

INSIDE MICHIGAN POLITICS

Inside: **Top 20 Individual Lobbyists/Top 20 Lobbying Groups**
Top 10 Multi-Client Lobbyists & Firms
Top 10 Single Interest Lobbyists & Organizations
Top 7 Women Lobbyists
He Said It

Jan. 17, 2011

Vol. XIII, No. 6

HOISINGTON IS TOP LOBBYIST; MUCHMORE HARRINGTON SMALLEY IS #1 FIRM

During the past quarter-century, there has been an explosion in Lansing — the number of lobbyists and the clients who hire them to protect or advance various interests at the state capital has metastasized.

With so many to choose from, who are the 'best' — or 'most effective' — individual Lansing lobbyists? Which lobbying firms are tops? Are the most reputable pretty much the same now as they were, say, five years ago, or back in 1987?

The answer is a little bit "Yes" but mostly "No." Some top performers have shown remarkable durability, but the Era of Term Limits and the natural human aging process have wrought wholesale turnover in recent years. More and more the oldtimers are heard to mutter: "It's a young man's game" — or a young woman's.

Furthermore, the very structure of the lobbying corps has transformed into a colossus of so-called 'multi-client' firms that represent scores (or hundreds) of different interests, as opposed to the small, 'single-interest' groups who dominated the Lansing scene before 1970. Indeed, many 'single-interest' trade associations, professions, or occupations have felt compelled to hire a multi-client firm in addition to their own association lobbyist. Increasingly, interest groups feel they need a public relations firm as well.

The answer to the question "Who's #1?" is **Tom Hoisington** of Public Affairs Associates (PAA). He's considered the "most effective" individual lobbyist, while a firm that didn't even exist 25 years ago — Muchmore Harrington Smalley & Associates (MHSA) — now ranks as the #1 lobbyist organization.

Those are the conclusions of a comprehensive survey of Lansing lobbying conducted by **Inside Michigan Politics**, which found that both Hoisington and MHSA have managed to outshine a plethora of powerful multi-client firms and their lobbyists, some of them older and bigger.

IMP launched the study — only the sixth conducted of capital opinion leaders over the past 23 years — to determine who are deemed the 'most effective' and 'least effective' individual lobbyists and lobbyist organizations going into 2011. Response to the survey, conducted last summer, was even heavier than in **IMP's** previous polls in 1987, '93, '95, 2000, and 2005. Here are a few key findings:

- Hoisington, 56, joined one of the two oldest "big" multi-client firms — Public Affairs Associates — three decades ago after working for a couple of Democratic

state legislators and serving three terms as an Ingham Co. commissioner. PAA was founded in 1971 by the bipartisan team of **Francis J. "Jerry" Coomes**, a top aide to former Lt. Gov. **Phil Hart** and later executive director of the Michigan Catholic Conference, and **Emil Lockwood** (R-St. Louis), a former state Senate majority leader. Hoisington has ranked near the top of 'best' lobbyists in all the most recent **IMP** surveys, i.e., he was 3rd five years ago; 2nd in both 1995 and 2000; 5th in 1993; and 18th way back in 1987 at the age of 33.

- The champ back in 2000 and 2005, **Dennis Cawthorne** of the firm he founded, Kelley Cawthorne, has scaled back his activity and has dropped out of the Top 20 altogether. The champion in the 1995 survey, **Joe Garcia** of Karoub Associates, was the only lobbyist until now to finish in the Top 10 in each of **IMP's** first five surveys — but he didn't finish in the Top 20 this time. **Dennis Muchmore**, who won the poll in both 1987 and 1993 and finished third in 1997 and 2000, left the firm he created (MHSA) early in this decade, later became executive director of the Michigan United Conservation Clubs, and has now been tapped by new Gov. **Rick Snyder** for one of the biggest jobs in Lansing — chief of staff for state government's CEO.

- The Michigan Chamber of Commerce, which had finished first three straight times (1997, 2000, 2005) in the rankings of the 'most effective' lobbying organization, fell to fourth in this year's survey but still rates as the #1 "single-interest" lobbying group. The Chamber's influence weakened slightly as the current decade wore on with a Democratic governor and a Democratic majority in the state House of Representatives. Plus, other pro-business groups like Business Leaders of Michigan and the Detroit Regional Chamber of Commerce flexed their muscles and moved up in the standings. The state Chamber also didn't help itself with a series of political blunders in the 'endorsement game' for governor and several legislative offices.

- About a third of the lobbying organizations that finished near the top in **IMP's** first five surveys beginning in 1987 are still leaders today. It hasn't been quite that good for individual lobbyists. For example, only three of the Top 20 individual lobbyists in the 1987 survey finished in the Top 20 this year. Fewer than half of the Top 20 from 1993 and '95 are still rated among the 20 'most effective' in the current poll. True, some old hands like Cawthorne and Garcia have scaled back their activities or, in the case of ex-House Speaker **Bobby Crim** (D-Davison)

and former Senate Majority Leader **Bob VanderLaan** (R-Kentwood), disappeared completely. However, that doesn't account for those who plummeted from their lofty perches because they **1)** Folded their solo practice and joined a larger firm; **2)** Busted up a partnership and launched a new venture; or **3)** Found themselves struggling in an increasingly hostile (to them) political environment.

● One of the casualties of the conservative Republican ascendancy in state government over the last two decades (even allowing for the past four years) has been organized labor. In 1993, the Michigan Education Association and the AFL-CIO ranked fourth and eighth, respectively, among the 'most effective' lobbying organizations. The AFL-CIO plunged out of the Top 20 in the 1995 poll and has never resurfaced. The MEA managed to finish in 9th place in 2000 and 10th five years ago, but didn't come close to making the Top 20 this time. Similarly, individual labor-oriented lobbyists haven't fared well in the surveys since the early 1990s; none qualified for the Top 20 this year.

● Education lobbyists have seen their prominence decline since the passage of Proposal A in 1994. K-12 school finance is no longer the overwhelming issue that it was two decades ago, even with the rolling budget crises of the past several years. As a result, no "lobbyist agent" for schools — whether administrators, school board members, or teachers — appears in the pantheon of lobbyists chosen as the Best & Brightest among their profession. Of course, many education interests are also represented by multi-client lobbying firms that are among the capital city's most powerful.

● In fact, so dominant and ubiquitous have multi-client lobbyists become that only four lobbyists representing just a single range of interests — such as auto dealers or insurers or CPAs or municipalities — even cracked the Top 20 among 'most effective' individual lobbyists. By contrast, if a poll had attempted to determine the 'most effective' lobbyists back in the 1960s, virtually all of the winners would have been single-interest agents, i.e. trade association execs as well as mouthpieces for Big 3 automakers, labor unions, and professional and occupational guilds.

Individuals asked to participate in this year's survey consisted of **IMP** subscribers, all Michigan legislators, selected Democratic and Republican legislative staff, non-partisan legislative central staff members, selected staff in the administration of Gov. **Jennifer Granholm**, members of the capitol corps of news media, and lobbyists and lobbying organizations themselves.

To help categorize the responses, each sub group in the study was mailed or hand-delivered a survey late last spring and summer and guaranteed anonymity. Respondents were assured confidentiality, so there was no way for **IMP** to trace individual responses. Completed ballots were tabulated by an independent research contractor, which ensured reliability of the study by eliminating any duplication or tampering.

The study found that lobbying in Lansing may no longer be dominated by what used to be called the "Big Three" multi-client firms (Karoub, PAA, and GCSI) only because a "Big Four" now holds sway. Founded in 1987

by Muchmore, a former state Chamber and ex-GCSI lobbyist, MHSa has clearly caught up with the original trio. Meanwhile, a number of what used to be small multi-client firms — Michigan Legislative Consultants or Kelley Cawthorne, for example — have swollen in size to the point where collectively they rival the original *troika* in total number of clients.

Proof of this is that MHSa is now rated the #1 firm after finishing runnerup in 2005, 4th in 2000, 5th in 1995, and 6th in 1993. The firm placed a record five of its principals in the Top 20 — not only senior partners **Jon Smalley** and **Patrick Harrington** but also **Sandi Lewis**, **Bret Marr**, and **Adrian Cazal**.

A close second is Hoisington's Public Affairs Associates, which finished first in 2005, second in 2000 and 1995, first in 1993, and 4th in the very first survey, in 1987. PAA is the only multi-client firm to be ranked in the top five lobbying organizations in all six **IMP** surveys.

A close third is Governmental Consultant Services, Inc. (GCSI), founded back in 1983 by Crim and VanderLaan. GCSI once again placed two of its principals in the Top 10 — **Steve Young** (2nd) and **Nell Kuhnmuensch** (4th). In fact, Kuhnmuensch roughly matched her showings in the last four surveys as Lansing's overall top female lobbyist, this time scoring her second-highest finish. Her power ratings in this and the 2005 survey are the strongest ever attained by a woman agent in any of the six polls.

The top-rated firm in the last **IMP** survey — Kelley Cawthorne — dropped back a little this past year, but still finished a strong fifth, just behind the state Chamber. Another strong performer, Karoub Associates, plunged to 9th place after being rated 6th in 2005, 5th in 2000, 3rd in 1997, 5th in 1993, and 1st in 1987.

Nearly half of those responding to this year's poll claim daily contact on a professional basis with a lobbyist or lobbying organization, and some two-thirds have contact at least once a week. Likewise, more than half of the survey's respondents have been employed by or dealt with state government for more than 10 years, and roughly 80% a minimum of three years.

At last count, there were some 1,401 "lobbyist agents," either firms or individual lobbyists, registered with the Michigan Secretary of State as required by law. That number includes people like Hoisington and Young as well as their parent organizations. Who pays them? What the SoS calls "lobbyists," of which there are a record 1,383 —some 150 more than there were just five years ago. That number embraces various different trade associations; professional societies; occupational groups; governmental agencies; health care providers; insurers; law firms; labor unions; businesses; and corporations.

The **IMP** "power rating" for lobbyists and organizations was developed from a combination of three factors. These factors were combined in a formula which resulted in a numerical rating reflecting perceived effectiveness of both individuals and organizations. The three factors are as follows:

1) Being a "Player." Lobbyists and organizations were each given one point for each percentage point of surveys on which they were mentioned, both as 'most effective' and 'least effective.' For example, if a lobbyist was

mentioned as a 'most effective' performer by 15% of the respondents and 'least effective' by 3% of those responding, s/he received a total of 18 points. This gives a good idea of whom the active players are, and gives the lobbyist or organization credit for being an active "player," for good or ill.

2) Plus/Minus Differential. Each lobbyist organization mentioned on a ballot received equal credit or penalty points for being mentioned by a respondent, whether s/he was a legislator, legislative agent, or executive staff, member of the media, or by another lobbyist or lobbying organization. Being mentioned as 'least effective' on a survey resulted in the loss of one point; being named as 'most effective' gained the lobbyist mentioned a point. For example, if a lobbyist got 18 mentions as 'least effective,' those 18 negative mentions would be subtracted from, say, a total number of 31 'most effective' mentions by other respondents. The net of 13 would be the lobbyist's 'plus/minus differential.'

3) Combined Net Effectiveness. Finally, the lobbyist's "base player" score was added to his or her "plus/minus differential" to determine the "Net Effectiveness" or "Power Rating." This method of determining a score takes into account not only who accumulates the highest net "plus/minus differential" but the total number of mentions of any kind. Thus the "power rating" recognizes lobbyists as "players" — lobbyists are given credit for being factors, pro or con, in the shaping of legislation, as opposed to being faceless ciphers whose input is non-existent or unnoticed or so inconsequential that they aren't apt to elicit negative comments from their competitors. Here are the final overall numbers:

Individual Lobbyists: The Top 20

Rank	Name	Organization	Power Rating
1	Tom Hoisington	Public Affairs Associates	96
2	Steve Young	Governmental Consultant Services, Inc.	87
3	Bret Marr	Muchmore Harrington Smalley	81
4	Nell Kuhnmuench	GCSI	79
5	Jon Smalley	MHSA	75
6	Adrian Casal	MHSA	71
7	Mike Hawks	GCSI	70
8	Sandi Lewis	MHSA	69
9	Pat Harrington	MHSA	66
10	Melissa Yutzey	Kelley Cawthorne	63
11	David Ladd	Kelley Cawthorne	62
12	Bill Wortz	PAA	59
13	Kurt Berryman	Auto Dealers of Mich.	57
	Bill Kandler	Cusmano Kandler Reed	57
15	Jeff McAlvey	McAlvey, Merchant & Associates	54
16	Rob Elhenicky	Kelley Cawthorne	53
17	Tim Ward	Michigan Legislative Consultants	52
18	Samantha Harkins	Michigan Municipal League	51
19	Mark Cook	Blue Cross/Blue Shield-MI	50
20	Kevin McKinney	McKinney & Associates	48
	John Lindley	Michigan Assn of CPAs	48

Lobbying Organizations: The Top 20

Rank	Organization	Power Rating
1	Muchmore Harrington Smalley (MHSA)	145
2	Public Affairs Associates (PAA)	139
3	Governmental Consultant Services, Inc. (GCSI)	135
4	Michigan Chamber of Commerce	122
5	Kelley Cawthorne	118
6	Michigan Legislative Consultants	106
7	Detroit Regional Chamber of Commerce	101
8	AT & T	99
9	Michigan Beer & Wine Wholesalers	97
10	Business Leaders of Michigan	96
11	Michigan Assn for Justice*	94
12	Insurance Institute of Mich.	91
13	Kindsvatter & Associates	87
14	Auto Dealers of Michigan	83
15	Blue Cross/Blue Shield of Michigan	82
16	Michigan Licensed Beverage Assn	79
17	Michigan State Medical Society	73
18	Michigan Realtors Assn	71
19	Right to Life of Michigan	68
20	Michigan Assn of Counties	65

* Formerly Michigan Trial Lawyers Assn

Individual Multi-Client Lobbyists: The Top 10

Rank	Name	Organization	Power Rating
1	Tom Hoisington	Public Affairs Associates	96
2	Steve Young	Governmental Consultant Services, Inc.	87
3	Bret Marr	Muchmore Harrington Smalley	81
4	Nell Kuhnmuench	GCSI	79
5	Jon Smalley	MHSA	75
6	Adrian Casal	MHSA	71
7	Mike Hawks	GCSI	70
8	Sandi Lewis	MHSA	69
9	Pat Harrington	MHSA	66
10	Melissa Yutzey	Kelley Cawthorne	63

Individual Single-Interest Lobbyists: The Top 10

Rank	Name	Organization	Power Rating
1	Kurt Berryman	Auto Dealers of Michigan	57
2	Samantha Harkins	Michigan Municipal League	51
3	Mark Cook	Blue Cross/Blue Shield-MI	50
4	John Lindley	Michigan Assn of CPAs	48
5	Pete Kuhnmuench	Insurance Institute of Michigan	43
6	Sarah Hubbard*	Detroit Regional Chamber of Commerce	41

7	David Palsrok	Small Business Assn of Mich.	40
8	Doug Roberts, Jr.*	Michigan Chamber of Commerce	39
9	Polly Reber	Mich. Distributors & Vendors Assn	38
10	Kathy Wilbur	Central Michigan University	36

* Since the **IMP** survey was conducted, Hubbard has started a new gig: she's founded *Acuitas LLC*, a government relations and business development firm; Roberts has joined Consumer Energy's government affairs team

Multi-Client Lobbying Firms: The Top 10

Rank	Organization	Power Rating
1	Muchmore Harrington Smalley & Associates	145
2	Public Affairs Associates	139
3	Governmental Consultant Services, Inc. (GCSI)	135
4	Michigan Chamber of Commerce	122
5	Kelley Cawthorne	118
6	Michigan Legislative Consultants	106
7	Kindsvatter & Associates	64
8	McAlvey, Merchant & Associates	63
9	Karoub Associates	61
10	McKinney & Associates	58

Single-Interest Lobbying Organizations: The Top 10

Rank	Organization	Power Rating
1	Michigan Chamber of Commerce	122
2	Detroit Regional Chamber of Commerce	101
3	AT & T	99
4	Michigan Beer & Wine Wholesalers	97
5	Business Leaders of Michigan	96
6	Michigan Assn of Justice*	94
7	Insurance Institute of Michigan	91
8	Auto Dealers of Michigan	83
9	Blue Cross/Blue Shield of Michigan	82
10	Michigan Licensed Beverage Assn	79

* Formerly Michigan Trial Lawyers Association

Women Lobbyists: The Top 7

Rank	Name	Organization	Power Rating
1	Nell Kuhnmuensch	Governmental Consultant Services, Inc.	79
2	Sandi Lewis	Muchmore Harrington Smalley	69
3	Melissa Yutzey	Kelley Cawthorne	63
4	Samantha Harkins	Michigan Municipal League	51
5	Becky Bechler	Public Affairs Associates	46
6	Polly Reber	Mich. Distributors & Vendors Assn	38
7	Kathy Wilbur	Central Michigan University	36

Future Issues — More on Lobbyist Survey!

- 1) Breakdown of responses to political ethics questions
- 2) Lobbyists with the most positive/most negative ratings
- 3) Respondents' comments on individual lobbyists and lobbying organizations
- 4) Background information on top players and their firms

The only other known attempts to gauge the effectiveness of Michigan lobbyists other than the **IMP** surveys have been three polls conducted in 2005, 2007, and 2009 by the Lansing-based EPIC/MRA polling firm, commissioned by the *Michigan Information & Research Service (MIRS)* newsletter.

EPIC/MRA's most recent sample (in 2009) included all *MIRS* subscribers, all lawmakers, lobbyists, department heads, and other political observers. The firm eschewed anything like a "power rating," thereby depending heavily on name ID.

The results of the 2009 *MIRS* survey showed that the two top performers in the quest for the title "best lobbyist" were GCSI's Young and Kuhnmuensch. Their employer, GCSI, ran away with the title of "most effective" lobbying firm, as it had in the two previous polls.

Close behind Young and Kuhnmuensch on the "Best Individual Lobbyist" list were PAA's Hoisington; MHSA's Harrington; GCSI's Hawks; and MHSA's Marr.

Trailing GCSI as the "Most Effective Lobbying Organization" were MHSA and PAA.

Of course, for every "great" lobbyist, there are some that are, well, not so great. **IMP**'s surveys have always produced a list of "Least Effective" lobbyists as well — and that makes the hypersensitive, super-protective-of-its-own capital lobbying corps squirm.

In fact, the 'Empire,' aka "corps" has tried to strike back. In an effort to burnish their profession's sometimes problematic image and reputation, Lansing lobbyists tried during 2005-06 to become pro-active, helping to bank-roll a slick new quarterly magazine, *Michigan Lobbyist*, whose main purpose in its brief, two-year life seemed to be to present lobbyists' work in its most favorable light.

Needless to say, you didn't find the results of either the **IMP** or *MIRS* surveys in its pages.

There's a happy ending, however — *Michigan Lobbyist*'s publisher, **Tom Scott**, paused and took a deep breath before launching the online *DOME*, which is one of the best publications anywhere on Michigan politics.

HE SAID IT

■ "(Most) of us on the court believe in the strict interpretation of the law, so be careful what you write (into law) because we will enforce it as you write it." — *State Supreme Court Chief Justice Robert P. (Bob) Young, Jr.*, in extemporaneous remarks to lawmakers in the state House of Representatives after he swore them in on the opening day of the 96th Michigan Legislature last Wednesday, Jan. 12.