

Transparency and Campaign Spending in Minnesota*

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Executive Summary

- Minnesota is awash in campaign spending –more than \$94 million by mid-October. This includes \$82 million on U.S. House and U.S. Senates and \$12 million on the races for governor, attorney general, and statehouse.
- Campaign spending is acutely strategic: each party directs money where it enjoys the greatest opportunity in the most competitive races. For Republicans, spending has focused on statehouse races (as we saw in our previous report) and on contested U.S. House races that are critical to retaining the Party’s current state and national majorities. By comparison, spending to support DFL candidates has focused on the Governor and U.S. Senate races, along with competitive U.S. House races.

Four of Minnesota’s eight U.S. House races are extremely competitive, and the more than \$30 million in independent expenditures flowing to these races reflects their national importance.

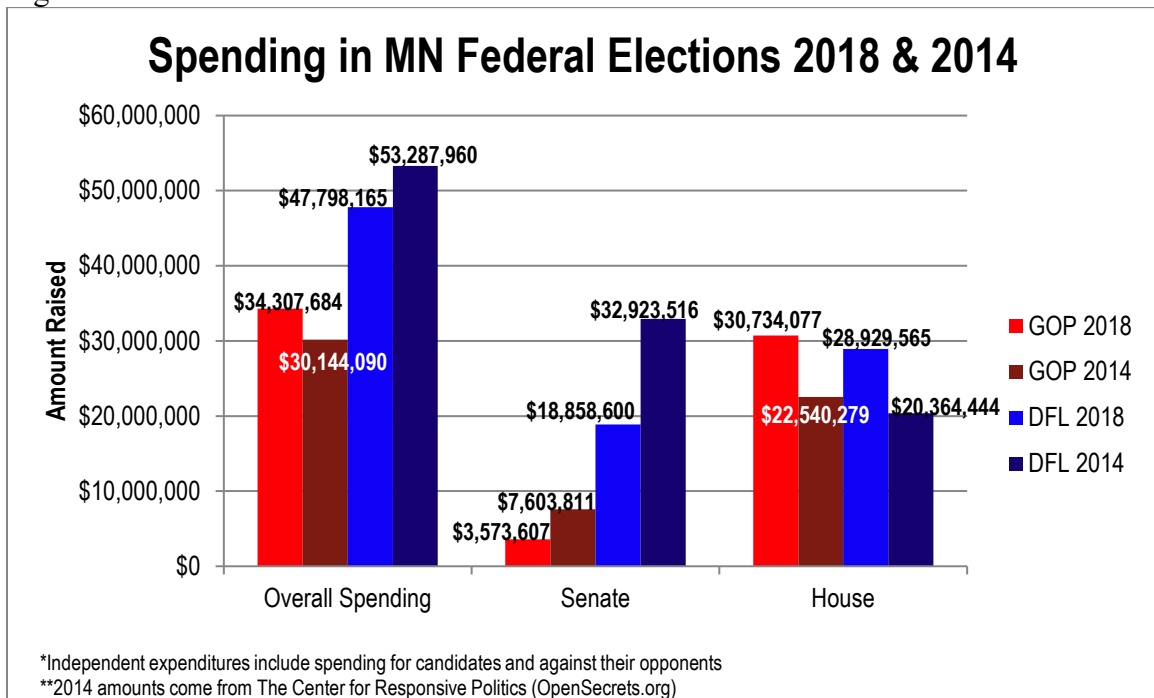
- Most of the independent expenditures are spent by parties and groups opposing candidates to fund negative ads. No wonder Minnesotans complain about the harsh tone of this year’s election.

This report is based on disclosures through at least September 30 to the U.S. Federal Election Commission, supplemented with some data from the Center for Responsive Politics (OpenSecrets.org). More information is provided at the end of this report in the “Data Sources” section.

Minnesota is awash in campaign spending and is on track to surpass 2014 levels. \$82 million has been targeted on 2018 U.S. House and U.S. Senate races so far (see Figure 1). Spending on GOP candidates is a bit over \$34 million and the support for DFL candidates is nearly \$48 million. In terms of overall spending, support for GOP candidates already exceeds spending for all of the 2014 campaign cycle. Spending on DFL U.S. House candidates also exceeds the 2014 total. Although extraordinary \$32 million in spending in support of Senator Al Franken boosted the 2014 levels, the overall spending in 2018 appears to be on track to surpass the overall spending in 2014.

This is on top of the \$12 million spent on the races for governor, attorney general, and statehouse, according to the Minnesota's Campaign Finance Board for the period of January 1, 2017 through September 18, 2018.

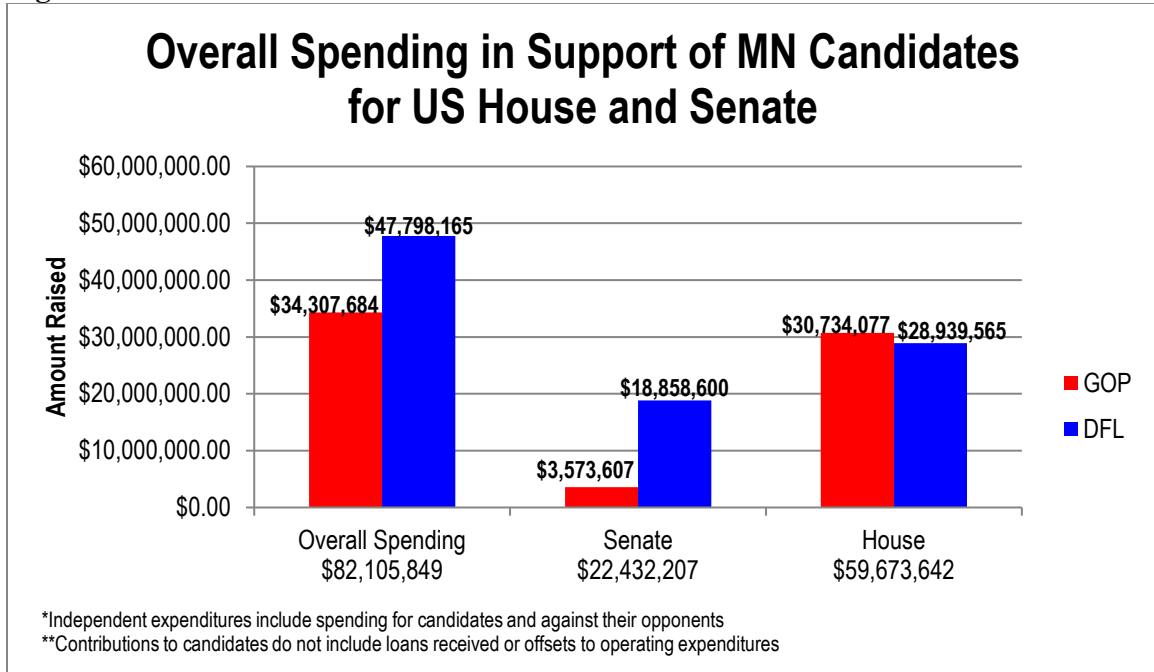
Figure 1



There is a big divide on partisan spending. By a 5 to 1 margin, spending to support DFL candidates for U.S. Senate – Amy Klobuchar and Tina Smith – dwarfs spending to support their Republican opponents – Jim Newberger and Karin Housley, respectively. (See Figure 2.)

By contrast, the parties are closer to parity in U.S. House races, although spending to support Republican candidates in the 8 U.S. House races in Minnesota exceeds spending for DFL candidates by nearly \$1.8 million.

Figure 2

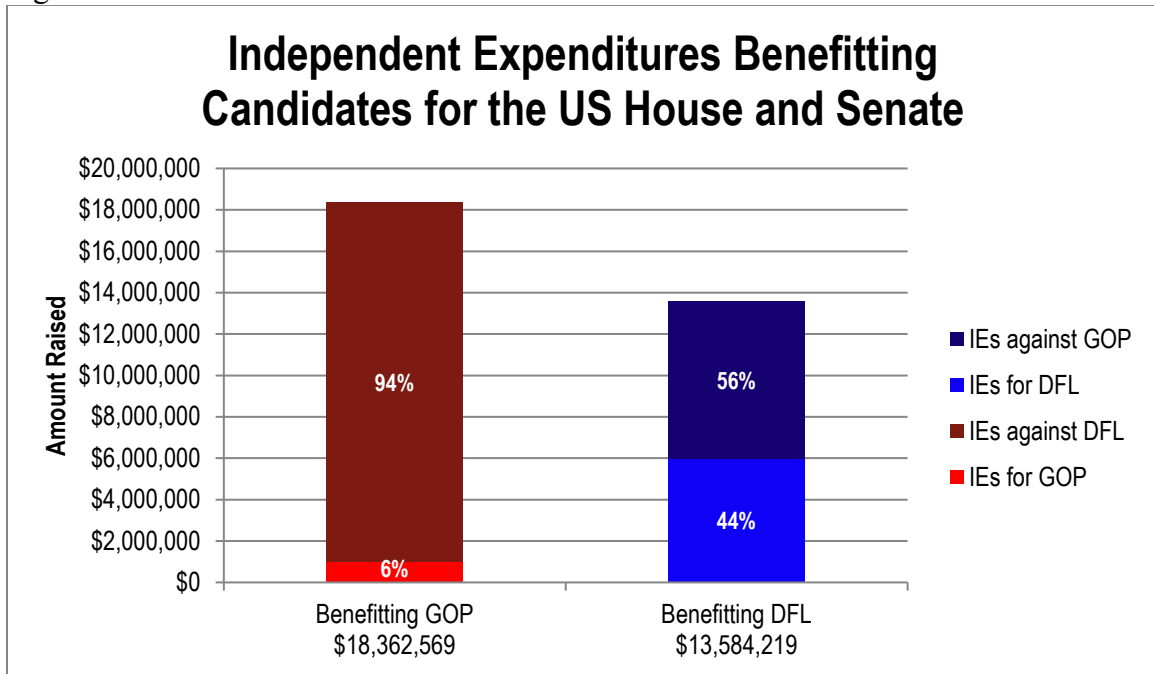


Independent expenditures from corporations, unions, associations and individuals are flooding Minnesota, flowing mainly to U.S. House races and benefiting GOP House candidates in particular.

Most of the independent expenditures are spent on negative advertising.

Democratic U.S. House and U.S. Senate candidates are receiving only about three quarters of the support that Republicans do from independent expenditure groups (Figure 3). Perhaps most significantly, **over \$17 million (94 percent) of the money helping Republicans was spent attacking DFL candidates, while groups helping Democrats spent less than \$8 million attacking Republicans (56 percent).** (Independent expenditures are made by groups and parties to support or oppose a candidate without any coordination with the candidates).

Figure 3.



Both parties are benefiting from independent expenditures made by parties and groups. Table 1 reveals the top sources of independent expenditures on each party’s federal races.

Table 1. Top groups making independent expenditures

GOP	Total Spent
Congressional Leadership Fund	\$7,445,006
NRCC	\$6,564,326
American First Action, INC.	\$3,320,349
US Chamber of Commerce	\$250,000
Defending Main Street SuperPAC Inc.	\$150,000
DFL	
DCCC	\$4,767,435
House Majority PAC	\$1,651,242
Giffords PAC	\$1,353,576
VoteVets	\$989,029
LCV Victory Fund	\$834,140

*Independent expenditures for the GOP include spending for GOP candidates and against DFL candidates and independent expenditures for the DFL include spending for DFL candidates and against GOP candidates

Republican U.S. House candidates receive more support from independent expenditures, and it comprises a larger share of their campaign funding, as seen in Figure 4. By contrast, Figure 5 indicates that DFL U.S. Senate candidates receive far more contributions than their GOP counterparts, and most of the spending on the Senate races comes from individual donors rather than groups.

Figure 4

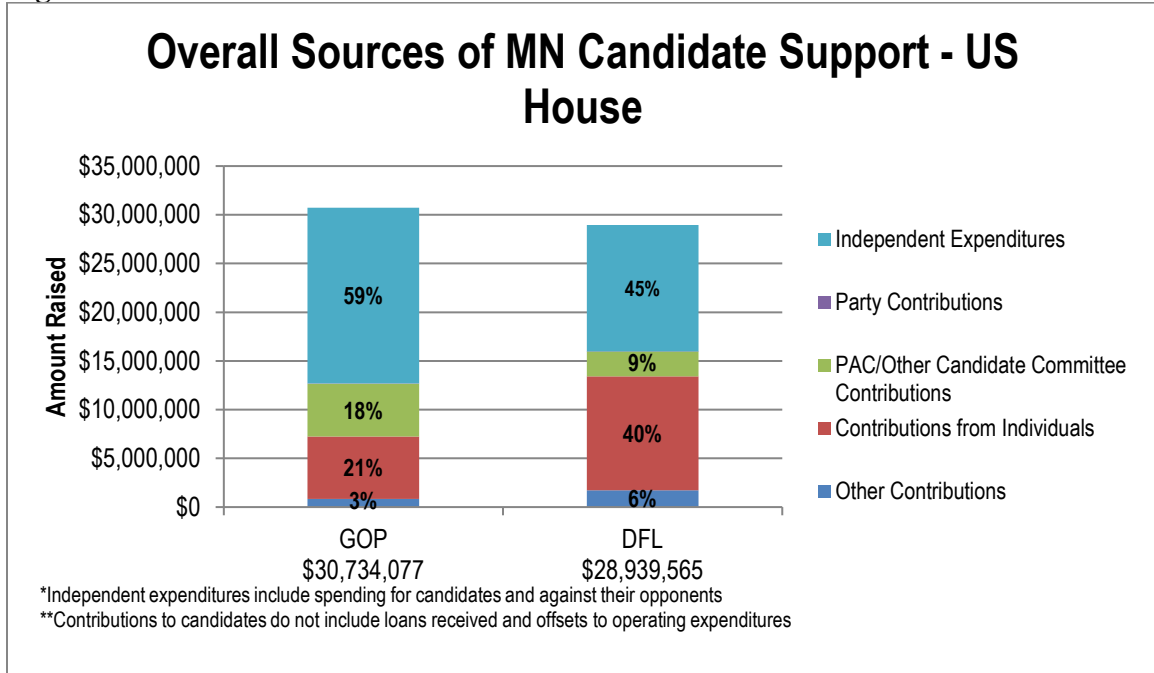
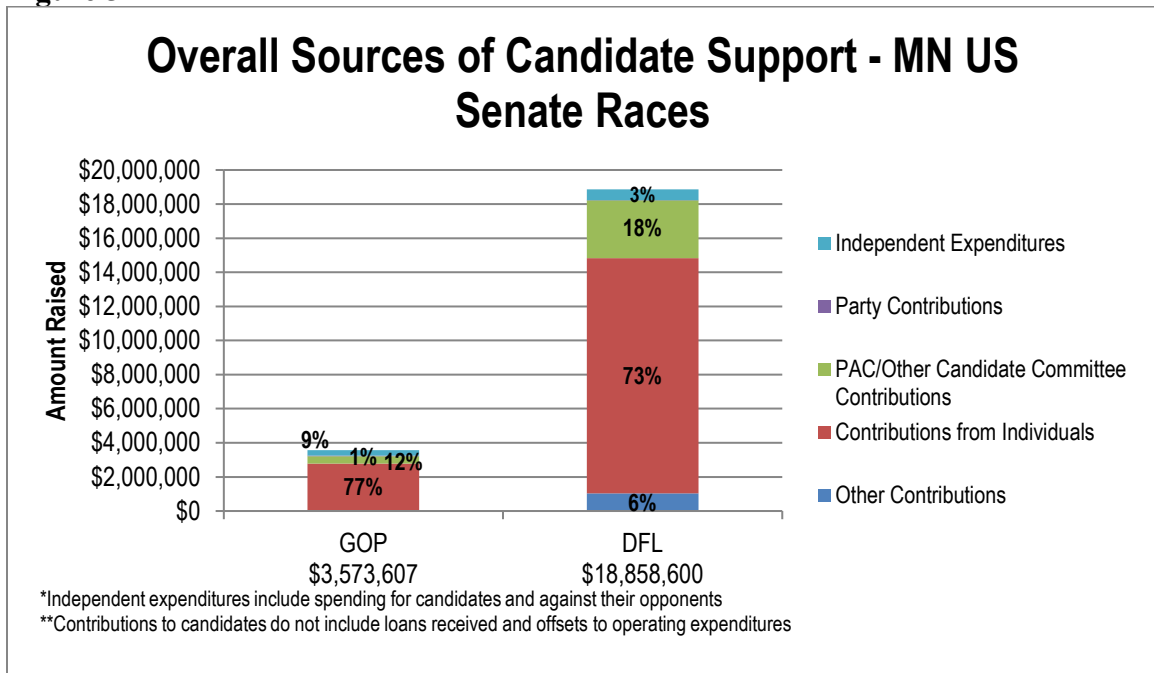


Figure 5



The DFL enjoys a lopsided advantage in both of Minnesota’s U.S. Senate elections, with 7 out of 10 dollars (or more) spent came from contributions from individuals. Figure 6 shows Amy Klobuchar enjoys a greater than a 50-fold advantage over her opponent, with 70% of her funding coming from individual donations and only 1% coming from independent expenditures. Figure 7 shows that nearly 3 times more is being spent on Tina Smith’s U.S. Senate campaign than on Karin Housley’s campaign.

Figure 6

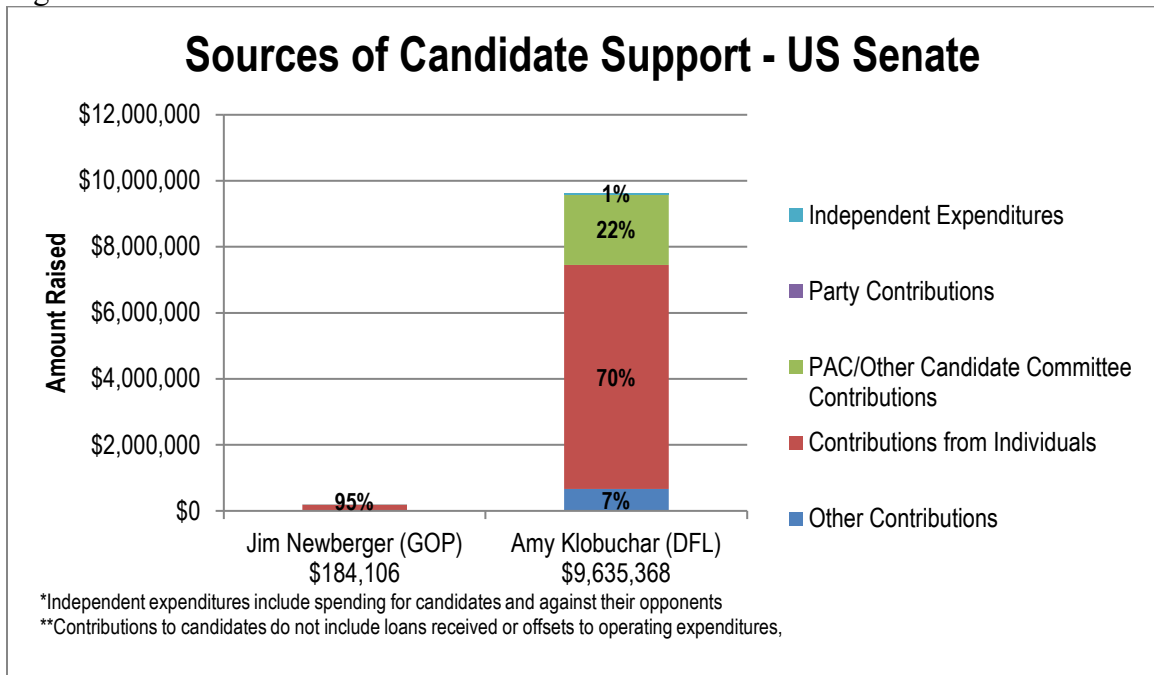
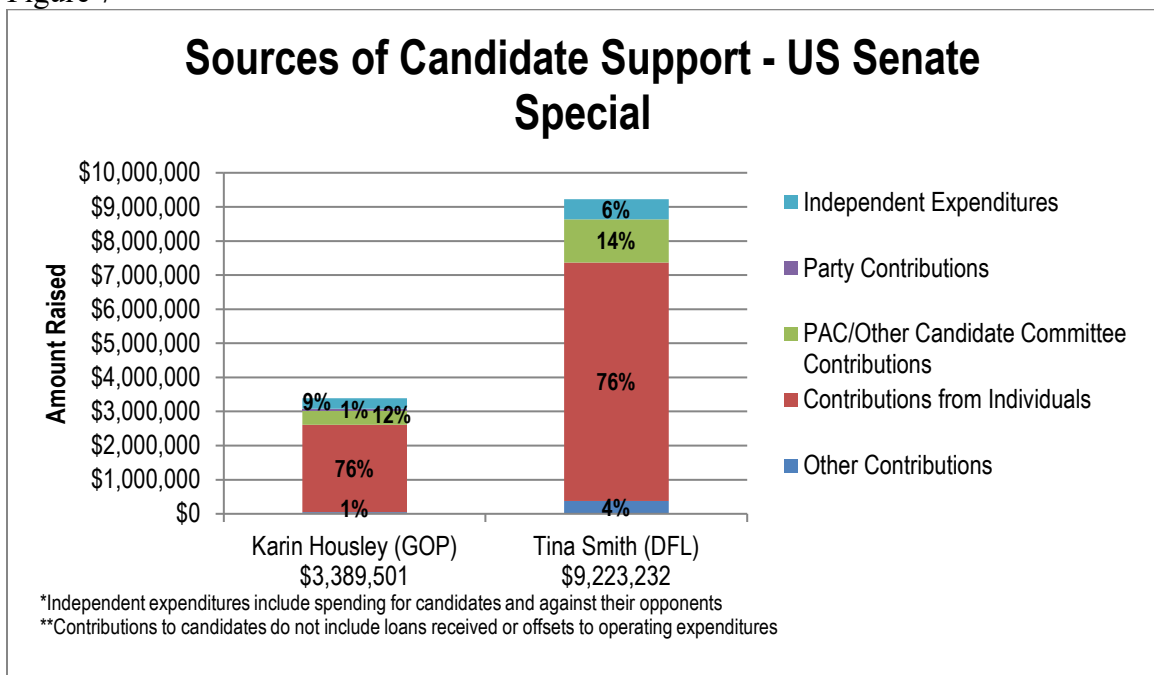


Figure 7



Campaign spending on U.S. House races is strategic. Figures 8 and 9 show that Democratic donors are spending more than their Republican counterparts to retain the 1st Congressional District and flip the vulnerable 2nd Congressional District, with most funding coming from independent expenditure groups.

Figure 8

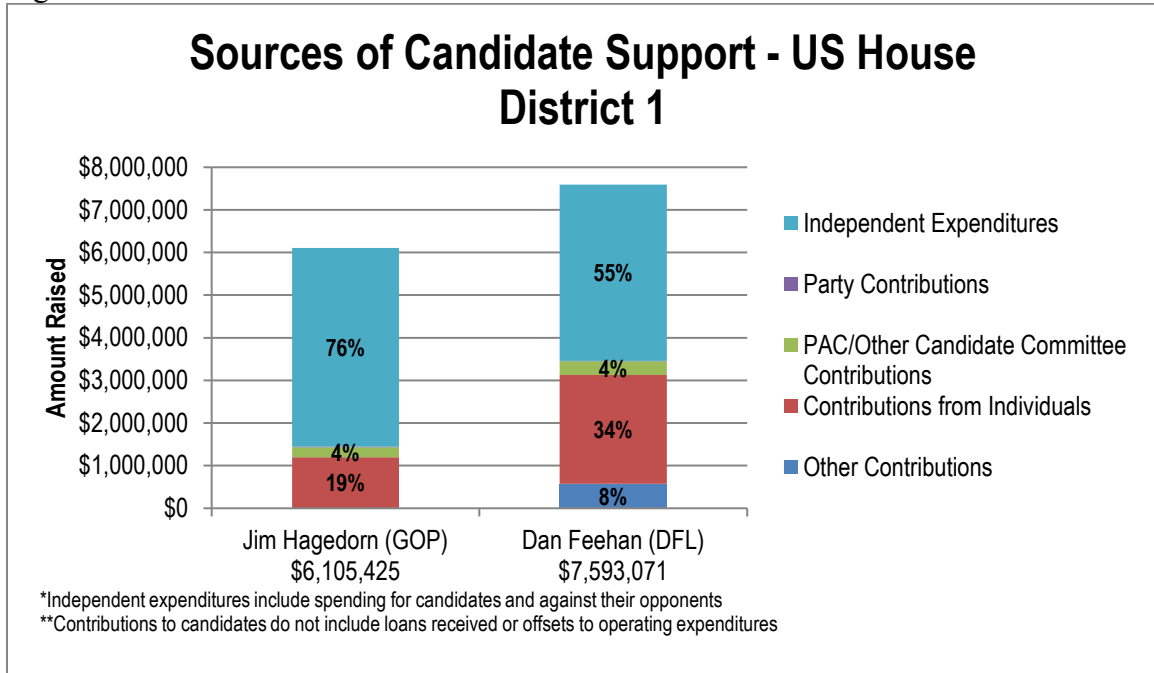


Figure 9

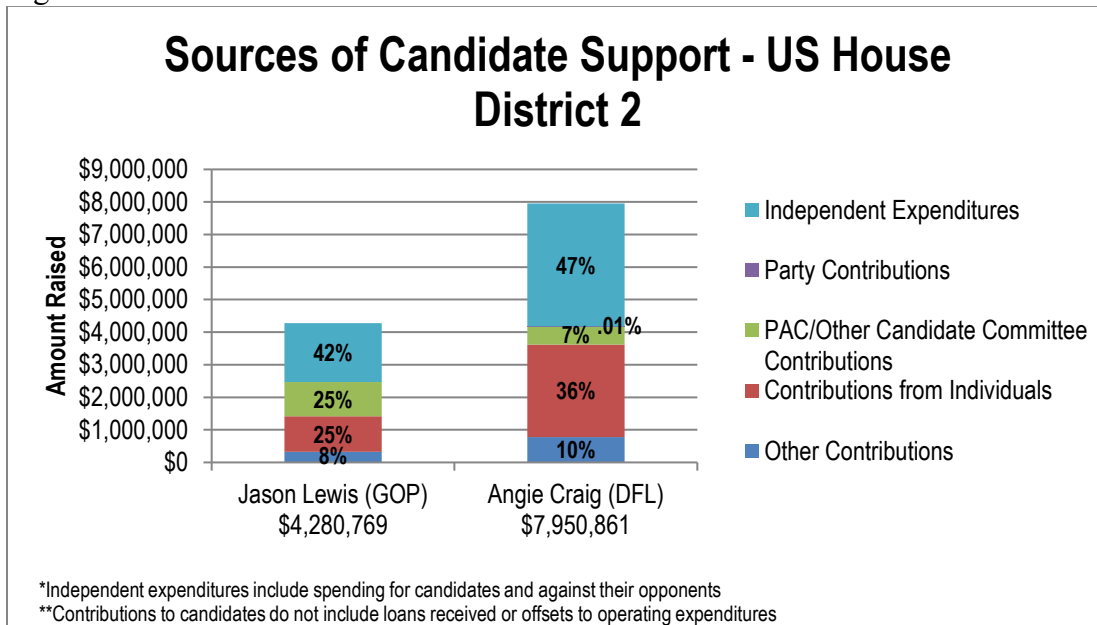


Figure 10 and 11 indicate that Republican donors (especially independent groups) are spending more than Democratic donors are in Minnesota's two other very competitive races, helping incumbent Congressman Eric Paulsen retain the 3rd District and helping Republicans win the open 8th Congressional District, flipping it from Democratic control.

Figure 10

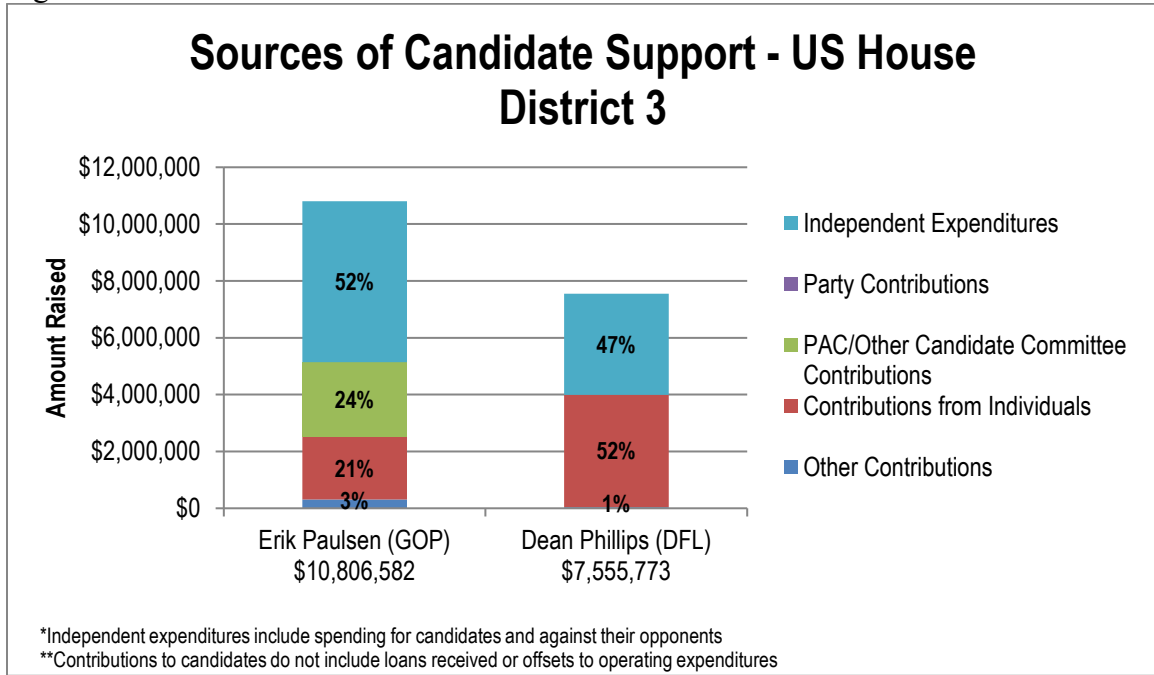
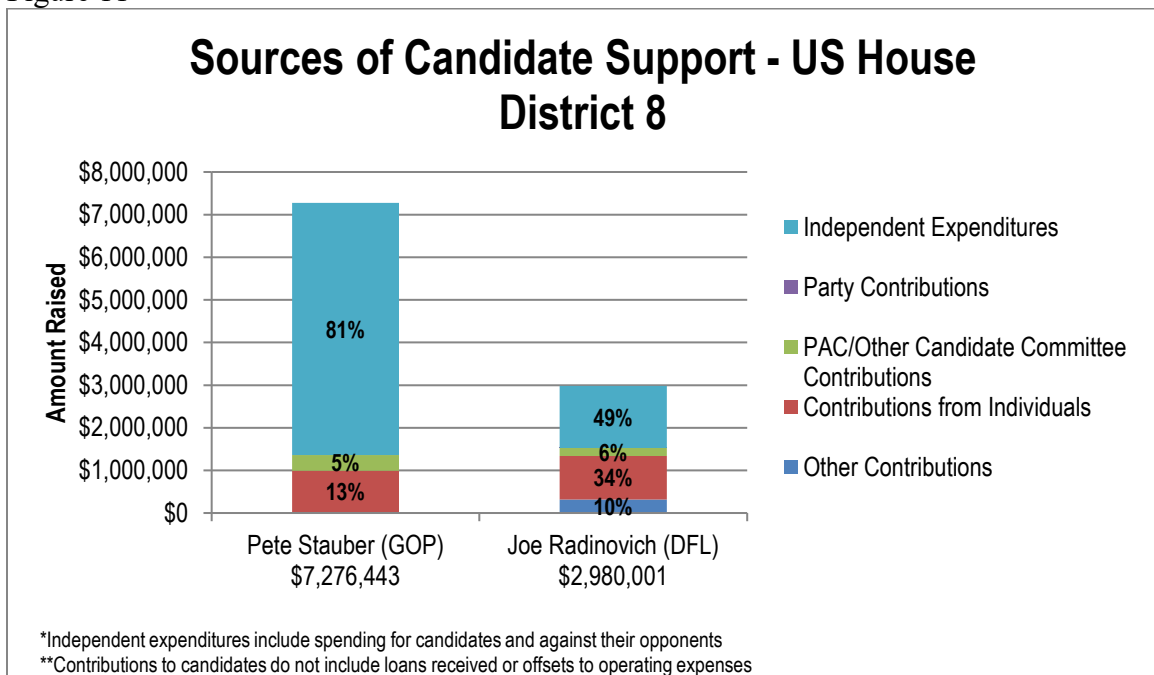


Figure 11



Data Sources

Data on independent expenditures and candidate contributions are from the Federal Election Commission, supplemented with some data from the Center for Responsive Politics (OpenSecrets.org). Independent expenditure data come from 24- and 48-hour reports groups have filed along with quarterly, monthly, and semi-annual reports, independent expenditures through October 21, 2018 are reported. Candidate contribution information has been taken from the summary numbers candidates provided the FEC in October quarterly reports, which cover up to September 30, 2018. Summary report numbers are available sooner than the numbers that have been fully processed and categorized by the FEC and may be higher than what detailed records will show. “Other contributions” include transfers from other authorized committees, contributions candidates make to their own campaigns, and other receipts. “Contributions from individuals” include both itemized (contributions \geq \$200) and unitemized (contributions $<$ \$200). Any refunds campaigns make to individuals, committees, etc. have been taken into account in their respective category.