ADPAC: State PAC Session
WELCOME & INTRODUCTIONS
Speakers

- Dr. Bruce Hutchison, ADPAC Chairman
- Fred Dombo, Nossaman LLP
- Kate Belinski, Nossaman LLP
- Trey Richardson, Sagac Public Affairs
Agenda

12:15  Welcome & Introductions
12:20  Fundraising & the Law
12:35  New Political Reality
12:50  Voter Analysis
1:00   Engaging Stakeholders
1:10   Partnership Program
1:20   The PAC Challenge (Breakout Session)
1:40   Breakout Session Reports
1:55   Closing Remarks
2:00   Adjournment
State Association Support for Federal Candidates

• You **CAN**:  
  – Send Communications to Your State Members Advocating that they VOTE FOR (or Against) a Federal Candidate.  
  – Encourage Members to Make Individual Contributions to the Candidate from Personal Funds.  
  – Make a Direct Contribution to the Candidate from Your FEDERAL PAC.

• You **CAN’T**:  
  – Urge the General Public to Vote for a Federal Candidate.  
  – Encourage or Facilitate Corporate Contributions.  
  – Make a Contribution to the Candidate from your STATE PAC.
Legal Obligations

• State Associations that Fundraise for ADPAC are Required to:
  – Comply With All FEC Solicitation Requirements
  – Forward Contributions to ADPAC On Time (10/30 Rule)
  – Keep Records on Contributors and Provide That Information TO ADPAC for Disclosure Purposes
PAC Fundraising Solicitations

- Dues Statement Solicitations MUST have Proper Federal and State Disclaimers.
- PAC Contribution Amount Must Be Listed Separately.
- Include Notice that Corporate Contributions to ADPAC are Prohibited; May State that Corporate Contributions will be Deposited into Administrative (Soft Dollar) Account Only.
PAC Operations

• Don’t Solicit or Receive Contributions from Anyone Who is Not an ADA Member.
• Hard Dollars and Soft Dollars MUST Be Kept in Separate Accounts & Never Commingled.
• ADPAC Contributions Must Be Transmitted Within 10 Days (Over $50) or 30 Days (Under $50).
• Send Updated Membership Lists to ADPAC on a Regular Basis.
General PAC Solicitation Pointers

• Talk About the Importance, Purpose and Mission of the PAC and Why Political Engagement is Vital to Furthering Interests of Dentistry.

• Discuss Policy Objectives and Goals – What Issues are Impacting Dentistry and What Can Be Done About It?

• Avoid References to Specific Legislative Successes in Connection With the PAC.
Federal/State PAC Best Practices

• Draft Bylaws That Define Scope of PAC.
• Select an Active and Engaged PAC Board.
• Segregate Staff Duties to Avoid Misappropriation of Funds.
• Engage Legal Counsel to Ensure Compliance With State Law.
• Conduct Periodic Legal and Financial Audits.
General Compliance Best Practices

• Ensure That Everyone Who Works With the PAC Knows the Legal Requirements.
  – State Executives and Administrative Personnel
• Seek Legal Counsel For Any Questions.
  – No Question is Too Small or Silly.
  – Nossaman is a Resource Through ADPAC.
• Monitor Activities and Keep Thorough Records.
NEW POLITICAL REALITY
There is nothing permanent except change.

- Heraclitus
Permissible Activities

1 Contributions

“Spending money or resources to help elect and/or defeat candidates for local, state and federal office.”

Politically it means: Direct contributions to a candidate’s campaign for office to assist the candidate in winning an election.

Contribution limits vary by state. Federal limits equal $5,000 from a PAC to a candidate, or $2,700 from an individual to a candidate per election.
Permissible Activities

• Public communication that describes a specific issue but does not expressly advocate the election or defeat of a clearly identified candidate

Politically it means: Communications that describe a specific candidate’s view on an issue and seeks to invoke action.
• May not use “Vote For,” “Defeat” or “Elect.”

Communications using the name and likeness of a candidate may not be distributed within 30 days of a Primary or 60 days of a General Election to maintain issue advocacy status.
Permissible Activities

3 Partisan Communications

“Any communication or activity targeted to the restricted class that expressly advocates the election or defeat of a clearly identified candidate.”

Politically it means: Communications that invoke action by membership.

• **May** use “Vote For,” “Defeat” or “Elect.”

• Grassroots Activities
• Voter Identification
• Voter Registration
• Digital & Print Advertising
• Phone Banks
• Get-Out-The-Vote
Permissible Activities

“Communication which expressly advocates the election or defeat of a clearly identified candidate and which is not made with the cooperation or prior consent of… any candidate, authorized committee or agent…”

Politically it means: Communications that invoke action by voters.

- May use “Vote For”, “Defeat” or “Elect.”

- Grassroots Activities
- Voter Identification
- Voter Registration
- Digital & Print Advertising
- Phone Banks
- Get-Out-The-Vote
Permissible Activities

1. Contributions
2. Issue Advocacy
3. Partisan Communications
4. Independent Expenditures

Election Day
Funding Sources

- **Trade Associations**
  - 501(c)6
  - Non-qualified Funds
  - Unlimited
  - Any Source

- **Social Welfare Organizations**
  - 501(c)4
  - Non-qualified Funds
  - Unlimited
  - Any Source

- **PACs**
  - SSF
  - Qualified Funds
  - Unlimited
  - Members Only

- **Super PACs**
  - Non-connected
  - Qualified Funds
  - Unlimited
  - Any Source
Funding Sources

Trade Associations - 501(c)6

• Contribution Guidelines
  • Program fund of association (i.e. PEF)
  • Unlimited individual, PAC and corporate contributions
  • Limited deductibility for tax purposes

• Expenditure Guidelines
  • No direct candidate or PAC contributions (ex. 29 States)
  • Unlimited issue advocacy, partisan communications and independent expenditures
  • Administrative and other political uses of funds
  • No coordination

• Reporting
  • No disclosure of donors unless raising funds for specific IE projects
Funding Sources

Social Welfare – 501(c)4

“Dark Money”

• Contribution Guidelines
  • Unlimited individual, PAC and corporate contributions
  • Limited deductibility for tax purposes

• Expenditure Guidelines
  • No direct candidate or PAC contributions
  • Unlimited issue advocacy, partisan communications and independent expenditures
  • Administrative and other political uses of funds
  • May not spend more than 40% of money on electioneering activities
  • No coordination

• Reporting
  • No disclosure of donors unless raising funds for specific IE projects
Funding Sources

PACs – SSF

• Contribution Guidelines
  • Limited individual and PAC contributions
  • No deductibility for tax purposes

• Expenditure Guidelines
  • Direct candidate and PAC contributions up to $5,000 per election/year
  • Unlimited issue advocacy, partisan communications and independent expenditures
  • Administrative and other political uses of funds
  • No coordination

• Reporting
  • FEC disclosure of donors
Funding Sources

Super PACs – IE Committees

• Contribution Guidelines
  • Unlimited individual, PAC and corporate contributions
  • No deductibility for tax purposes

• Expenditure Guidelines
  • No direct candidate or PAC contributions
  • May only make independent expenditures
  • Some administrative and other political uses of funds
  • No coordination

• Reporting
  • FEC disclosure of donors
Spending Trends

Spending Trends

[2016] Spending by all candidates, parties, outside groups and individuals may approach $10 billion.
- Bloomberg

IE spending is likely to be $600 million this year from dark money groups alone.
- CRP

Vote totals may rise or fall, but spending on congressional campaigns soars

Votes cast and dollars spent on House and Senate elections

Note: Turnout in House and Senate elections typically is higher in presidential-election years than in mid-term elections. Turnout in Senate elections also is affected by which states (large, small or midsized) are electing senators in any particular year. Turnout in the 2014 Senate races was especially low because it was a mid-term election featuring few large states.
Source: Campaign Finance Institute (expenditures), House Clerk’s office (votes), Pew Research Center analysis
As of January 31, 2016 only $144 million has been given to candidates from PACs, yet $1 billion has already been raised.

- CRP
Spending Trends

Interest Group Spending

As of January 31, 2016, $1 billion has spent by interest groups. $500 million to parties. The balance to candidates.

- CRP

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount</th>
<th>Parties and Candidates</th>
<th>Democrats</th>
<th>Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance/Ins/Real Estate</td>
<td>$316,441,420</td>
<td>$146,691,259</td>
<td>33.40%</td>
<td>66.60%</td>
</tr>
<tr>
<td>Other</td>
<td>$155,617,537</td>
<td>$115,423,081</td>
<td>47.00%</td>
<td>52.80%</td>
</tr>
<tr>
<td>Misc Business</td>
<td>$107,978,007</td>
<td>$76,255,042</td>
<td>37.60%</td>
<td>62.20%</td>
</tr>
<tr>
<td>Ideology/Single-Issue</td>
<td>$69,538,691</td>
<td>$56,495,412</td>
<td>47.90%</td>
<td>52.00%</td>
</tr>
<tr>
<td>Lawyers &amp; Lobbyists</td>
<td>$65,245,208</td>
<td>$59,640,846</td>
<td>61.50%</td>
<td>38.40%</td>
</tr>
<tr>
<td>Health</td>
<td>$61,354,847</td>
<td>$49,387,905</td>
<td>40.90%</td>
<td>59.00%</td>
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<tr>
<td>Comm/Electronics</td>
<td>$58,286,240</td>
<td>$35,451,470</td>
<td>58.70%</td>
<td>41.20%</td>
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<tr>
<td>Energy/Nat Resource</td>
<td>$55,421,580</td>
<td>$31,759,921</td>
<td>16.20%</td>
<td>83.80%</td>
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<tr>
<td>Transportation</td>
<td>$33,129,714</td>
<td>$20,775,102</td>
<td>24.40%</td>
<td>75.50%</td>
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<tr>
<td>Agribusiness</td>
<td>$30,947,719</td>
<td>$21,016,004</td>
<td>24.00%</td>
<td>75.60%</td>
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<tr>
<td>Construction</td>
<td>$29,617,237</td>
<td>$20,136,603</td>
<td>27.30%</td>
<td>72.60%</td>
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<tr>
<td>Labor</td>
<td>$21,805,107</td>
<td>$13,261,002</td>
<td>79.00%</td>
<td>21.00%</td>
</tr>
<tr>
<td>Defense</td>
<td>$10,072,439</td>
<td>$9,923,419</td>
<td>34.30%</td>
<td>65.60%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,015,455,746</strong></td>
<td><strong>$656,217,066</strong></td>
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</table>
Does your organization raise soft dollars for political activities?

29% increase from 2011-2012 election cycle

<table>
<thead>
<tr>
<th></th>
<th>All Assn</th>
<th>Corp</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>57%</td>
<td>7%</td>
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<tr>
<td>No</td>
<td>43%</td>
<td></td>
<td>93%</td>
</tr>
</tbody>
</table>

Does your organization engage in partisan communication activities?

Does your organization engage in independent expenditure activities?

**Source:** 2014 *Trends in Federal Business Political Action Committee*, April 2015, Sagac Public Affairs & GSPM
Does your organization engage in issue advocacy activities?

11% increase from 2011-2012 election cycle

<table>
<thead>
<tr>
<th></th>
<th>All Assn</th>
<th>Corp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>21%</td>
<td>71%</td>
</tr>
<tr>
<td>No</td>
<td>29%</td>
<td>79%</td>
</tr>
</tbody>
</table>

Did your organization contribute to 527s in 2014?

- Yes: 14% (All Assn), 5% (Corp)
- No: 86% (All Assn), 95% (Corp)

2% increase from 2011-2012 election cycle

VOTER ANALYSIS
Voter Analysis

Registered Voters

Voter Analysis

Registration by Age of Voter

Voter Analysis

ENGAGING STAKEHOLDERS
Engaging Stakeholders

Free Riders 65%

Point of Sale 24%

Valuers 7%

Altruists 3%

Elite 1%

Average PAC participation 18%

*Trends in Business Political Action Committees, Sagac Public Affairs and George Washington University, April 2015
Traditionally, the longer one is in an industry, the more likely they are to give. The opposite is occurring among X, Y and millennial generations.
Engaging Stakeholders

Fundraising Lifecycle

- Fundraising has a "complete" life cycle.
  - Education
  - Engagement
  - Solicitation
- Timing varies by plan and association culture.
Engaging Stakeholders

Proven Marketing Strategies that Translate into Results

Discover
Inventory Model
Beliefs
Messages
Issues
Tactics
Value
Finance
Governance
Message
Communicate
Promote
Recognize
Engage
Creative
Graphics
Content
Educate
Involve
Solicit
Measure
Realign

Assess
Research
Plan
Create
Implement
Evaluate
Engaging Stakeholders

Successful PAC campaigns are based on three criteria:

1. Optimal exposure (reach) to the PAC’s message among the audience;

2. Optimal frequency of communications for effectiveness;

3. Continuity of communications that lead the prospects from recall, to understanding, to giving.
Engaging Stakeholders

Threshold of Effectiveness
Effective Exposure
Excessive Exposure
Negative Exposure

Reach

Frequency
Engaging Stakeholders

Average annual PAC growth of 30 – 70 percent for established PACs
Engaging Stakeholders

Solicitations by Colleagues v. Solicitations by Paid Staff

- Face-to-face 90%
  - Phone Calls 50%
  - Letters & Emails 20%

- Face-to-face 40%
  - Phone Calls 20%
  - Letters & Emails 5%
Partnership Program

Goal:
• To enhance state and federal fundraising receipts for ADPAC to more effectively assist in supporting selected state legislative and federal Congressional elections.

Objectives:
• Create a “Superb” fundraising environment
• Grow PAC receipts a minimum of 15%
• Increase donor participation a minimum of 18%
• Increase state funds for selected state candidates
• Increase federal funds for selected congressional candidates
Partnership Program

Tactics:

• Provide on-site training to Partners
• Develop an effective fundraising plan
• Establish performance measurements
• Prepare Creative and Messaging
• Implement the plan
• Evaluate results
Partnership Program

2016 Partners

• **Colorado**
  - Market Research
  - Leadership Training
  - Spring Targeted Solicitation
  - Peer-to-peer Campaign

• **Florida**
  - Market Research
  - Solicitation Postcard Mailing
  - Peer-to-peer Campaign
  - PAC Captain Survey
  - Lapsed Donor Email Campaign
  - Spring Education Campaign
  - Spring Solicitation Campaign

• **Michigan**
  - Spring Global Education
  - Spring Global Solicitation
  - Targeted Fall Communications
  - Fall/Winter Education
  - Annual Dues Renewal Mailing

• **Nevada**
  - Spring Global Education
  - Spring Global Solicitation
  - Targeted Fall Communications
Partnership Program

2016 Partner - FDA

HELPING MEMBERS SUCCEED

The Florida Dental Association Political Action Committee (FDAPC) strives to protect and promote the best interest of members of the dental profession in Florida. The committee is dedicated to delivering balanced and effective advocacy on behalf of the profession.

Three reasons the FDAPC is essential:
1. Health care is one of the most regulated industries by the government.
2. We continuously have to protect our profession from fundamental transformations.
3. It is our duty to define patients and future dentists.

FDAPC allows us to take a stand on these 10 critical issues currently facing our profession:
1. Dental student loan repayment program.
2. Funding for dental schools.
3. Patient-centered medical home.
5. Medicaid expansion.
7. Expanding the mission of dental care.
8. Increasing funding for the National Dental Hygienists Foundation.
9. Increasing access to dental care for patients.
10. Ensuring dental cleanliness.

By joining today, you will make the road to success that much closer.

JOIN THE FDAPC
Get Involved

THE ROAD TO DENTAL SUCCESS

Building a Solid Foundation

For the PACs to be successful, we must come together and:
- Connect to our profession
- Pool our voluntary resources
- Amplify our voices in public policy discussions

By selecting and supporting candidate-friendly candidates to state and federal offices, we can help secure our presence in 2016 and beyond.

JOIN THE FDAPC
Get Involved

Reinforcing Our Values

We select candidates who have:
- Support of local dentists
- Legislative potential
- Accountability to organized dentistry
- Favorable health care philosophy
- Support of other organizations and individuals

JOIN THE FDAPC
Get Involved

THE JOURNEY OF YOUR PAC DOLLARS

Now your giving makes a difference

The Journey of Your PAC Dollar

1. Candidate receives financial assistance
2. Campaign ad appears in targeted markets
3. Dental patient numbers increase
4. Additional tourists visit Florida

HELPFUL TIPS:
- Join the FDAPC today!
- Make a difference in our profession.

FDAPC/ADAPC CONTRIBUTION FORM

Bigger and Better in 2016

In 2015, internal regional office members met to discuss the future of the Florida Dental Association Political Action Committee (FDAPC). As a result of this meeting, the FDAPC has established a goal to include at least 10 more dentists statewide and increase the total number of dentists nationwide.

In order to achieve maximum success this election year, we need YOU to be active, just like you have been in the past. The more people who are involved, the better the outcome will be for our profession.

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FDAPC/ADAPC CONTRIBUTION FORM

Let’s take a road trip...

Florida Dental Association Newsletters - May 2016

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THE PAC CHALLENGE
Best Practices

1. Legal Compliance and Public Disclosure;
2. Effective Governance;
3. Strong Financial Oversight; and
4. Responsible Fundraising.
## Best Practices

Do you meet the challenge?

- Governance
- Strategic Planning
- Transparency
- Fundraising
- Accounting
- Compliance
- Human Resources
- Evaluation

### The PAC Challenge

**Does your political action committee meet the challenge?**

If you answer "No" to more than 9 of the following questions, then chances are that your political action committee is in need of a little attention. If you answer "No" to more than 16, it's extremely likely that you're in need of a major PAC overhaul.

<table>
<thead>
<tr>
<th>Governance</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>1. My PAC Board is regionally and/or demographically diverse</td>
<td></td>
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<tr>
<td>2. I have written roles and responsibilities for PAC Board members</td>
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<thead>
<tr>
<th>Strategic Planning</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>3. I have a written mission statement</td>
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<td>4. I have written strategic goals and/or objectives</td>
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<td>5. I have a written tactical plan for achieving these goals and objectives</td>
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<table>
<thead>
<tr>
<th>Transparency and Corporate Responsibility</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>6. I share information about the PAC’s activities with all eligibles</td>
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<td></td>
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<tr>
<td>7. I distribute an annual PAC report</td>
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<td></td>
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<tr>
<td>8. I have written ethical standards of practice for PAC operations</td>
<td></td>
<td></td>
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<tr>
<td>9. I distribute ethical standards of practice to all eligibles</td>
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<table>
<thead>
<tr>
<th>Fundraising and Marketing</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>10. I recognize contributors through donor clubs</td>
<td></td>
<td></td>
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<tr>
<td>11. I provide recognition pins and/or ribbons to donors</td>
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<td></td>
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<tr>
<td>12. I give donors certificates and awards</td>
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<tr>
<td>13. I send every donor a thank-you letter or card</td>
<td></td>
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<tr>
<td>14. I host dinners and receptions to raise funds for the PAC</td>
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<tr>
<td>15. I use email as a solicitation tool</td>
<td></td>
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<tr>
<td>16. I distribute a newsletter at least quarterly to all eligibles</td>
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<tr>
<td>17. I send eligibles direct mail requesting contributions</td>
<td></td>
<td></td>
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<tr>
<td>18. I have a PAC website</td>
<td></td>
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<tr>
<td>19. I recognize donors in PAC communications and on the website</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. I host group meetings to discuss the PAC’s activities</td>
<td></td>
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<tr>
<td>21. I have a PAC brochure</td>
<td></td>
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<tr>
<td>22. I use peer-to-peer solicitation to raise PAC funds</td>
<td></td>
<td></td>
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<tr>
<td>23. I have a lead development process to identify qualified prospects</td>
<td></td>
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Group Questions

• What are you trying to achieve?

• How do you more effectively compete?

• How can you raise your political visibility and influence?

• How can you maximize your internal visibility among members?

• Do you have internal metrics to measure success?
QUESTIONS?