

Rex Sinquelfield:

Putting a Price on Politics



October 2007

Missouri Citizen Education Fund

St. Louis- 5585 Pershing, Suite 150, St. Louis, Missouri 63112
Mid Missouri- 611 N Garth Ave, Columbia, Missouri 65203
Kansas City- 4526 Paseo Ave, Kansas City, Missouri 64110
Springfield- 1219 E Commercial St, Springfield, Missouri 65803

Purpose of the Report

This report examines the political contributions of millionaire Rex Sinquefield. As of September 30, 2007, Sinquefield has spent nearly \$2 million this year to shape the political landscape in Missouri. Sinquefield has spent \$805,850 for the 2008 election cycle towards candidates and committees in Missouriⁱ. He has contributed \$445,300 to candidates for the 2008 election cycle in Missouriⁱⁱ.

Who is Rex Sinquefield?

Rex Sinquefield is a millionaire resident of St. Louis and a retired investment banker. He is an outspoken supporter of private school vouchers and currently serves as the President of the Board of Directors of the Show-Me Instituteⁱⁱⁱ.

Sinquefield is most closely connected with advocating for private school vouchers. Sinquefield spent \$800,000 in legal fees for a lawsuit about the public school funding formula as a means to oppose any future tax increases^{iv}. He has also been a vocal opponent of the state income and earnings tax in St. Louis and Kansas City. Sinquefield also opposed Proposition B^v, which increased Missouri's minimum wage to \$6.50 an hour. Proposition B was approved by voters in November 2006 with 76% of the vote^{vi}.

What is the Show-Me Institute?

The Show-Me Institute is a conservative free market think tank that is based in St. Louis, Missouri. Their work is "rooted in the American tradition of free markets and individual liberty," and "seeks to move beyond the 20th –century mindset that every problem has a government solution^{vii}."

Individual members of the Board of Directors have also made substantial contributions to Missouri candidates^{viii}. Members of the Board of Directors are also on the boards of other conservative groups like the Cato Institute and National Right to Work Legal Defense Foundation^{ix}. Despite their financial support, they have been unsuccessful in their attempts to pass private school voucher legislation.

Who is Rex Supporting? (FIGURE 1)

All Children Matter

All Children Matter is an organization that advocates for private school vouchers. Based in Virginia, ACM PACS, as of 2007, exist in ten states, including Missouri. The former treasurer of ACM's Missouri PAC, Ed Martin, is currently Governor Blunt's Chief of Staff.

ⁱ Missouri Ethics Commission – <http://www.mec.mo.gov/>

ⁱⁱ Missouri Ethics Commission – <http://www.mec.mo.gov/>

ⁱⁱⁱ Show Me Institute – "Board of Directors" - http://showmeinstitute.org/scholar/board_of_directors.asp

^{iv} "Taxpayers Pay the Tab in School-Funding Suit," *St. Louis Post-Dispatch*, October 10, 2007

^v "Banker Backing Beliefs," *Columbia Daily Tribune*, April 16, 2007

^{vi} Missouri Secretary of State - <http://www.sos.mo.gov/elections/>

^{vii} Show Me Institute – "About Us" – <http://showmeinstitute.org/about/>

^{viii} "Pouring in More Money: Pro-Voucher Contributors Increase their Efforts" – Missouri Citizen Education Fund - <http://www.missouriprovote.org/MCEF.asp>

^{ix} Show Me Institute – "Board of Directors" – http://showmeinstitute.org/scholar/board_of_directors.asp

All Children Matter spent more than \$385,339.77 in the 2004 election cycle. In 2006, All Children Matter spent \$310,414.91 on Missouri State legislative races. The overwhelming majority of the ACM Missouri PAC came from out-of-state donors. Less than 33% of ACM's funding was raised from Missouri donors, 95% of that (\$100,000) came from **one donor**: Rex Sinquefield^x. In addition to past support, he recently contributed another \$100,000 to All Children Matter.

Candidates

So far in 2007, Sinquefield has contributed \$345,850 directly to various candidates running for Missouri office^{xi}. Governor Matt Blunt, LuAnn Ridgeway, Jason Crowell, Talibdin El-Amin, Rodney Hubbard, Rod Jetton and Jonas Hughes all received contributions of at least \$20,000.00. Sinquefield also contributed \$110,000 to the Missouri House Republican Campaign Committee^{xii}, whose purpose is to help elect Republicans to the State House.

Rex Sinquefield was able to give an unlimited amount of money to candidates because the campaign contribution limits were removed effective January 1, 2007. On July 19, 2007, the Missouri Supreme Court decided that the elimination of the campaign contribution caps in HB1900 was unconstitutional. Therefore, the contributions limits are back in effect. The maximum contributions are \$1,275 for statewide offices, \$650 for Senate candidates and \$325 for House candidates^{xiii}.

Rex Sinquefield filed a legal argument with the Supreme Court urging them to rule to allow candidates to keep all over the limit contributions. "Sinquefield contended that refunds would be unfair to donors who sought to give hefty early support to favored candidates^{xiv}."

Political Action Committees (PACs)

Rex Sinquefield created 100 new political action committees (PACs). The Missouri Ethics Commission has yet to act upon whether candidates will have to return contributions over the original limits. The formation of these PACs allows him to legally contribute 100 times the legal limit to the candidates of his choice. Some of these PACs include^{xv}:

- Your School Your Choice (YSYC)
- Parents for Public Schools (PPS)
- Missourians Needing Educational Alternatives (MNEA)
- Merit Pay for Missouri Teachers (MPMT)
- Missourians Supporting Teaching Excellence (MSTE)
- Missourians for Tax Reform (MTR)
- Missourians for Economic Growth (MEG)
- My Job My Wage (MJMW).

^x Missouri Ethics Commission – <http://www.mec.mo.gov/>

^{xi} Missouri Ethics Commission – <http://www.mec.mo.gov/>

^{xii} Missouri Ethics Commission – <http://www.mec.mo.gov/>

^{xiii} Missouri Supreme Court – <http://www.courts.mo.gov/>

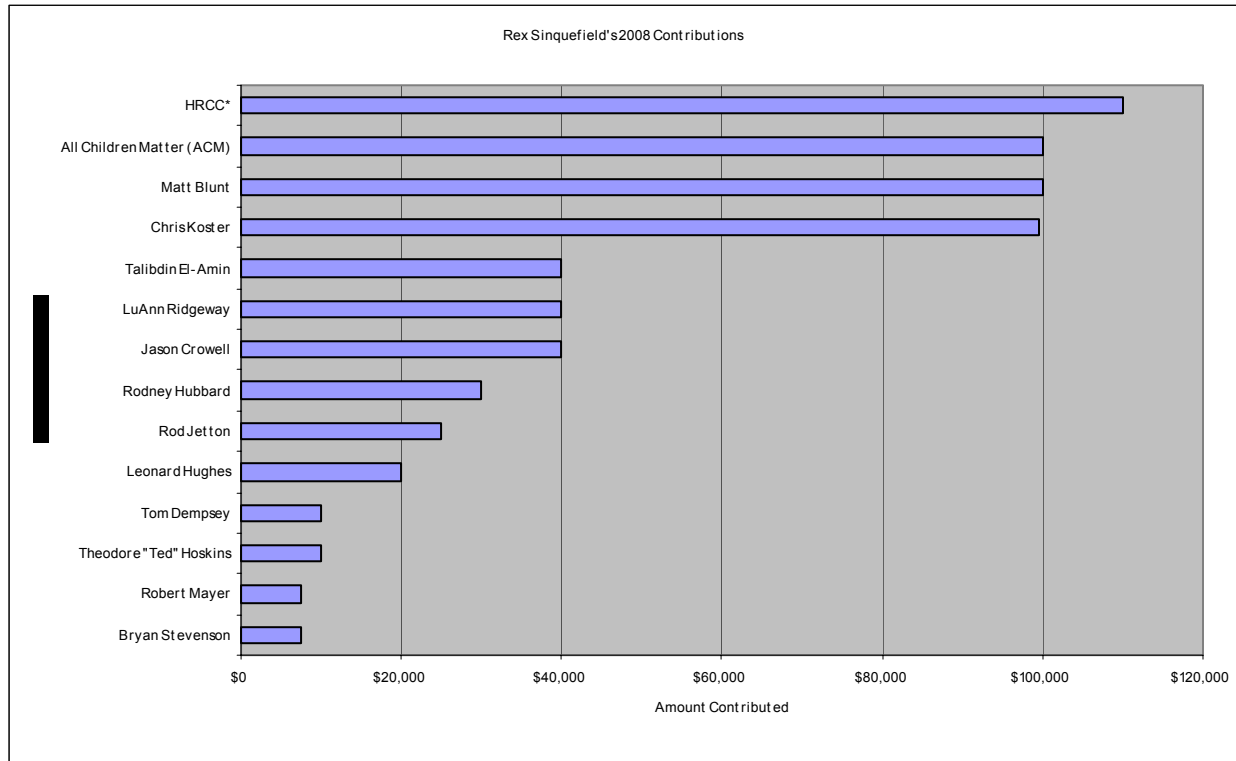
^{xiv} "Court begins deliberations on refund issue," St. Louis Post-Dispatch, August 4, 2007.

^{xv} Missouri Ethics Commission – <http://www.mec.mo.gov/>

Sinquefield acknowledges that he is attempting to skirt Missouri's campaign contribution limits by setting up 100 political action committees so each can donate the maximum to any favored candidate^{xvi}. Sinquefield contributed \$2,500 to each PAC (\$250,000 total).

These PACS have given money to only one candidate as of September 30, 2007. 78 of the PACs gave the maximum \$1,275.00 to Chris Koster's campaign for Attorney General (\$99,450.00)^{xvii}. Sinquefield's contribution accounts for nearly 10% of Koster's total financial support.

FIGURE 1



*House Republican Campaign Committee

Money Better Spent

Research supports that smaller class sizes, quality teachers, early childhood education and a nutritious diet promote learning and success in the classroom^{xviii}. The \$805,850 spent by Rex Sinquefield could have:

- Covered the cost for **325,255 free lunches** at \$2.47 per free lunch^{xix}
- Covered the cost of **24 beginning teachers** in the St. Louis Public School System at \$33,412 each on average^{xx}
- Covered the cost of **103 students** in the public school system at \$7,858 each for one year^{xxi}

^{xvi} "Democrats in vicious battle for Attorney General," *St. Louis Post-Dispatch*, October 18, 2007

^{xvii} Missouri Ethics Commission – <http://www.mec.mo.gov/>

^{xviii} National Education Association – <http://www.nea.org/>

^{xix} USDA Food and Nutrition Services – <http://www.fns.usda.gov/>

^{xx} St. Louis Public Schools – <http://www.slps.org/humanresources/teacher.htm>

- Covered the cost of **114 children** participating in Head Start at \$7,061 per year^{xxii}

Conclusion

This report examines the political contributions of Rex Sinquefield and is a guide for Missourians who care about public education. Sinquefield has already spent \$805,850 in the 2008 election cycle with a little over a year until the November 2008 elections.

All of the information in this report is publicly available, but complex to assemble. This report is necessary because the public has a right to understand the financial dynamics of Missouri candidates and private school voucher supporter Rex Sinquefield.

^{xxi} School Data Direct – <http://www.schoolmatters.com>

^{xxii} National Head Start Association – <http://www.nhsa.org/>

Addendum to report- 5/29/08

Since the release of this report, several changes have been made to the cumulative contribution amounts from Rex Sinquefield. The Supreme Court ordered that any direct contributions exceeding \$1,275 for statewide, \$650 for Senate and \$325 for House races made during the time when contribution limits were suspended must be refunded. Of the candidates mentioned in this report, seven have refunded the money back to Sinquefield. However, Sinquefield has given even more money to the candidates through his newly created 100 PACs. In an attempt to avoid refunding the money back to Sinquefield, candidates could pass the money onto other pro-voucher candidates and organizations, making it difficult to track.

Candidate or Organization	Direct Contributions	Amount Refunded	PAC Contributions	Total
HRCC	\$110,000	\$0	\$0	\$110,000
All Children Matter	\$100,000	\$0	\$0	\$100,000
Matt Blunt	\$100,000	\$0	\$124,950	\$224,950
Chris Koster	\$0	\$0	\$99,450	\$99,450
Talibdin El-Amin	\$40,000	\$0	\$0	\$40,000
LuAnn Ridgeway	\$40,000	\$39,350	\$39,350	\$40,000
Jason Crowell	\$40,000	\$39,350	\$38,375	\$39,025
Rodney Hubbard	\$30,000	\$30,000	\$38,025	\$38,025
Rod Jetton	\$25,000	\$23,725	\$24,225	\$25,500
Leonard Hughes	\$20,000	\$0	\$0	\$20,000
Tom Dempsey	\$10,000	\$0	\$16,425	\$26,425
Ted Hoskins	\$10,000	\$9,675	\$19,825	\$20,150
Rob Mayer	\$7,500	\$6,850	\$12,825	\$13,475
Bryan Stevenson	\$7,500	\$7,175	\$7,175	\$7,500