



LOBBY REPORT 2015

In This Report:

- New record for number of registered principals in 2015 ---- Page 1
- Principals Total Expenses set a new high in 2014 ---- page 2
- Lobbyist Compensation reaches a new record high in 2014 ---- Page 2
- The Association of NE Ethanol Producers takes over as the biggest spender ----page3
- The University of Nebraska moves up to #5 ---- page 3
- Mueller and Robak still #1 ---- page 4
- The reporting of gifts remains a problem ---- pages 5,6,7
- Two new school districts join the lobbying ranks ---- page 8
- School districts spend nearly half a million tax dollars on lobbying in 4 years ---- page 8
- Campaign contributions are a lobbying tool ---- page 9
- In-session fundraisers provide invisible cash ---- page 9,10
- The “revolving door” keeps swinging ---- page 11
- A Common Cause view of lobbying ---- page 12

2015 Common Cause Lobby Report

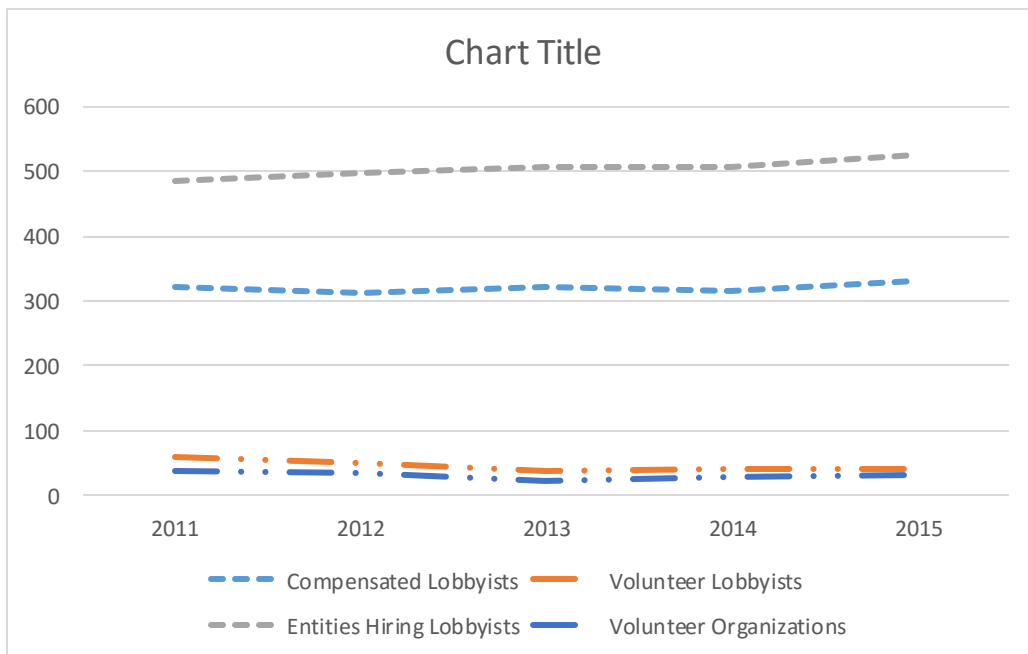
Our 2015 Lobby Report attempts to give readers an opportunity to compare lobbying activity over a four-year period. It is important to note that the convening of the Nebraska’s Unicameral is a biennial event. In other words the 104th Legislature includes a 90 day session in 2013 and a 60 day session in 2014. This report will attempt to look at both the 103rd and 104th Legislatures. Where possible we have included some statistics reported for 2015.

Number of Active Lobbyists

The statistics show an increase in the number of principals hiring professional lobbyist. In fact 527 is a record number for the state of Nebraska. Lobbying activity is largely influenced by the issues under consideration and by the willingness of principals to spend dollars to influence the body.

	2011	2012	2013	2014	2015
Compensated Lobbyists	323	313	321	316	331
Volunteer Lobbyists	60	50	38	39	39
Entities Hiring Lobbyists (Principals)	487	499	506	506	527
Volunteer Organizations	38	33	23	27	30

Days in Session	90	60	90	60	90
-----------------	----	----	----	----	----



Lobbying Expense

There are several observations that may indicate trends in lobbying activity. The total amount spent by principals on lobbying per session continues to hover between \$13 million and \$14 million since 2011. Expenditure records going back to 2000 indicate a dramatic increase in 60 day sessions from \$3,002,853 in 2000 to \$14,070,476 in 2014. The 2014 Principal's Total Expense is the largest amount ever reported for a 60 day session.

The statistics also indicate that Lobbyist Compensation has shown a steady increase accounting for the primary increases in Total Expenditures.

It is important to note that the Unicameral has exempt the reporting of dollars spent by lobbyists on food and beverages. This figure is likely to be extensive and is needed to get an accurate picture of lobbying activity.

	2011	2012	2013	2014
Lobbyist Compensation	\$12,200,404	\$12,082,196	\$12,833,019	\$13,032,999
Lobbyist Reimbursement	\$350,501	\$272,568	\$275,760	\$347,241
Entertainment	\$338,885	\$355,544	\$272,639	\$263,260
Miscellaneous	\$619,995	\$162,806	\$181,998	\$211,499
Office Supplies	\$129,936	\$171,194	\$170,620	\$160,495
Gifts (including event tickets)	\$36,864	\$25,637	\$28,369	\$23,992
Travel	\$142,904	\$52,913	\$44,930	\$19,014
Lodging	\$23,453	\$29,080	\$9,356	\$11,973
Principal's Total Expense	\$13,842,946	\$13,151,942	\$13,816,694	\$14,070,476

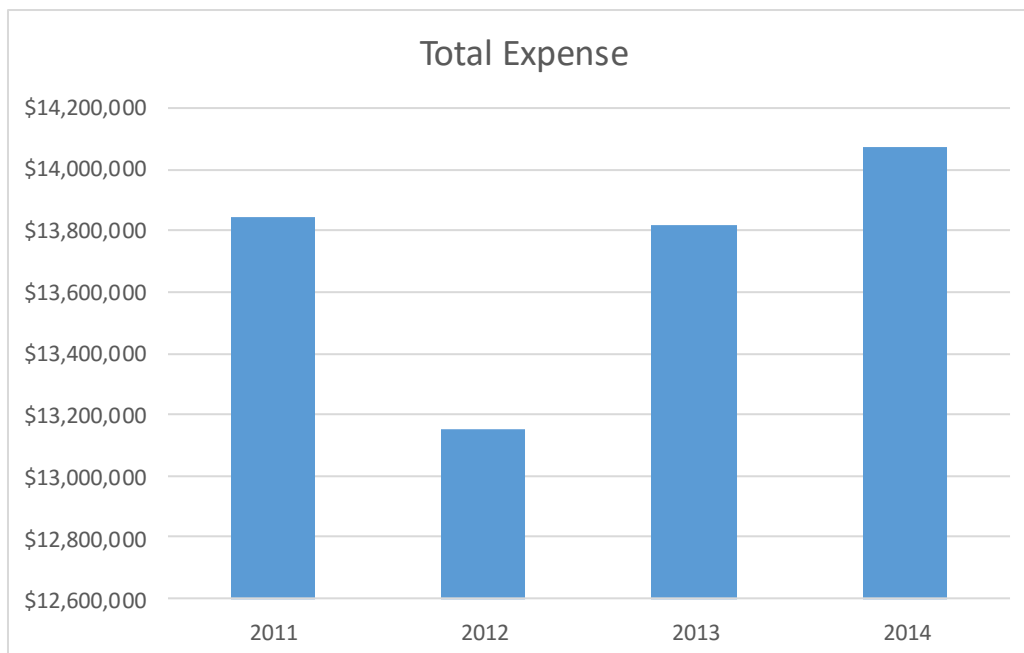
Days in Session

90

60

90

60

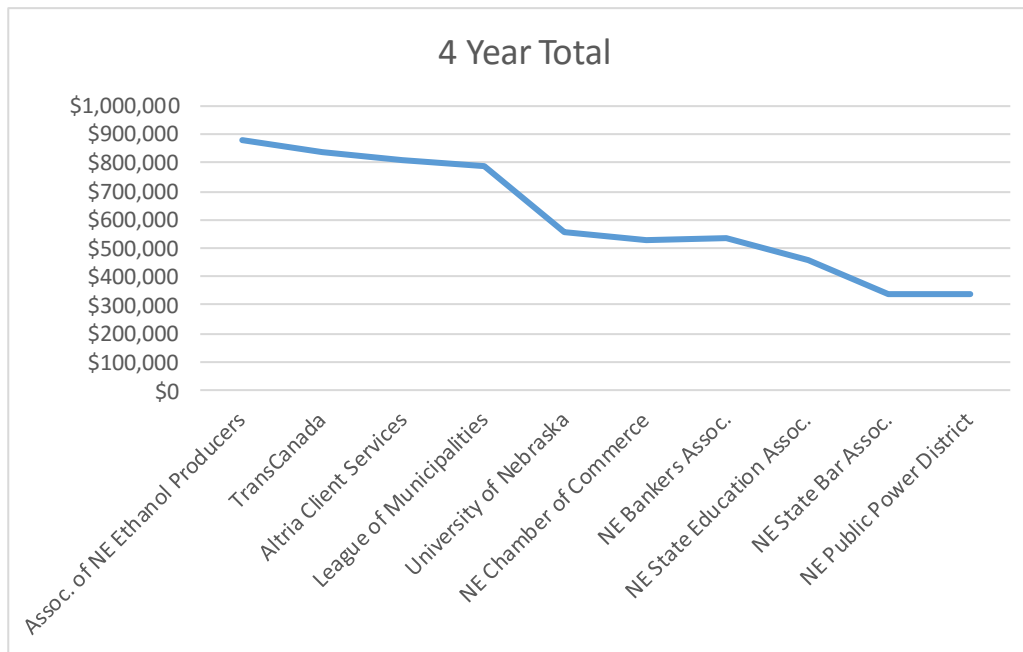


Who Spends the Most on Lobbying?

Of the 506 entities that hire paid lobbyists in 2014, we have identified 10 of the biggest spenders over the last four years. Our Four Year Total indicates that the *Association of Nebraska Ethanol Producers* has replaced TransCanada as the #1 spender.

The University of Nebraska has also shown a steady increase in spending, moving the entity from #6 in 2013 to #5 in 2014. The Universities lobbying expense reflects tax dollars being spent to get more tax dollars.

	2011	2012	2013	2014	4 Year Total
Assoc. of NE Ethanol Producers	\$293,913	\$201,825	\$191,475	\$190,191	\$877,404
TransCanada	\$579,531	\$94,996	\$92,000	\$73,197	\$839,704
Altria Client Services	\$317,807	\$122,158	\$209,655	\$158,402	\$808,022
League of Municipalities	\$204,752	\$211,351	\$193,131	\$179,551	\$788,785
University of Nebraska	\$116,783	\$122,079	\$156,634	\$160,135	\$555,631
NE Chamber of Commerce	\$128,783	\$129,895	\$151,377	\$120,036	\$530,091
NE Bankers Assoc.	\$142,795	\$125,499	\$124,535	\$141,668	\$534,497
NE State Education Assoc.	\$148,601	\$137,761	\$103,050	\$68,645	\$458,057
NE State Bar Assoc.	\$86,021	\$86,202	\$92,388	\$74,841	\$339,452
NE Public Power District	\$89,655	\$83,521	\$86,292	\$78,544	\$338,022



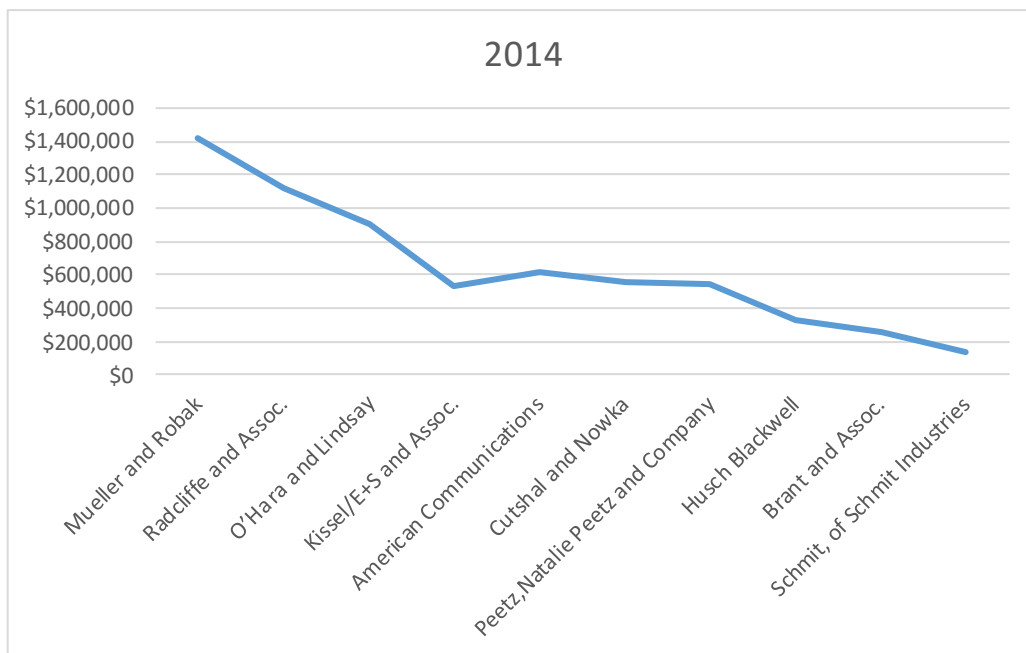
Who Makes the Most?

Most people recognize that the Nebraska Unicameral is terribly under paid. \$12,000 and a limited per diem are not adequate to compensate for the long hours and the heavy responsibility. At the same time it is wrong to assume gift giving and special privileges are an accepted form of compensation. Lobbyists and principals provide these things with the expectation that they will win favor and gain special access.

It is ironic that “we the people” provide so little for our lawmakers while special interests are willing to spend so much. Our 49 senators earn collectively a total of \$588,000 each year while special interest are willing to spend over \$14,000,000 to influence our government. It is also ironic that most senators argue that the lobby has very little influence on their vote while so many powerful entities are sure their investment in lobbying pays off.

Below is our list of the Top 10 lobbying firms based on their reporting of Total Receipts.

	2011	2012	2013	2014	Total
Mueller and Robak	\$1,176,804	\$1,164,855	\$1,273,952	\$1,425,318	\$5,040,927
Radcliffe and Assoc.	\$1,022,067	\$1,062,785	\$1,025,960	\$1,116,530	\$4,227,342
O’Hara and Lindsay	\$886,813	\$857,503	\$873,348	\$909,514	\$3,527,178
Kissel/E+S and Assoc.	\$548,657	\$564,764	\$611,519	\$534,076	\$2,259,016
American Communications	\$517,555	\$528,999	\$592,350	\$618,221	\$2,253,125
Cutshal and Nowka	\$497,362	\$521,862	\$552,308	\$557,101	\$2,128,633
Peetz,Natalie Peetz and Company	\$302,500	\$469,500	\$513,000	\$541,500	\$1,826,500
Husch Blackwell	\$263,819	\$183,682	\$237,552	\$330,102	\$1,015,155
Brant and Assoc.	\$242,299	\$237,982	\$240,743	\$253,992	\$975,016
Schmit, of Schmit Industries	\$289,800	\$201,825	\$191,475	\$139,725	\$822,825



Legislative Impact

It remains difficult to measure the full impact of lobbying money on the Nebraska Unicameral. Lobbyists are restricted to gifts of \$50 per month per senator. Senators must report only gifts valued over \$100. Principals, those special interests that hire lobbyists, only report total expenditures. Since food and beverages are exempt from reporting the picture becomes clouded. Golf outings, luncheons, holiday gifts, birthday gifts, wedding presents, and tickets to events are difficult to track to specific senators.

If we use TransCanada, a foreign company, as an example we know that over a four-year period the company spent \$839,704 on lobbying activity but we cannot track the money to specific events or specific recipients. If TransCanada gave a senator a gift value under \$100, neither TransCanada nor the senator would have to report the value or identify the gift. If TransCanada held an elaborate dinner and invited every senator providing food and beverages amounting to \$200 per senator, the expense might only show up in TransCanada's total miscellaneous figure. The public could not find out if their senator attended or the actual value of the event.

The only lobbying entity that provides greater disclosure is the University of Nebraska. Several years ago the University agreed to disclose their "gifts of admission" so that the public could see who received the highly valued football tickets. It has been reported that the seating of senators is between the 40-yard lines about halfway up the lower section on the west side of the stadium. In 2014 the University placed a value of \$784 on two season tickets. Senators are not required to make the "foundation donation" that general public pays.

It can be argued that who gets free football tickets is a trivial issue but it is the only true measure of how accurately gifts are reported. The \$100 limit requires senators to report season tickets and the University is required to report all tickets to events. Ron Withem, the University's lead lobbyist, has indicated that Club Tickets and Skybox Tickets will no longer be offered to senators on a single game basis.

Senators who buy season tickets with campaign dollars are expected to donate them to charity. The charities, however do not have to be identified.

The charts below are compiled from the University of Nebraska's Principal's Report and the Statement of Financial Interests filed by the senators with the Nebraska Accountability and Disclosure Commission. The chart shows who accepted tickets, the value of the tickets and who actually reported the gift.

*It should be noted that the University does not disclose senators who pay for tickets with campaign dollars or with their own money. Just having access is a perk.

The University also provided 12 senators with UNO Hockey ticket with a total value of \$501 and 11 senators received Spring Game football tickets valued at \$20 each

88 members of the capitol staff also received \$10 gift tickets to the Spring Game.

Senators Who Accepted Free UNL Football Tickets - 2014

	Accepted Two Season Tickets: \$784	Paid for Tickets with Campaign Funds	Accepted Two Club Tickets: \$112
Sen. Coash	Reported		0
Sen. Conrad	Reported		0
Sen. Cook	Not Reported		0
Sen. Crawford	Reported		0
Sen. Davis	Not Reported		0
Sen. Dubas	Reported		0
Sen. Haar	Reported		0
Sen. Howard	Not Reported		0
Sen. Johnson		\$784	0
Sen. Karpisek	Reported		0
Sen. Larson	Reported		0
Sen. Lautenbaugh	Reported		0
Sen. Mello		\$784	0
Sen. Murante	Reported		0
Sen. Scheer		\$784	0

Senators Who Accepted Free UNL Football Tickets - 2013

	Accepted Two Season Tickets: \$896	Paid for Tickets with Campaign Funds	Accepted Two Club Tickets: \$112
Sen. Coash	Reported		
Sen. Conrad	Reported		
Sen. Cook		\$896	
Sen. Crawford	Reported		
Sen. Davis	Not Reported		
Sen. Dubas	Reported		
Sen. Haar	Reported		
Sen. Howard	Not Reported		
Sen. Karpisek	Reported		
Sen. Larson	Reported		
Sen. Lautenbaugh	Not Reported		
Sen. McGill	Reported		
Sen. Mello		\$896	
Sen. Murante	Reported		
Sen. Price	Reported		
Sen. Smith		\$1,270	
Sen. Adams			\$112 Not Reported

Public School Lobbying

Many public entities, already supported by tax dollars, spend tax dollars to lobby for more tax dollars. The most visible examples are the University of Nebraska and Nebraska's public schools. Below are the 18 school districts that have had the revenue to hire their own lobbyists over the last 6 years.

The question remains, is the investment in the best interest of all Nebraska school children? Are these districts sacrificing a teacher to hire a lobbyist? Does the lobbying result in competition for tax dollars leaving the districts without lobbyists with less funding? Are the lobbyists working for the best interest of all Nebraska children or just for the children in the districts that pay them?

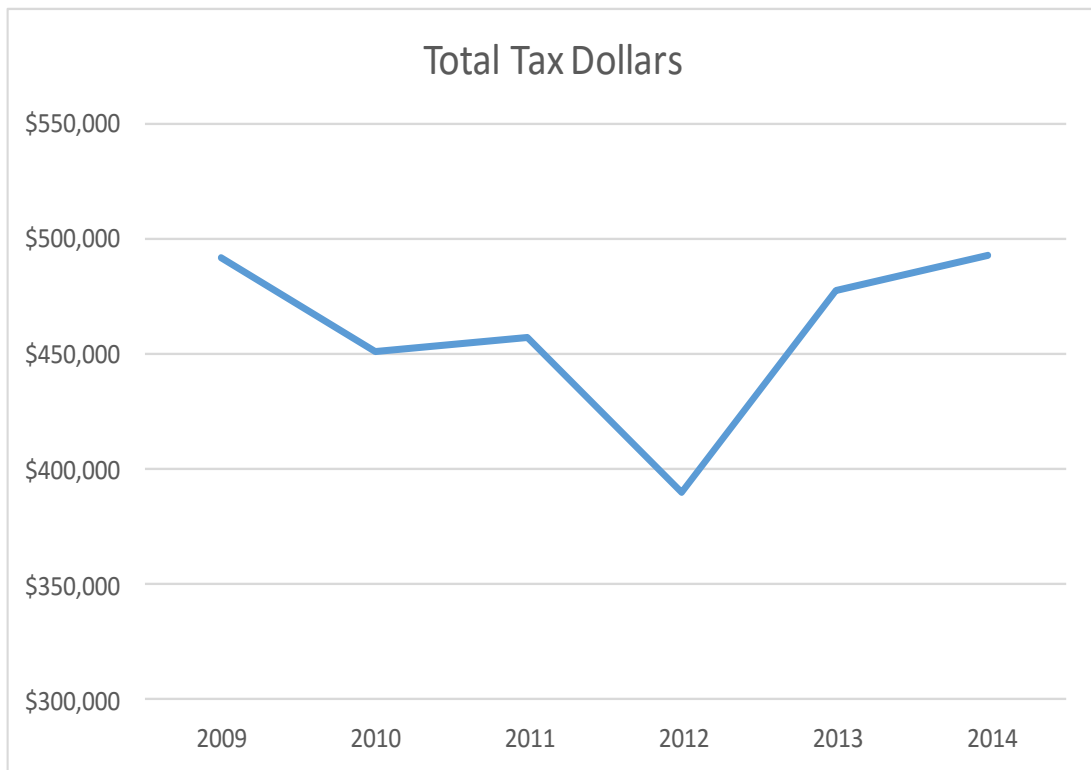
School District	2009	2010	2011	2012	2013	2014
Adams Central	\$6,300.59	\$2,072.73	\$4,267.52	\$2,511.45	\$11,117.87	\$8,070.15
Bellevue	\$75,475.00	\$60,075.00	\$73,800.00	\$60,000.00	\$60,200.00	\$60,200.00
Bennington	\$20,000.00	\$9,000.00	\$20,200.00		\$32,300.00	\$7,700.00
Columbus	\$15,000.00	\$11,250.00	\$11,250.00	\$15,000.00	\$11,250.00	
DC West						\$25,200.00
Elkhorn	\$20,200.00	\$15,200.00	\$20,200.00	\$20,000.00	\$18,950.00	\$25,200.00
Fremont	\$15,395.89	\$14,001.38	\$12,092.29	\$10,558.61	\$20,000.04	\$20,000.04
Grand Island NW	\$6,597.74	\$2,081.42	\$4,268.01	\$2,606.68	\$11,079.02	\$8,070.15
Grand Island	\$21,450.00	\$19,875.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
Lakeview		\$2,245.73	\$4,348.02	\$2,646.08	\$6,080.69	\$8,174.11
Lexington	\$15,200.00	\$15,000.00				
Lincoln	\$95,572.35	\$96,186.71	\$70,447.95	\$54,823.16	\$45,086.06	\$42,706.22
Millard	\$65,420.33	\$65,383.95	\$65,471.95	\$65,396.11	\$66,079.15	\$59,823.93
Omaha	\$62,152.96	\$67,038.31	\$79,161.51	\$68,283.24	\$67,091.05	\$78,886.68
Papillion	\$22,186.40	\$20,983.00	\$12,200.00		\$27,200.00	\$36,200.00
Ralston	\$23,500.00	\$31,020.00	\$27,142.50	\$30,073.32	\$28,416.63	\$32,476.64
Springfield Platteview					\$10,769.25	\$20,100.00
Westside	\$27,708.97	\$19,525.80	\$22,646.36	\$27,704.92	\$31,418.13	\$29,832.96
Totals Tax Dollars	\$492,160.23	\$450,939.03	\$457,496.11	\$389,603.57	\$477,037.89	\$492,640.88

*It should be noted that the University of Nebraska competes with K-12 public schools for state education dollars. Of the \$160,135 lobbying dollars spent by the University in 2014, \$118,069.76 went to compensate its 6 registered lobbyists.

***As reported last year, a number of "lobby-less" school districts have organized to form Schools Taking Action for Nebraska Children's Education (STANCE). The member districts have pledged not to hire professional lobbyists but are requiring their superintendents to take an active role at the capitol. Their goal is to represent the interests of all Nebraska children rather than compete for the special interests of individual districts. STANCE should be credited for a truly noble effort.

School	Lobbyist
Adams Central	Nowka
Bellevue	Radcliffe
Bennington	Plucker
Columbus	Amack
DC West	Bromm
Elkhorn	Nowka
Fremont	Jensen/Rogert
Grand Island NW	Ramaekers
Grand Island	Amack

School	Lobbyist
Lakeview	Nowka
Lexington	Bromm
Lincoln	Radcliffe
Millard	Mueller/Passarelli
Omaha	O'Hara
Papillion	Husch/Blackwell
Ralston	Kissel
Springfield Platteview	Bromm
Westside	Kelly



Campaign Contributions

Although we tend to separate lobbying expenses from campaign contributions, both play a key role in winning access and influence. Union Pacific didn't spend \$100,000 on lobbying in 2011 and 2012, but it spent \$110,400 on campaign contributions over those two years.

Most corporate interests contribute generously to candidates from both parties but tend to favor incumbents. It is a very practical approach. Once a candidate is elected, offers to host fundraisers begin. There is a real value in developing an eight-year relationship with a newly elected senator. Most incumbent senators will accept at least 2/3 of their campaign money through lobbyist and special interests. It is reasonable to think that term limits might reduce the fundraisers during a senator's second term but this is not the case. Many senators use campaign dollars for club memberships, travel expenses, charitable contributions, tickets to fundraising events, office supplies, computers, etc. If senators have other political ambitions or plans to return to the legislature in four years a healthy war chest is desirable and lobbyists are more than willing to help.

As a result of several Supreme Court decisions Nebraska no longer has any limits on campaign spending or campaign contributions. (see Getting Elected in Nebraska on our Common Cause Nebraska webpage) This has created a situation in which the lobby can increase its importance by hosting fundraisers and urging clients to make generous contributions. By acting as a conduit for campaign funds the lobby grows in its ability to gain access and influence.

In-session Fundraisers

Lobbyist sponsored in-session fundraisers tend to be the most efficient approach to fundraising for both lobbyists and senators. The senators are in town, the lobbyists are in the rotunda, and the issues are on the floor. Common Cause estimates that an in-session fundraiser can generate as much as \$7,000 at a closed breakfast one hour before the senators are on the floor. With a \$250 disclosure requirement, most contributions are kept under \$250 which allows the reporting to appear only as cash. Invitations call for a \$100 contribution at the door for all lobbyists and a complimentary pass for all senators. These are closed events. The public and the press are not invited. It is possible for lobbyists to "bundle" checks from other individuals adding to the difficulty of tracing contributions.

29 states prohibit in-session fundraisers. Common Cause Nebraska has helped to draft legislation to prohibit these events but the Government Committee has refused to advance the legislation during four legislative sessions.

In session fundraisers are rarely advertised but some are placed on the Legislative Calendar in the Clerk's Office. Below is a current list of lobbyist scheduled in-session fundraisers through May 12, 2015 as reported on the calendar.

January	February	March
6th - Heath Mello*	12th - Harr	6th - Sue Crawford
22nd - Johnson	26th - John Murante	19th - Cook*
28th - Watermeier		30th - Tommy Garrett
30th - Haar*		

April	May
2nd - Nordquist*	5th - John Murante
9th - Adam Morfeld	
13th - Howard	
30th - Hughes	

Campaign Reporting

Senators report campaign contributions and expenditures over \$250, but senators and other state officials do not have to provide a verifiable yearly bank balance for their campaign accounts. Contributions under \$250 are generally reported as cash creating a serious gap in the reporting requirements. In 2012 Senator Brenda Council was able to gamble away \$64,000 in campaign funds because auditors did not have access to a documented bank balance. In 2006 Senator Ray Mossey resigned after it was discovered that \$7,442.98 was missing from his campaign account. In 1993 Margaret Reynolds, the treasurer of Senator Scott Moore's campaign diverted \$6,680 for her own personal use. Auditors detected none of the felony thefts. Individuals outside the monitoring process reported all three. In 2013, 2014, and 2015 Common Cause helped to write legislation that would require yearly verifiable bank balances to be submitted to the Accountability and Disclosure Commission. Without a verifiable bank balance campaign balances are what ever the candidate chooses to report.

Currently LB166, the bill to require a verifiable bank balance for all campaign accounts sits in the Government Committee without even a vote. The bipartisan Accountability and Disclosure Commission, the Omaha World Herald, the Lincoln Journal Star, the League of Women Voters, and Common Cause Nebraska support the bill. At the public hearing on LB166 there was no opposition. The committee has argued that three felony convictions over 20 years are not enough to warrant reform.

The Revolving Door

There are currently as many as 25 former state elected officials who have walked through the revolving door and are now lobbying for special interests. The National Conference of State Legislatures reports that 33 states have passed "revolving door" prohibitions calling for a one or two year "cooling off periods" before elected officials are able to become paid lobbyists. Common Cause Nebraska has helped to draft similar legislation in four legislative sessions but none of the bills have made it out of committee. A cooling off period allows for issues and committee ties to change. It also provides distance between legislation and any promises of future jobs.

A Common Cause View of Lobbying

Every individual and every organization should be encouraged to make their opinions heard. Professional lobbyists are excellent communicators and providers of information. It is gift giving, entertainment and campaign contributions that create ethical questions and public concern. Common Cause continues to encourage legislation that eliminates the questionable practices and limits the influence of big money.

Jack Gould, Issues Chair, Common Cause Nebraska

* The statistics gathered for this report are compiled from records available to the public at the Nebraska Accountability and Disclosure Commission and the Clerk of the Legislatures Office. Work is underway to provide these records online.