96,288), St. Croix (\$79,670), and the Ho-Chunk (\$66,994).

Local governments and their advocacy groups, led by the Wisconsin Counties Association, also have been more active in recent years as state aid dollars have become scarcer. Some of the significant lobbying efforts in this category include: Alliance of Cities (\$230,409), Milwaukee County (\$200,282), City of Milwaukee (\$192,141), Wisconsin Towns Association (\$172,380), Milwaukee Metropolitan Sewerage District (\$170,463) and Milwaukee Public Schools (\$146,785).

The Ethics Board noted in its 2003 year-end report that three newcomers cracked the top tier for the first time. Aurora Health Care, a big Milwaukee-area health provider, spent a lot of its time lobbying on Medicaid issues and concealed carry.

The Coalition for Lower Gas Prices, financed by Murphy USA and Wal-Mart, was registered for the first time as it sought to get rid of the “minimum mark-up” law that some say inflates gas prices.

And Cobalt Corp., formerly Blue Cross/Blue Shield, devoted a lot of time to Medicaid and plans to change the Health Insurance Risk-Sharing Plan (HIRSP).

What bills gained the most lobbying attention?

The most lobbied piece of legislation during 2003, according to the Ethics Board, was — not surprisingly — the biennial budget. Various groups, led by the Wisconsin Hospital Association, spent 54,000 hours lobbying on the budget bill. A big piece of the action for the hospitals was the Medicaid budget, a big part of hospital budgets around the state. Medicaid registered as the most lobbied budget issue, according to the Ethics Board, with drug companies and health-care providers and groups joining with hospitals in the scrum. At the end of the budget, the hospital association hailed several victories — including restoration of proposed cuts in physician hospital training and rural hospital aid — but said government still doesn't pay the full cost of caring for needy Medicaid recipients.

The next biggest budget player after WHA was WEAC, according to the Ethics Board. WEAC's main budget issue was school aid, which was spared the cutting experienced elsewhere in the budget crunch that marked the formation of the current two-year spending plan. Of course, WEAC also had a friend in the governor's office — Jim Doyle — to help.

After the biennial budget in the first part of 2003, the most lobbied bill was the "Jobs Creation Act," a controversial business-backed piece of legislation that when first unveiled contained a wish list of regulatory changes long sought by business interests. Advocates say the regulation changes in the bill will help the state's economy and produce jobs, but critics wonder whether any jobs will ever be created by all the lobbying activity that surrounded the bill.

According to the Ethics Board, organizations devoted more than 3,700 hours to lobbying on the bill, led by WMC with 888 hours. Other groups weighing in on the bill included the Wisconsin Economic Development Association, Xcel Energy, the Wisconsin Builders Association, the Wisconsin Wildlife Federation, the Wisconsin Hospital Association, SBC-Wisconsin and Alliant Energy Corp. The Wildlife Federation was the only one of that group registered against the bill, the Ethics Board said.

Environmentalists panned it. So did Doyle, at first. But Republican legislative leaders, with the backing of business interests, succeeded in negotiating and passing a compromise bill that Doyle signed as part of a phalanx of pro-business bills the governor uses to show he's a "pro-growth Democrat."

Chances are normal citizens, even if they do vote regularly, aren't part of this elite activity. They don't pay attention to legislation, they don't give money to candidates and they don't usually complain to government unless they're royally ticked off about something.

But chances are a group out there is claiming to represent your interests. And if you are a dues-paying member of a group, you definitely are being represented — whether you know it or not.

Groups registered to lobby in 2003 ranged from AAA Wisconsin, which spent \$125,817 in 2003 lobbying on transportation issues, to the YWCA of Greater Milwaukee, which spent \$36,150 lobbying in 2003. Wineries, snowmobile clubs, groups on both sides of the abortion

THE BIGGEST BUDGET PLAYERS

Wisconsin Hospital Association	2,402 hours
WEAC	2,013 hours
Wisconsin Association of School Boards	1,746 hours
Milwaukee County	1,574 hours
AARP	1,433 hours
Wisconsin Alumni Association	1,419 hours
Wisconsin Independent Businesses	1,337 hours
City of Milwaukee	1,291 hours
Wisconsin Property Taxpayers Inc.	1,231 hours

issue, taverns, greyhound track owners, doctors, lawyers, various government board members, social workers, environmentalists and even nudists are represented by groups that have registered to lobby.

So, who represents the taxpayers? Well, all the politicians claim they're representing you. Local governments lobbying for state aid say they're lobbying for more state money to hold down property taxes. And there's a for-profit group called Wisconsin Property Taxpayers Inc.

But the Republicans, "property tax freeze" was vetoed by Doyle and then shelved by majority lawmakers, who moved on to a new spending-restraint tactic in 2004: the so-called "Taxpayer Bill of Rights (TABOR)." Unions, including WEAC, and local government groups — including some represented by Broydrick — have begun to oppose this proposed constitutional amendment as an attack on desired government services and another bumper sticker slogan for GOP candidates this fall. Here's betting that TABOR is among the most-lobbied issues of 2004, with plenty of activity on both sides.

Fingerprints on bills

Sometimes lobbyists compete to a draw. But lobbying activity often results in legislative and government activity. It's the rare bill that doesn't sport lobbyists' fingerprints.

Most of the bills introduced by lawmakers — many of them introduced with the help of lobbyists — become the subject of lobbying. Only 251 of the 1,250 introduced bills and resolutions in 2003 had no organization reporting a lobbying interest, according to the Ethics Board.

Lobbyists must be licensed if they attempt to influence state legislation or administrative rules on behalf of a group that pays the lobbyist more than expenses and if that lobbyist communicates with state officials, lawmakers or legislative employees on at least five days within a six-month reporting period. The once-every-two-year fee to represent one group: \$250, for multiple groups, \$400.

The list of licensed lobbyists is online at the state Ethics Board Web site with contact

information and a list of groups they're paid to represent. The state's first lobbying registry was established in 1899, 41 years after the state's first lobbying law.

That first Wisconsin lobby law banned any person "having a pecuniary or other interest, or acting as the agent or attorney of any person in procuring or attempting to procure that passage or defeat of any measure before the Legislature . . . in any manner to influence any member of the Legislature for or against such a measure, without first making known to such member the real and true interest he has in such measure, either personally or as such agent or attorney."

It was in 1957 that legislation passed banning lobbyists and their organizations from giving any "thing of pecuniary value" to those they're lobbying. And it was in the late 1980s that the lobbying scandal nicked lawmakers and lobbyists and that state regulation of lobbyists was beefed up through the Ethics Board.

Now comes the Capitol's recent "caucus scandal," which has focused on legislative leaders — not the lobbyists (although their tales populate the secret John Doe testimony and the prosecutors' charges). Judd, the Ethics Board director, draws a distinction between the two scandals, owing the current one to a "change in legislative behavior . . . Legislators shaking down lobbyists not for personal gain but for some partisan campaign advantage." And that culture resulted from fundraising power being concentrated in the hands of leaders. "Members used to select their leaders. Now leaders select the members," Judd said. "Leaders had to fundraise to support the whole system."

With lawmaker trials coming perhaps by year's end, reports of the still-chummy Capitol scene will be replayed and calls to reform the system — and fierce lobbying about proposals to do it — will continue.

But few of those close to the action predict a slowdown in the lobbying business.