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AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.



Yesterday the Platte Institute for Economic Research released "Capitol Gains," a study of campaign finance laws and their impacts in Nebraska. Among the findings of the study was that PAC donations favor incumbents and that labor contributions are highly partisan. Read below for a summary of the findings. The entire study can be found [here](#).

BACKGROUND: In 1992 Senator DiAnna Schimek co-sponsored the Campaign Finance Limitation Act (CFLA), transforming the way state campaigns would be conducted in Nebraska. The CFLA was an attempt to limit contributions to and spending by campaigns and to encourage competition by lowering the cost to mount a viable campaign.

The CFLA also established a public funding mechanism so that candidates who abided by the spending limit and raised one quarter of the cap were eligible to receive public funds equal to the difference between the spending cap and his or her opponent's aggregate spending amount. Public funding is now constitutionally suspect because of a 2011 Supreme Court decision in *Arizona Free Enterprise Club's Freedom PAC v. Bennett*. In *Bennett*, the Court found matching fund provisions to pose a substantial imposition to the political speech of privately-financed candidates. As a result, both the Nebraska Accountability and Disclosure Commission (NADC) and the Nebraska Secretary of State have effectively suspended enforcement of the CFLA for the 2012 election period.

Another "sea-change" event in the Nebraska political environment was the constitutional amendment for Unicameral term-limits in 2000 that took effect in 2006. The CFLA and term limits had profound effects for legislative elections in Nebraska.

ANALYSIS: The Platte Institute's "Capitol Gains" study is an examination of the filings of 133 candidate committees for office of state senator, 107 PACs, and state and local political parties registered with the NADC and their contributions and expenditures on general election ballots for 2006, 2008, and 2010. The filings of candidates who did not advance beyond the primary election cycle are beyond the scope of this study.

CONCLUSIONS: This study led to key findings about the role of money in legislative races in the period after the implementation of term-limits and before

the suspension of the CFLA:

- 1. Term-limits have not diminished financial support for incumbents seeking their second term, despite decreased contributions from individuals in nearly every instance.
- 2. The majority of contributions received by incumbents are made by business-affiliated PACs from Nebraska.
- 3. Contributions made by labor-affiliated groups are highly partisan.
- 4. A decrease in contributions from individuals in non- presidential election cycles translates to diminished influence of state political parties.
- 5. Independent expenditures by business and labor PACs have increased each election cycle and are increasingly negative.
- 6. Labor PACs spend significantly more on independent expenditures than business PACs.

These findings paint a portrait of a political landscape in Nebraska where individuals are less engaged in legislative races, contributions heavily favor incumbency in spite of term-limits, and races are increasingly influenced by third- party expenditures. There is no evidence of an increase in the ability of challengers to compete with incumbents, nor have campaigns required less money to be waged, nor have campaigns become less reliant on large donors.