



2008 Ballot Measure Overview

Interests Spend Lavishly To Influence Voters On Hot-Button Issues

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NATIONAL INSTITUTE ON MONEY IN STATE POLITICS

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TABLE OF CONTENTS

- [Executive Summary](#)
- [Overview](#)
- [Methodology](#)
- [Winner Takes All](#)
- [Gambling, Same-Sex Marriage Top Money-Getters](#)
- [Walk Softly and Carry a Big Wallet](#)

- [Individuals](#)
- [Businesses, Special Interests and Labor Groups Gave 80 Percent of the Total](#)
- [Out-of-State Contributors](#)
- [Hot-Button Issues on the Ballot in Several States](#)
 - [Never a Sure Bet](#)
 - [The Money Behind the 2008 Same-Sex Partnership Ballot Measures](#)
 - [Money Fuels Power Measures](#)
 - [Lenders Couldn't Buy Laws](#)
 - [Abortion Restrictions on 2008 Measures](#)
 - [Immigration Measures: Support on Both Sides of the Fence](#)
- [Appendix A: Ballot Measures Totals by State](#)

Executive Summary

Money raised to support or oppose ballot measures climbed to \$814 million in 2008—the highest amount since the Institute began collecting data on ballot measures in 2004. Businesses and special interests with a dog in the fight gave \$564 million of that, fully 69 percent of the total.

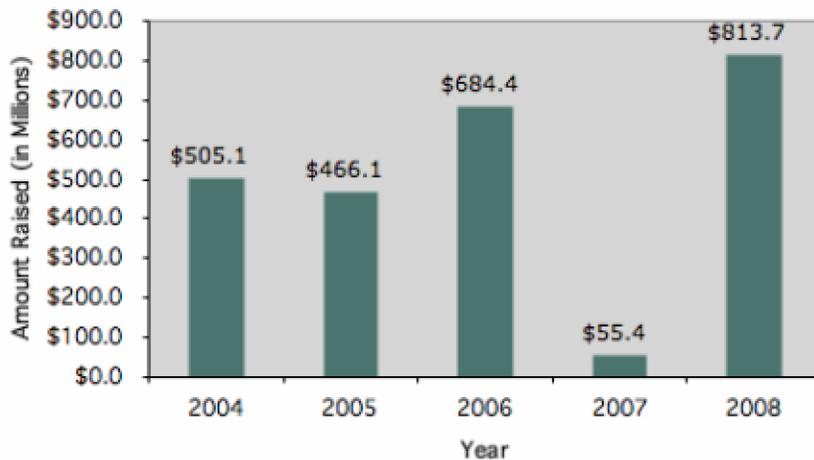
While ballot measures are widely regarded as a means for citizens to directly influence policy, individuals gave only 18 percent of the total raised, or \$143 million. Of that, 19 individuals gave \$1 million or more, accounting for 26 percent of the total given by individuals. Labor interests contributed 11 percent, or \$88.6 million.

Measures concerned with gambling brought in more money than any other topic. Same-sex marriage, payday lending, and energy use attracted significant money, as well. Committees favoring a measure usually raised more money, but when committees opposing a measure raised more money, they won more often.

Overview

Americans hold dear the citizen initiative and referendum processes, and nowhere is the process more heavily utilized¹—nor more expensive—than in California. In what might be indicative of the country's attitude about ballot measures, a survey of likely voters in California in 2008 found "Californians think they make better public policy decisions than elected officials do."²

**MONEY RAISED BY BALLOT MEASURE COMMITTEES,
2004-2008**



The National Institute on Money in State Politics' analysis of the money raised around ballot measures across the country shows a continuing growth trend. In 2008, 298 committees registered to support or oppose 172 ballot measures in 36 states. The 274 committees that raised money brought in an impressive \$813.7 million. In contrast, measures spurred contributions of \$55.4 million in 2007, \$684.4 million in 2006, \$466.1 million in 2005, and \$505.1 million in 2004. The analysis also found that:

- Most of the funding came from organizations with a dog in the fight; businesses and special interests overshadowed all giving, contributing \$564.4 million, or 69 percent of all contributions made to all ballot measure committees. Individual contributors were next, with \$142.7 million, or 18 percent of the total. Labor organizations gave \$88.6 million, or 11 percent of the total.
- Gambling drew the most attention and money in 2008 as high-rolling donors poured \$273.2 million into 12 measures in nine states. Same-sex marriage measures generated \$120.4 million in three states.
- California measures attracted far and away the most money, at \$471.6 million. Second-ranked Ohio trailed with \$86.5 million. Colorado measures brought in \$73 million. A dozen states saw no money raised around their ballot measures at all.
- Once a measure made it onto the 2008 ballot, the odds slightly favored passage; only 72, or 42 percent of all measures, failed. Interestingly, the 70 measures that attracted no contributions had a higher passage rate: only one-third (23) failed.
- Proponents held a funding advantage over opponents, but those opponents with a funding advantage had a slightly easier time defeating a measure than proponents had passing one. Of the 102 measures that attracted money, proponents outraised

opponents on 67, or about two of every three battles. That didn't guarantee success, however. Despite the funding advantage, proponents saw their measures pass 48 out of 67 times, or 72 percent of the time. Conversely, opponent committees outspent proponent committees on 35 of the measures, but had a higher success rate. Opponent committees prevailed 30 of the 35 times they held a funding advantage, meaning they won 86 percent of the time.

- Ten major donors gave roughly one-third of all the money given to all ballot measure committees. The top six gave heavily to gambling measures. Of those six, three were tribal governments and a fourth, Tribes for Fair Play, was substantially funded by a coalition of tribes.
- Individual contributors played a small role in financing ballot measures. Individual citizens collectively provided just 18 percent of the money raised around the ballot measures. Moreover, \$37.3 million (26 percent) of the \$142.7 million given by individuals came from just 19 people who each gave \$1 million or more.
- Seventy-two percent of ballot measure contributions came from donors within the state deciding the question.
- 1. "Initiative and Referendum in the 21st Century: Final Report and Recommendations of the NCSL I& R Task Force," *National Conference of State Legislatures*, available from http://www.ncsl.org/Portals/1/documents/legismgt/irtaskfc/IandR_report.pdf, accessed Nov. 5, 2009.
- 2. "Just the Facts: Californians and the Initiative Process," *Public Policy Institute of California*, Nov. 2008, available from <http://www.ppic.org/main/publication.asp?i=265>, accessed Nov. 5, 2009.

Methodology

The National Institute on Money in State Politics collected the campaign-finance reports filed by ballot measure committees with the state disclosure agency in their respective states. The committees' contributions were entered into a database for analysis. Institute staff use the employer and occupation information provided on disclosure reports to assign an occupation code to individual contributors. When that information was not provided, staff members conducted additional research to determine a contributor's economic interest, where possible. The occupation codes are based on the Standard Industrial Classification system used by the federal government.

Winner Takes All

Gambling firms and tribal governments with an interest in gambling made up the top six contributors. Three of the tribes whose gambling compacts were the subject of the ballot measures gave heavily. The Pechanga Band of Luiseno Mission Indians (Proposition 94) headlined the list with \$41.9 million. The Morongo Band of Mission Indians (Proposition

95) threw down \$37.9 million, and the Agua Caliente Band of Cahuilla Indians (Proposition 97) gave \$20.9 million.

Penn National Gaming gave \$40 million to gambling-related ballot measure committees in two states and was successful both times. Penn gave a comparatively small contribution of \$2 million to the successful effort in Maryland to allow slot machine gambling. Penn's larger fight was over Issue 6 in Ohio. The company gave \$38 million to defeat the measure, which would have extended a gambling monopoly to Lakes Entertainment and partners. Lakes Entertainment bet \$25.7 million on the fight, but Penn raised the ante and won.

TABLE 1: Top Ten Contributors to 2008 Ballot Measures

Contributor	Total	Primary Issue	State(s)
Pechanga Band of Luiseno Mission Indians	\$41,921,993	Gambling	California
Penn National Gaming	\$39,976,122	Gambling	Maryland, Ohio
Morongo Band of Mission Indians	\$37,875,177	Gambling	California
Lakes Entertainment	\$25,692,898	Gambling	Ohio
Tribes for Fair Play No on 94 95 96 & 97	\$24,754,413	Gambling	California
Agua Caliente Band of Cahuilla Indians	\$20,915,025	Gambling	California
Community Financial Services Association	\$19,939,760	Payday Lending	Ohio
Clean Energy Fuels Corporation	\$18,647,250	Energy	California
Arizona Community Financial Services Association	\$14,670,023	Payday Lending	Arizona
PG&E Corporation	\$14,315,250	Energy	California
Total	\$258,707,911		

Gambling, Same-Sex Marriage Top Money-Getters

Seven percent of the measures commanded 63 percent of the money raised around all ballot measures in 2008. In total, those twelve measures brought in \$509.4 million. Only three states—California, Ohio, and Colorado—had measures that drew more than \$20 million.

TABLE 2: Top-Receiving Measures

State	Measure	Subject	Total
California	<u>Propositions 94 - 97</u>	Gambling	\$171,002,507
California	<u>Proposition 8</u>	Same-sex marriage	\$105,822,727
Ohio	<u>Issue 6</u>	Gambling	\$64,405,310
California	<u>Proposition 7</u>	Energy	\$39,135,782
Colorado	<u>Proposition 47</u>	Right-to-Work	\$36,840,611
California	<u>Proposition 93</u>	Term Limits	\$25,638,975
California	<u>Proposition 10</u>	Energy	\$22,573,162
California	<u>Proposition 98</u>	Eminent Domain	\$22,521,380
Ohio	<u>Issue 5</u>	Payday Lending	\$21,416,231
		Total	\$509,356,685

Colorado's Proposition 47, which would have prohibited the payment of union dues as a requirement of employment, also failed. Opponents outspent proponents 5:1 in this race. Food and Commercial Workers Union Local 7, based in Wheat Ridge, Colorado, put up \$7.3 million in the fight against Prop 47. The National Education Association anted up another \$5.4 million. Together, the two unions accounted for 41 percent of the \$30.8 million raised by opponents. Overall, labor organizations gave \$24.1 million to defeat the measure. Coloradans for Economic Growth, a 501(c)(4) organization that favors conservative candidates and issues,³ put up \$3.4 million, more than half the proponents' total.

California's Proposition 93 sought to further decrease the amount of time a legislator may serve in office. Primarily opposed by the California Correctional Peace Officers Association, term limit groups, and California State Insurance Commissioner Steve Poizner, that measure failed. Opponents of Proposition 93 were outspent by proponents nearly 2:1. Proponents included labor unions, health interests, and Democratic candidates and party committees.

California's Proposition 98 asked voters to curb eminent domain and rent control. Opponents raised \$15.6 million to oppose Proposition 98 and to support a related measure, Proposition 99, that called for less-restrictive changes to eminent domain law and no rent control. The League of California Cities, which sponsored Proposition 99,⁴ gave \$5.7 million, or 36 percent of the money raised to battle Proposition 98. Conservation groups and labor unions joined their efforts. The California Association of Realtors' relatively small contribution of \$711,250 made them the largest contributor to the Proposition 98 proponents, who were outgunned 2:1. Overall, real estate interests led the effort with \$2.2 million in contributions.

The other top measures are discussed elsewhere in this report.

- [3](#). Will Evans, "Profile: Coloradans for Economic Growth," *NPR*, Oct. 8, 2008, available from <http://www.npr.org/templates/story/story.php?storyId=94399963>, accessed Jan. 13, 2010.
- [4](#). Tim Herdt, "June 3's propositions 98, 99 deal with eminent domain, but with a twist," *Ventura (California) County Star*, May 26, 2008, available from <http://www.vcstar.com/news/2008/may/26/both-sides-fume-over-similar-measures/>, accessed Jan. 13, 2010.

Walk Softly and Carry a Big Wallet

Individuals

While ballot measures are widely regarded as a means for direct citizen participation in lawmaking, individual contributors actually played a small role in financing those campaigns. Individual citizens collectively provided just 18 percent of the money raised around the ballot measures. Moreover, \$37.3 million (26 percent) of the \$142.7 million given by individuals came from just 19 people who each gave \$1 million or more.

\$37.3 million of the \$142.7 million given by individuals came from just 19 people

Peter Sperling, Vice President of the Apollo Group, "a leading provider of higher education programs for working adults"⁵ which owns the University of Phoenix, gave a total of \$9 million to support California's failed Proposition 7, a measure mandating renewable energy generation.⁶ Sperling's contributions made up 96 percent of the committee's total receipts.

Ironically, indicted Broadcom co-founder Henry T. Nicholas III⁷ gave \$5.8 million to support two California law-and-order ballot measures. Nicholas gave \$1 million to the Yes on Six Committee to Take Back Our Neighborhoods in support of the failed Proposition 6, which sought to guarantee a level of funding for law enforcement and toughen up on gangs.⁸ Nicholas's contribution amounts to 61 percent of the committee's total. He also gave \$4.8 million to Marsy's Law Justice for Crime Victims, in support of Proposition 9, which strengthened the rights of crime victims.⁹ Nicholas' contribution represents 99.9 percent of the money raised by this committee.

Protect Marriage.com, a committee favoring California's Proposition 8, brought in the most money from individual contributors. Individuals gave \$29 million, or 20 percent of the total.

Businesses, Special Interests and Labor Groups Gave 80 Percent of the Total

Businesses and special interests gave a combined \$564.4 million, or 69 percent of the total. The greatest amount of that money came from gambling firms and Indian tribes with gambling interests; combined, those organizations gave \$262.4 million, or 32 percent of all money raised.

Gambling firms and Indian tribes with gambling interests gave 32 percent of all money raised around ballot measures

Labor groups gave 11 percent of the total, or \$88.6 million. The National Education Association and its affiliates dominated labor giving with \$32.2 million in contributions to support or oppose ballot measures. The main organization itself gave a total of \$13 million in 9 states, \$6 million of which went to weigh in on six different initiatives in Colorado. NEA affiliate California Teachers Association gave another \$7.6 million. Of that, \$2.3 million went to defeat California's Proposition 92, which sought to establish a system of independent public community colleges. Another \$2 million went to support the failed Proposition 93, a measure seeking to reduce the total time a person can serve in the legislature.

Out-of-State Contributors

Seventy-two percent of ballot measure contributions came from donors within the state deciding the question. Ohio received the most money from out-of-state interests, with fully \$85 million, or 98 percent, coming from outside the state. Issue 6, the failed measure that sought to allow casinos in certain areas, got \$64.3 million of that. A variety of California measures attracted \$70.8 million from deep-pocketed out-of-state contributors, \$27.8 million of which went to Proposition 8. Colorado was a distant third with \$31.8 million from non-Coloradans; \$13.2 million of that out-of-state money went to Proposition 58, a measure that sought unsuccessfully to increase the state oil and gas severance tax.

- [5](#). "About Apollo Group," *Apollo Group*, available from <http://www.apollogrp.edu/About.aspx>, accessed Nov. 4, 2009.
- [6](#). "California General Election Tuesday, November 4, 2009 Official Voter Information Guide Prop 7," *California Secretary of State*, available from <http://voterguide.sos.ca.gov/past/2008/general/title-sum/prop7-title-sum.htm>, accessed Nov. 4, 2009.
- [7](#). E. Scott Reckard and Kim Christensen, "O.C. Tech Billionaire Indicted," *LA Times*, June 6, 2008, available from <http://articles.latimes.com/2008/jun/06/business/fi-nicholas6>, accessed Nov. 4, 2009.
- [8](#). "California General Election Tuesday, November 4, 2009 Official Voter Information Guide Prop 6," *California Secretary of State*, available from <http://voterguide.sos.ca.gov/past/2008/general/title-sum/prop6-title-sum.htm>, accessed Nov. 4, 2009.
- [9](#). "California General Election Tuesday, November 4, 2009 Official Voter Information Guide Prop 9," *California Secretary of State*, available from

<http://voterguide.sos.ca.gov/past/2008/general/title-sum/prop9-title-sum.htm>,
accessed Nov. 4, 2009.

Hot-Button Issues on the Ballot in Several States

Issues of local concern cropped up frequently. For example, three states addressed 10 measures concerned with criminal justice. Those measures brought in \$76.9 million. Property rights spurred \$58.6 million in contributions around nine measures in seven states, including California's Propositions 98 & 99. Property taxation, another popular subject, precipitated 12 measures in nine states and brought in \$29.7 million.

The Institute published separate reports on hot-button issues that were on ballots in several states and often generated significant contributions. These reports are organized by highest total contributions, and can be viewed by clicking on the report title.

[Never a Sure Bet](#)

Regarded by many as a less-painful way to generate revenue for cash-strapped states, gambling spurred 12 measures in nine states. Proponents and opponents spent a staggering \$273.2 million to influence outcomes. Eight measures expanded gambling, one measure banned dog racing, and measures seeking to expand gambling failed in three states. Contributors in favor of gambling measures gave \$167 million, or 61 percent of the total. Opponent totals were bolstered by Penn National Gaming's large contributions in Ohio.

[The Money Behind the 2008 Same-Sex Partnership Ballot Measures](#)

Voters in Arizona, California, and Florida passed measures prohibiting same-sex couples from marrying. Arkansans prohibited same-sex couples from adopting or fostering children. Proponents and opponents gave nearly the same amounts, though opponents had a slight edge of \$1.1 million. Both sides were relatively evenly matched in terms of numbers of individual contributors. In California, both sides raised roughly the same amount of money from out-of-state contributions. In the three other states, opponents of the measure brought in substantial amounts of money from out-of-staters.

[Money Fuels Power Measures](#)

A measure requiring utilities to generate a portion of their power from renewable sources failed in California, after energy companies spent millions in opposition. However, a similar measure in Missouri met with no resistance and passed. Oil companies spent nearly \$12 million to douse a Colorado measure seeking to increase oil and gas severance taxes. The supporters raised half as much and were soundly defeated. Companies affiliated with Texas oil tycoon T. Boone Pickens gave \$21.6 million to try to pass a \$5 billion bond measure in California. The measure would have provided consumer rebates

for the purchase of alternative-fuel vehicles using fuels of the type produced by Pickens' companies. Although opponents raised less than \$200,000, the unpopular measure was thoroughly rejected by the voters.

Lenders Couldn't Buy Laws

Payday lending industry donors gave more than \$35 million in support of an industry-friendly measure in Arizona and to defeat an Ohio measure that severely limits its practices. Despite the influx of cash, industry advocates lost both times. Proponents, financed by the Arizona Community Financial Services Association, outspent opponents 15:1 in the battle over Proposition 200. The industry spent big in Ohio, as well, outspending the proponents by 38:1 in a failed bid to defeat restrictions.

Abortion Restrictions on 2008 Measures

Voters in three states rejected measures that would have restricted abortion. Planned Parenthood affiliates led the opposition to abortion restrictions, giving \$8.2 million (over half of opponents' money) across all three states. The measures in California and South Dakota were virtual repeats of the 2006 ballot battles. Opponents vastly outraised proponents of Colorado's personhood amendment, bringing in 82 percent of the \$2.4 million raised around the measure. South Dakota's far-reaching proposed abortion ban, with its potential to challenge *Roe vs. Wade*, attracted money from around the nation: 70 cents of every dollar raised came from outside the state.

Immigration Measures: Support on Both Sides of the Fence

Four states considered immigrant-related measures in 2008. Missouri's Amendment 1 passed overwhelmingly, making English the official language of all government proceedings. Florida's Amendment 1, which failed in a close vote, would have repealed provisions authorizing the legislature to regulate the ownership or transfer of real property by persons not eligible for U.S. citizenship. No committees organized around either Missouri's or Florida's measures. Oregon's failed Measure 58 would have limited the teaching of public school students in a language other than English to up to two years; opponents outspent proponents by almost 15:1. Arizona's Proposition 202 would have made a series of changes to the state's illegal hiring statutes. It failed, even though proponents spent more than seven times the \$140,350 spent by opponents.

Appendix A: Ballot Measures Totals by State

The following table shows total contributions raised by committees in states that decided ballot measures in 2008. These totals do not include non-contribution income such as

interest generated by bank accounts or refunds. Therefore, some totals will vary slightly from the totals found on our Web site, www.FollowTheMoney.org.

TABLE 3: Ballot Measures Totals by State

State	Total Number of Measures	
Alaska	\$13,218,939	5
Alabama	\$255,000	6
Arizona	\$40,416,656	8
Arkansas	\$1,519,373	5
California	\$471,550,451	21
Colorado	\$72,965,521	14
Connecticut	\$864,266	2
Florida	\$12,902,512	7
Georgia	\$1,569,573	3
Hawaii*	\$0	2
Illinois	\$1,841,933	1
Iowa*	\$0	1
Louisiana*	\$0	7
Massachusetts	\$11,456,155	3
Maine	\$8,125,030	4
Maryland	\$8,152,087	2
Michigan	\$18,322,434	2
Minnesota	\$4,629,483	1
Missouri	\$18,246,442	5
Montana	\$475,192	3
Nebraska	\$1,103,584	2
North Dakota	\$661,741	5
New Jersey*	\$0	2
New Mexico	\$652,521	9
New York*	\$0	1
Nevada*	\$0	4
Ohio	\$86,484,327	5
Oklahoma*	\$0	4
Oregon	\$21,805,329	15
Pennsylvania*	\$0	1
Rhode Island*	\$0	2
South Carolina*	\$0	3
South Dakota	\$7,165,818	7

State	Total Number of Measures	
Utah*	\$0	5
Washington	\$9,291,812	3
Wyoming*	\$0	2
Total	\$813,676,179	172

*In these states, either committees formed but did not raise money, or the Institute did not identify any committees connected with the ballot measures. Often, these were legislative referenda.

—END—