



Summary of the Meeting With Tim Penny

Civic Caucus, 8301 Creekside Circle #920, Bloomington, MN 55437

Friday, October 21, 2005

Attendance: Verne Johnson, chair; Chuck Clay, Jim Hetland, Clarence Shallbetter, Paul Gilje (by phone), and Tim Penny, guest

A. Introduction and background on Tim Penny -Verne introduced our guest for the day, Tim Penny, senior fellow, Humphrey Institute, former DFL state senator, former DFL congressman, and former Independence Party candidate for Governor.

1. Ran for office early -Penny said he ran for State Senate in 1976, right out of college. He doesn't recommend that to other young people. When he talks to them today, he recommends that they put their roots down before running for office. It broadens their horizons and makes the job a public service, not a career. The DFL Party in Waseca County was moribund when he ran in 1976. Anyone would be sacrificed. He beat the odds and was elected.

Then he ran for Congress in 1982, with the expectation he'd be another in a long line of defeated DFL candidates. But some circumstances helped get him elected, 11 percent unemployment, high interest rates, an exploding Reagan budget deficit, and support from educators and public employees. He said he was in the right place at the right time. He defeated an entrenched Republican incumbent, Tom Hagedorn, a family farmer, who outspent Penny 3-to-1. Hagedorn had real life experience in the district. Penny said that admittedly he was a full-time politician.

B. Four observations on what has changed in the last 25 years -Penny said he would make four observations about how politics has changed and then outline his proposals.

1. Political parties now are coalitions of interest groups -He said his friend Vin Weber wants the parties strengthened. That would be fine if it were 25 years ago, but today the parties are coalitions of interest groups, not broad-based. He would have no problem with parties paying a more central role if they were broad based. He doubts the parties will return to such a role. We need to get people involved, but he doesn't think that involvement will come through the party.

Penny said he was a Democrat and an independent thinker, conservative on finance, and not an extremist on social issues. Today you won't get the nomination unless you are willing to say that you will follow the interest groups' agenda without question.

Thirty years ago in Waseca County about 120 or more people attended the DFL county convention. A couple of years ago only 30-35 people attended. A narrow group of people are defining what the party is. It is true we saw a brief upturn in political party interest a couple of years ago, people who wanted to defeat Bush. But he thinks that is an exception.

2. Dominance of money in the process -Penny met recently with a challenger for a Congressional seat. The candidate is facing a GOP incumbent with \$1 million already in the bank. The more the challenger raises the greater the ability of the incumbent to raise still more.

Jesse Ventura was an exception to the rule. He won in 1998 because all he had to prove was that he wasn't just a dumb wrestler. He didn't need to spend money to get known. He already was known. And he wasn't thought of by the press as being a politician. He got a "free ride" from the press in that regard.

In Congress 97 percent of the incumbents are re-elected. The public is so disengaged that all you see are the campaign ads.

3. Proliferation of special interest groups -There are 4,000 PACs at the national level, but that is a small portion of the total number of interest groups with lobbyists. About 40,000 interest groups are in Washington. Few groups have a broad-based agenda. Common Cause is broad-based. Penny is part of the Concord Coalition that is concerned with budgeting, and budgeting affects all interests.

Penny is writing a book, which he hopes to have published before the 2006 elections, which he is titling "Politictionary", to help the voter understand what is going on. One chapter will be titled something like "The National Abortion Right-to-Life Rifle Gun Control Association." Special interest groups have such an influence now that members of Congress are voting up to 100 percent with the groups that support their party.

To illustrate the impact of groups, Penny contrasted the votes of Minnesota's two Senators, Coleman and Dayton. Coleman's record is 90 to 100 percent consistent with the Chamber of Commerce, about 0 to 10 percent consistent with the AFL-CIO, and about 0-10 percent consistent with the ACLU. Dayton's record almost perfectly mirrors that of Coleman, 0-10 percent consistent with the Chamber, 90-100 percent consistent with the AFL-CIO, and 90-100 percent consistent with the ACLU. Coleman and Dayton are like polar opposites, even though they come from the same state.

The first chapter of Penny's book will concern the importance of voters being informed. Sadly, he said, the parties are counting on voters being ignorant on the issues.

4. Decline of common interest groups -The Citizens League, thankfully, is on the way back, but there was a dry spell that occurred at the same time that special interest groups were growing in importance. Penny sees some hope in the younger generation, particularly on local issues. He sees the younger voters turning to individual candidates, not parties.

5. Problem of gerrymandering?- Asked why gerrymandering isn't in his top four problem areas, Penny said to wait until we hear his four solutions. Gerrymandering isn't as bad in Minnesota as in many other states. The courts have largely handed our redistricting.

Interestingly, both Republicans and Democrats are not excited about changing the way boundaries are established. The minority party wishes it has more seats, but it likes its guaranteed seats rather than putting all seats at risk.

C. Proposals for change -Penny listed his suggestions for improving the system:

1. Total disclosure of campaign money, in real time -His proposal extends beyond direct contributions of individuals. We can't permit money to be hidden behind special interest groups. The source of the money from the interest groups must also be made known.

With today's computers it is possible for the source of the money to be made public concurrent with when it is deposited. Then opponents and investigative reporters can see what is happening immediately.

2. Reverse the order of the primaries and the endorsement convention in Minnesota -Now our endorsements precede the primary election. We need to move to the Iowa pattern, with an early primary, followed by party endorsement. The party conventions can end up ratifying the voters' choices in the primary.

He'd favor a June primary. Then the major candidates will be known early and can campaign right to the general election. Now the candidates in each party square off against each other all summer before the primary election in September.

3. Provide for non-partisan reapportionment -Penny favors a commission of retired judges.

4. Establish a unicameral Legislature -You can't change the two-house system at the federal level, but compelling reasons exist for changing the system at the state level:

a. Promotes accountability -With a two-house system, each can blame the other.

b. Removes the need for conference committees -The conference committees hide accountability and also make it much easier to add extraneous items, such as "pork" to legislation.

c. Enhances understandability of the process to the average voter — The complexity of the bicameral legislature confuses the average voter and increases the power of interest groups and their lobbyists. Early in the session a legislator may try to reassure a voter that a concern is being addressed. But late in the session, when everything is tied up in conference committees, mainly the interest groups and their lobbyists have impact on what is happening. The average voter has no idea how to make an impact at that time.

D. Discussion with Penny -During the discussion session with Penny the following points were made:

1. The problem of negativity -Verne said that our position paper asserts that our democracy is in serious trouble. Penny acknowledged an ebb and flow and that we've had some bad times in the past, too. But he said there is so much negativity today. That's the compelling reason for action. It is the poisonous atmosphere. Campaigning is much more negative today than in the past. A candidate

doesn't have to attack an opponent personally. The special interest groups will take care of that. As a consequence voters are turned off by the entire system. We don't have a way to bring people together, a function that used to be performed by the political parties.

Because of the dominance of money in politics, negative ads are pervasive. With interest groups paying for the negative ads, the average person has no idea of the specific individuals who are providing the contributions for the ads. Because the ads are so pervasive, the average voter is overwhelmed by negativity.

2. Comments on the Gunyou concerns -Verne noted that John Gunyou has wondered whether our draft paints compelling case for grave danger. It doesn't seem to identify the values that are threatened or the motivation for people to care, much less feel an sense of urgency for betterment. Clarence elaborated on the problem by noting that a whole generation of people are turned off and don't want to be part of the system.

Penny agrees that the problems need to be framed so that people see how they are affected personally. He said people want real choices in voting. They don't want incumbent protection. Those need to be the arguments for changing reapportionment, for example. People can learn that competitive districts will produce better elected officials. Penny believes he was a better congressman because he was a Democrat in a mainly GOP area. He had to explain himself to the voters.

3. Possibilities of instant runoff voting (IRV) -Penny likes the concept very much. With IRV, a voter indicates a first and second choice, with the second choice votes coming into play if the top candidate receives less than 50 percent of the vote. Penny said he likes the system because it leaves the voters in charge. Moreover, it requires candidates to appeal to a broader segment of the voting population. Penny himself was third in a three-way race for Governor two years ago. He said that late in the election many voters who had Penny as a first choice went to the other two candidates, leaving him with less apparent strength than he really had. If those voters could have listed him as their first choice and had a second choice, too, then they would have stuck with him for the entire election.

4. Do the budget-related issues create an urgency for change in the structure? -Paul noted that Penny himself is a leader, in the Concord Coalition, and in other contexts, for promoting responsibility in financial issues. Penny was asked whether structural changes might produce better decisions by elected officials on such urgent matters as Social Security, Medicaid, and Medicare.

Penny replied that the problem with Social Security is that it mixes the retirement part, which is an investment for the retiree, with disability and survivors benefits, which should be handled separately, by insurance.

Medicare shouldn't be automatic or all people over 65. You need catastrophic coverage for everyone and also coverage for the poor, but there's no need for everyone who reaches 65 to move off the private insurance they have had.

5. Adding discipline to the Congressional budgeting process -Congress could by law or rule, not by a constitutional amendment, prohibit adding a benefit that isn't covered by a payment mechanism, thereby ending the credit-card mentality that is present now. A "pay-go" law that the nation had from the administration of George Herbert Walker Bush through the Clinton administration provided a cap

on defense and domestic spending and required that the effect of new entitlements or tax cuts be offset by cuts in other spending. That law helped bring the budget into balance. But the in 2001 President George Bush and the Republican Congress chose not to renew the "pay-go" law.

6. Continuation of third parties? -Penny said he has left the Democratic Party and won't be going back. He's in the Independence Party. He'd rather have third parties out there, with instant runoff voting (IRV), than having only a two-party system. With such an approach, more voters will be able to choose candidates they truly support rather than picking the lesser of two evils. A group known as "Fair vote Minnesota" is working for IRV in this state.

7. Allowing only resident voters to contribute to campaigns? -Jim noted that others have suggested to us that contributions be prohibited from sources outside the geographic area where the candidate lives and that only contributions from individuals would be allowed. Penny agrees with that principle but is somewhat concerned about whether it would perpetuate single party dominance in some locations. But he'd expand the basic concept. He would prohibit any national group, including unions, from making contributions. If a national group wants to influence legislation, let the members of the group within a state, as individuals, make the contributions for campaign expenditures in that state, and stand responsible for them.

8. News media not doing its job -The media have fallen into the "noise is news" trap. They get caught up in reporting a protest, regardless of its validity, instead of trying to help people understand what is really going on. The media have standard respondents-such as the chairs of the major parties-to call for commentary. You're not going to get the story that way. You need to call others who can state actually what is happening. He suggested we need a fact check on media coverage, much as the Annenberg School for Communications provides fact check on political ads.

9. Contrasts in special legislative sessions -Penny noted the contrasts between the 1971 and 2005 special sessions in Minnesota. It wasn't necessary to shut down government in 1971, even though the issues then were much bigger. There was a commitment to reach an agreement. He recommended the differences in the two special sessions be brought up when Wendell Anderson meets with the Caucus.

10. Possible other resource persons -Penny believes that his running mate on the Independence ticket two years ago, Martha Robertson Meyer, State Senator Shiela Kiscaden, Judi Dutcher, Steve Schier of Carleton College and Chris Gilbert of Gustavus Adolphus College would provide good insight for the Caucus.

E. Thanks to Penny -Verne thanked Penny for his outstanding work with us this morning.