

Free(ing) Data

Philanthropy's Essential Role in Disclosure and Democracy

By Edwin Bender

Success breeds more success. More than 20 years ago, the John D. and Catherine T. MacArthur Foundation made a series of grants to regional organizations that would ultimately revolutionize how citizens could examine the role of money in politics. It funded efforts to “digitize” the campaign finance reports filed by state-level candidates with their state disclosure agencies, to spread the news to groups concerned about the role of money in elections and the public-policy processes. This was pre-robust Internet.

Support added by The Joyce Foundation and Ford Foundation provided one fledgling regional group enough financial stability to form the National Institute on Money in State Politics, in 1999, resulting in the creation of the country's first comprehensive 50-state database of donors to legislative and statewide candidates in the 1999–2000 election cycle, posted at FollowTheMoney.org.

That seed money catalyzed more research and more data, giving the nation its first comprehensive, cross-state look at who was donating to lawmakers across state lines, and early sketches of how major industries and groups were donating to politicians strategically in multiple states to move specific policy agendas. The institute began reporting on relevant industry campaign contributions to elected officials who influenced public policy. For example, the energy deregulation policy initiatives gave us fundamental restructuring of energy markets in 24 states, but also the Enron scandal. Three-strikes and

mandatory-minimum tough-on-crime measures got politicians elected, but spurred the expansion of prison privatization in a majority of states that gave a handful of companies tidy profits.

In 2001, Carnegie Corporation of New York, Albert A. List Foundation, Open Society Foundations, and The Pew Charitable Trusts joined the team with multi-year support.

Today's highly connected world is now awash in up-to-date information about who supports major candidates and policy initiatives, why they are supporting them, and how those donations may affect policy outcomes. The many eyes of social media – and a mountain of high-quality data at www.FollowTheMoney.org –

are making it more difficult for politicians to dole out taxpayer-funded favors to high-dollar donors. Voters now have an unprecedented ability to match donors who have an agenda to politicians eager to comply to get elected.

MacArthur Foundation's vision of what could be, and its significant seed money, has had a profound effect on our democracy.

KEY MOMENTS OF FOUNDATION SUPPORT

Many foundations have since played important roles in the institute's development, providing multi-year general support grants that allowed the institute to launch to the next level again and again, taking on major data-collection initiatives and responding to high-value data opportunities, such as lobbying reports and new independent spending data after the U.S. Supreme Court's ruling in *Citizens United v. FEC*.

The rise of the Internet caused the institute staff to begin thinking about how it could best utilize this tool to serve the new breed of reporters: bloggers. In 2006, the organization convened its board, select expert advisors and key foundation supporters at the B-Bar Ranch on the northern boundary of Yellowstone National Park for a discussion about the future. Representatives from Carnegie Corporation of New York, Open Society Foundations and The Pew Charitable Trusts all helped the institute embrace the open-data movement and provide free public

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application program interfaces (APIs) to its unprecedented, unique data.

This collaborative, cross-discipline meeting became the model for successive annual board meetings, offering the board and foundation partners testimony of the value and successes of the past year's work, framed by the words of journalists, scholars, lawyers and advocates who used the data creatively.

That healthy, collaborative relationship was tested on Dec. 15, 2008, when the institute learned that a major grant from the JEHT Foundation was canceled in the wake of the Bernard Madoff investment scandal. Within days, Open Society Foundations, Ford Foundation and Rockefeller Brothers Fund stepped up in this emergency situation to help the institute weather the major loss.

The Sunlight Foundation, formed to promote more transparency in government, soon became a strong supporter of the institute's continuing move toward open-access data with both financial investment and by integrating the institute's state-level data into its own

web tools, particularly its Influence Explorer and Transparency Data hub.

More recently, renewed interest in campaign finances resulted from the major Supreme Court cases, *Citizens United v. FEC* and now *McCutcheon v. FEC*, that target aggregate contribution limits. The Bauman Foundation, The William and Flora Hewlett Foundation and Mertz Gilmore Foundation have supported our continuing transparency program. In 2010, Public Welfare Foundation, Rockefeller Family Fund and Open Society Foundations joined to support a new project to compile independent-spending information in the states. Issue-related funders who understand the value of transparency in elections and politics to their work include The California Endowment and the Energy Foundation. And, MacArthur Foundation has once again become a robust supporter of the institute's work.

THE IMPACT

Over the past decade, the institute's

comprehensive, highly credentialed data have influenced some of the brightest minds in the journalism, academic, legal and advocacy communities. The result? Thousands of articles by some of the most influential news publications in the country, more than 430 scholarly analyses and numerous legal citations in court cases, including 11 amicus briefs before the U.S. Supreme Court. Highlights include the institute cosigning an amicus curiae brief for *Citizens United v. FEC*; Campaign Legal Center and Justice at Stake relied on institute data in preparing their briefs to the court.

While legal cases attest to the high value of the institute's work and are in many ways the cutting edge of the debate over our democracy and essential freedoms, scholars examining our election and public policy processes offer a different perspective. Michael Malbin of the Campaign Finance Institute used our comprehensive data to create a web-based Citizens Analyst Tool to illustrate the effects of contribution limits, matching donations and public education on donations in each state. This evidence-based analysis makes a powerful case for increasing donor and voter education, and for offering \$50 matching funds to small donors to offset candidates' reliance on large donations to run their campaigns.

The National Institute on Money in State Politics' data have also provided hard evidence for groups advocating for what has been called "Clean Money Campaign Reform," which has passed in various forms in Arizona, Connecticut, Maine, Massachusetts, New Mexico, North Carolina, Vermont and West Virginia. The data have been invaluable to the inevitable legal challenges to these reform efforts.

Scholars, including Thomas Stratman of George Mason University, Ray LaRaja of the University of Massachusetts and Thad Kousser of the University of California, San Diego, have



Data Maven, Ryan Murphy by *thetexasribune*, on Flickr.

used institute data to study the effects of campaign contribution limits and laws on electoral competition. Others, such as Lynda Powell of the University of Rochester and Keith Hamm of Rice University have examined correlations of campaign finances with the setting of legislative agendas, influencing committee deliberations and the passage of legislation, among other issues. New analyses by Adam Bonica of Stanford University focus on understanding the ideological leanings of candidates early in their careers based on multiple layers of complementing data.

In the minds of some citizens, the highest and best use of the institute's information is when it helps them effect change or confront ill-conceived public policy efforts. A prime and ongoing example of that is the way individuals and group are fighting a handful of businesses that promote private prisons as a solution to overcrowded state facilities. Nearly 10 years ago, the institute wrote a report, *Private Prisons, Politics and Profits*, that detailed how a couple of businessmen developed a business plan to privatize prisons in the states, and the lengths to which they went to promote public policy that would ensure large numbers of inmates. That study and updates have fueled accountability efforts by groups pressing the corporations on their promises to save taxpayers money and provide for the safety of the public. Just last year, Florida citizens stopped the privatization of two dozen state prisons, despite a coordinated lobbying effort and strong support among legislative leaders. The institute's data provided the exclamation point for sound arguments against the policy.

The institute's verifiably accurate data archive has been rewarded by its clear adoption as a primary resource by the national press and as a training resource for journalism schools. Nearly 4,000 reporters have signed up to receive in-

stitute releases and reports relevant to their specific states or topics. The resulting stories include articles published by *Bloomberg Business Week*, Center for Public Integrity, *CNN Money*, Investigative News Network, *Los Angeles Times*, *Mother Jones*, *NBC News*, *The Nation*, *The New York Times* and more.

Our May release of a scorecard that ranks state practices for disclosure (or not) of independent spending met with immediate response, such as this from WIBC/Fox News Radio in Indiana: "*Senate Elections Chairman Sue Landske (R-Cedar Lake) says she was blindsided to discover Indiana doesn't require financial disclosure from those groups.... and says a legislative study committee is likely to request data from those states this summer.*"

THE FUTURE

Robust and sustained foundation support is essential to the institute and other good-government and transparency organizations. Elections and governing institutions are multilayered and complex; gaining access to relevant information about them is essential to greater citizen accountability. Without standardized reporting, gathering that information in each of the 50 states still requires much "heavy lifting."

The institute is leveraging the public's demand for immediate access to high-quality information to get that job done, and helping to move disclosure agencies toward better disclosure practices and upgraded data-access procedures.

While no one can predict what our country will look like in 20 years – especially where politics and elections are concerned – we can be confident that debates built on high-quality data will result in more focused and substantive policy outcomes. ■

Edwin Bender is a founding incorporator and executive director of the National Institute on Money in State Politics.

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