

## Developing a Comprehensive Candidate Evaluation Framework

The attempted insurrection at the U.S. Capitol on January 6, 2021, was an unprecedented event that led many companies and associations to re-examine their political contribution strategies and actions. While some business PACs ceased contributions to the 147 lawmakers who refused to certify the 2020 election results, many more have paused all contributions while they assess their giving criteria and the behavior of past recipients. In order to help organizations in their review processes, the Public Affairs Council has developed recommendations and a sample framework that can be used to manage corporate political involvement decision-making now and in the future.

A well-developed, strategic and thoughtful candidate evaluation process is critical when an organization decides to offer a political voice to employees or members and support candidates with PAC dollars. This process can help the PAC increase buy-in, improve transparency and gain trust with stakeholders including employees, shareholders, retirees, members and unions. And, when controversy strikes, a thoughtful approach lets the news media and general public know your PAC is not only compliant with laws but also responsive to stakeholder concerns.

Before each election cycle or on an as-needed basis, it's important to take time to review your decision-making processes, engage in a dialogue with those who will be involved in managing those processes, and research potential candidates. This review should include an examination of your candidate contribution criteria and a discussion of potential updates or revisions. Remember that these criteria should guide your contribution strategy but still leave room for the reality of changing priorities, events and needs. Additionally, this is a good time to communicate with employees to state your commitment to legal, ethical, strategic and transparent decision-making on political contributions.

When undergoing this review process, the Council recommends you take the following steps:

1. **Review your company's core values, beliefs and commitments.** Be sure to reread your sustainability and corporate responsibility pledges; guiding principles on workforce diversity, equity and inclusion; CEO and board statements on business values; and other documents related to your corporate purpose. Identify those statements and pledges that are sacred and

non-negotiable. While the goal of the PAC is to help foster a favorable business environment by helping likeminded politicians get elected, it should not operate at crossed purposes with the rest of your organization. Fortunately, most of the time it's possible to honor an organization's values and commitments while advancing its business interests.

Here are some tips for refining your contributions criteria:

- Include words such as “character,” “Integrity,” “respect” and “values” in your PAC contribution criteria. If a candidate has a history of making defamatory statements, discriminating against others or acting unethically, having the proper language in your criteria means you probably won't support that individual in the first place. But if a candidate suddenly acts in an egregious manner for the first time after you've given them support, this language gives you good reason to assess whether you ought to assist them in the future.
- Consider criteria covering knowledge and support of the company or industry, open-mindedness about policy issues, proximity to company facilities, service on important committees and leadership roles.
- Conduct research to determine how a candidate aligns with all criteria including values-based policies.
- Highlight the diversity of PAC beneficiaries across the social, political and policy spectrum.
- Publish your PAC contribution criteria on the company's website and in PAC materials along with an explanation of your assessment process.
- Invite feedback on your process and your decisions.

While it may be tempting to leave your contribution criteria vague to retain flexibility, it's likely that sooner or later you're going to have to make a hard choice about whether a political friend-of-the-company should still receive financial support after saying something shocking or doing something unethical. It's better to have the policy in place ahead of time, and already approved by senior management, so that you don't have to make rushed, difficult decisions in the midst of a controversy.

2. **Increase diversity and ensure adequate representation of different groups on your PAC board.** Diversity means having members from different age groups, races, genders, with different political views, representing management and non-management employees, and

covering other parameters to ensure the PAC board is reflective of your company or member population. Consider creating an expanded advisory committee that is representative of employees and provide information on how employees can give feedback to the PAC board and government affairs team.

3. **Solicit feedback from employees, executives and employee resource groups (ERGs).** Take conversations offline whenever possible. Conduct a listening tour allowing employees to express themselves via a video conference or town hall meeting. It always helps to communicate the PAC's purpose and decision-making approach through live conversations.
  - Conduct interviews with executive team members and survey other employees. At the beginning of the interviews or the survey, state why government affairs is essential to the business and explain the legal, ethical and strategic principles that guide your political involvement efforts. Ask for their views on American politics, their personal willingness to engage in public policy issues, their concerns about political involvement, their awareness of the company's political activities, and their support for taking a bipartisan, carefully considered approach to those activities. Use the results of the interviews and survey to finetune your criteria, issue positions and develop other political communications. This feedback will build good will and provide a benchmark to measure future efforts to educate employees about your political activities.
  - Regularly engage with ERGs and other stakeholder groups to hear their perspectives, fully understand their issue priorities, build better relationships and answer questions about the PAC's practices.
  
4. **When the PAC board meets to discuss contributions, offer your assessment of a candidate's potential to be controversial.** Often, but not always, it's possible to anticipate that a given candidate may be a lightning rod for controversy. Knowing this ahead of time doesn't mean your PAC should never support that individual; it just means you would want to do so with your eyes wide open. If the PAC proceeds with supporting a controversial politician despite the risks, decide in advance how you will respond if employees or the public reacts negatively.

## SAMPLE CONTRIBUTION CRITERIA AND EVALUATION FRAMEWORK

The Council has developed a framework to demonstrate one approach to evaluating candidate eligibility for PAC support using common contribution criteria. The Council recognizes that organizational cultures vary significantly, as do the business and political environments faced by different companies and associations. There simply is no one-size-fits-all approach to candidate evaluation.

This framework, based on first-hand experiences and smart practices shared with us in conversations with dozens of Council members, will get you started in crafting your own, individualized strategy.

The following section provides sample language explaining the PAC's criteria and political engagement efforts as well as a sample scoring system. Some organizations may choose to make their giving criteria and scoring system more robust than the example, while others may choose to simplify them. It always helps when you can demonstrate that your process is thorough and thoughtful.

## RANDOM CORP. POLITICAL ENGAGEMENT POLICY

As a leading global manufacturer, Random Corp. is committed to making a difference in our communities and in our company by rallying the strength of our employees, families and friends. Our ability to reach our potential is enhanced when government policies promote growth that creates jobs, encourages investment in our business, supports our employees and communities, and returns value to our shareholders. But in order to have an impact, Random Corp. must play a visible and proactive role in these policy discussions. In the United States, making political contributions to likeminded candidates is one of the many strategies we use to help reduce our political risk and maintain a business-friendly environment.

Because we have a wide array of constituencies to serve — customers, employees, distributors, suppliers, small businesses, government, community partners, shareholders and more — we consider all of their needs as we participate in these political activities. We consider it our duty, and our responsibility, to make our views clear to those who write the laws, regulations and policies that can influence our global business.

Our responsibility to create a better shared future extends to political contributions from RANDOM-PAC. Contributions are based on multiple criteria and are not determined based on political party



affiliation. RANDOM-PAC is bi-partisan and maintains a goal of dividing contributions within a 60-40 ratio between the two major parties. RANDOM-PAC does not contribute to presidential campaigns. Furthermore, Random Corp. does not contribute to super PACs or independent expenditure committees.

Our PAC Board and government affairs team evaluate a candidate's eligibility for receiving a political contribution based on the following criteria. A candidate must meet a majority of our criteria to be considered for a contribution.

The five areas of criteria used to evaluate candidates, committees and national parties are:

1. Views on issues of importance to Random Corp.
2. Position on a committee with jurisdiction over policy issues of importance to Random Corp.
3. Elected leadership position
4. Members/candidates who represent system facilities and large employee bases
5. Candidates who exhibit a commitment to the values and principles of Random Corp.

No single issue or criteria category determines whether a candidate does or does not receive a contribution. Political contributions are evaluated every election cycle. While RANDOM-PAC may support a candidate in one election cycle, we may elect to withhold future support at any time based on the criteria outlined above. Information on all RANDOM-PAC contributions is publicly available at [www.RandomCorp.com](http://www.RandomCorp.com) or through the Federal Election Commission's website.

In practice, the PAC Board applies contribution criteria to candidates through the scoring methodology outlined below:

PAC Evaluation Framework		
	Criteria	Points
<b>Views on issues of importance to Random Corp.</b>		
Metrics	Banking and commerce <ul style="list-style-type: none"> <li>H.R. 123</li> </ul>	1.5
	Consumer protections	1.5
	Environmental sustainability	1.5
	Privacy <ul style="list-style-type: none"> <li>S.B.1200</li> </ul>	1.5
	Tax	1.5
	Knowledge of the industry; relevant background / experience	1.5
	Previous support of industry / policy priorities; existing relationship	1.5
	Deferred Action for Childhood Arrivals (DACA)	1
	Support for increased minimum wage	1
Total Points Earned / Total Points Possible:		<b>7 / 12.5</b>
<b>Position on a committee of jurisdiction over policy issues of importance to Random Corp.</b>		
Metrics	House Ways and Means	1
	House Energy and Commerce	
	House Appropriations	
	House Education and Workforce	
	Senate Finance	
	Senate Health Education Labor and Pension	
	Senate Appropriations	
	Committee Chair	
	Ranking Member	
Total Points Earned / Total Points Possible:		<b>1 / 2</b>
<b>Elected Leadership Position</b>		
Metrics	Speaker of the House	1
	House Majority Leader	
	House Majority Whip	
	Assistant Speaker	
	House Democratic Caucus Chairman	
	House Minority Leader	
	House Minority Whip	
	House Republican Conference Chairman	
	House Republican Policy Committee Chair	
	Senate Majority Leader	
	Senate Majority Whip	
	Assistant Democratic Leader	
	Senate Minority Leader	
	Senate Minority Whip	
	Senate Republican Conference Chairman	
Total Points Earned / Total Points Possible:		<b>0 / 1</b>

Members who represent system facilities and large employee bases		
Metrics	California	1.5
	Illinois	
	Texas	
	Site visit / facility tour	
Total Points Earned / Total Points Possible:		0 / 3
Candidate exhibits a commitment to Random Corp. core values and principles		
Metrics	Behavior that earns employee and public trust prior to seeking elective office, during a campaign, or while holding office	1.5
	Commitment to upholding democratic values and civility, including support for democratic institutions	1.5
	Commitment to policies that support diverse and inclusive communities	1
	Support for election integrity and voting rights	1
	Commitment to equality and inclusion, including but not limited to: <ul style="list-style-type: none"> <li>• Social justice</li> <li>• Racial and gender equality</li> <li>• Human rights</li> <li>• LGBTQ rights and community</li> <li>• Immigration</li> <li>• Women's economic empowerment</li> <li>• Military/veterans issues</li> </ul>	1.5
Total Points Earned / Total Points Possible:		6.5 / 6.5
Total Score:		14.5 / 34
*These criteria and the assigned point values are for the purpose of the sample and are not an explicit instruction on what criteria to include or how to weight them.		

## CONSIDERATIONS FOR WEIGHTING CRITERIA

While the example above demonstrates how to apply different point values in the same criteria category, organizations must also determine how to assign value, weight or score criteria relative to their importance. Since some criteria are easier to meet than others and no one methodology will be right for every company, we have provided several different options below.

- A low score for value and integrity criteria negates high scores on other criteria.** This is an approach taken by some companies when it comes to a candidate making hateful or racist statements. For example, if a total score of 20 is possible in the values and principles criteria section, an organization may decide anyone scoring below a 10 in this category will not be considered for PAC support regardless of the other criteria they meet. Similarly, values and principles related to human rights or election integrity could require a mandatory score for a candidate to receive further consideration. In this example, a PAC board would first examine the candidate as they align to these principles before considering the remaining criteria. While this application may considerably narrow the candidates the PAC supports, some companies

may adopt this approach based on their views about the company's core values, beliefs and commitments.

- **Some categories of criteria are weighted differently than others.** For example, a company could award two points for values/integrity criteria, two points for alignment on issues of importance to the company and one point for other criteria such as a relevant committee assignments. This approach takes into account criteria by which it is “easier” to meet, such as a committee assignment or major employee base in the case of a corporation with a large geographic reach. For example, the evaluation process in this case would start by asking: Are we in alignment on key issues and is this a person who in our view respects individual rights and democratic institutions?
- **Create a point system based on a maximum total score and evaluate each candidate accordingly.** While it's unlikely a candidate will achieve a perfect score, throughout the evaluation exercise a range of scores will emerge that will capture most PAC beneficiaries. The organization can then decide on a case-by-case basis which candidates it's willing to support that score below the usual range. For example, one company using a 100-point system reported their highest-scoring candidate ever received a total score of 88, while most candidates they support score in the 65 – 80 point range. This company now has a baseline they apply to each candidate and rarely contribute to anyone scoring below 60.
- **Criteria related to values and integrity may be two separate categories.** For example, one could focus on respect for diversity, equity and inclusion (e.g., racial and gender equality, LGBTQ rights) and the other could focus on respect for democratic institutions (e.g., voting rights, peaceful transition of power, rule of law). In the aftermath of January 6, some organizations may feel it's appropriate to make election integrity a stand-alone category for the 2021-2022 election cycle and evaluate other corporate values and beliefs separately.

The Council recognizes that each approach has its pros and cons. That's why elements of each of these approaches may appear in the evaluation process designed by an individual company. What's important is that a consistent methodology be developed and agreed upon so that every candidate is scored against the same criteria in the same way. When executed properly, this process provides fairness and transparency, which will help maintain trust and buy-in for contribution decisions, especially in controversial cases.



## EVALUATING THE 147 ELECTION OBJECTORS

Some organizations have already made the decision not to provide PAC support during this election cycle to the 147 Members of Congress who voted against certification of the Electoral College results. For companies and associations who have not made that determination or will reevaluate support after a specified amount of time, the Council recommends approaching this process in the following way:

1. Review and identify previous support for the 147 objectors.
2. Of those members that received past political support, determine which of them, for a variety of factors, your PAC may consider supporting again. This will help you narrow your focus from the entirety of the 147 to those individual members your organization may seriously consider supporting again. Conduct a thorough discussion and review process by the PAC board, government affairs team and other key stakeholders before any decisions are made on future support. This process may include, but should not be limited to:
  - Rigorous research on these individual members, such as reviewing public statements, social media posts, individual actions taken prior to, on and after January 6.
  - Any subsequent conversations your team has had with the member or their staff to understand their reasoning for their objecting vote and subsequent views.
  - A walk-through exercise of your criteria and/or evaluation framework for each individual member to obtain their total score.
  - Discussions that weigh the potential risk and impact with the PAC board, government affairs team and other key stakeholders before making a collective decision.
3. Regardless of the PAC's decisions, expect that future political support to any of the 147 will be heavily scrutinized externally and internally. If the PAC proceeds with supporting a member despite these risks, discuss and prepare to defend that decision. These decisions demonstrate the importance of having a clear, methodical and transparent framework for evaluating candidates.

## ADDITIONAL EXAMPLES OF CONTRIBUTION CRITERIA

The following are actual examples of revisions or additions to PAC contribution criteria that have been shared by Council members in the wake of the events of January 6, 2021. This list will continue to be updated.

- [PAC] will not support elected officials of any party, at the federal, state or local level, who incite or encourage violence through their actions or rhetoric.
- Our belief in government, respect for the democratic process and adherence to the rule of law always have been at the core of our engagement. We are constantly evaluating our efforts to ensure they are informed by those ideals and adhere to the uncompromising values we follow as a business — honesty, respect, fairness, integrity, and the value of diversity.
- We define and apply our corporate values as follows:
  - Integrity: Doing the right thing
  - Diversity & Inclusion: Pursue and understand diverse thought and perspectives, value acceptance
  - Commitment: Doing what they say
  - Excellence: Passionately do their best
- [PAC] is committed to supporting responsible candidates who embody good government.
- When evaluating candidates for support, [PAC] considers: (A) The integrity, character and leadership ability of the candidate. (B) The candidate’s position and/or voting record on issues of interest to “Company” and its subsidiaries and affiliates, issues involving the private enterprise system and on economic and social questions of local, state, national or international importance.
- We support candidates, on a bipartisan basis, who responsibly evaluate issues of concern to our company, associates and customers. We generally focus on members of leadership, members of relevant committees and members from states or districts where [Organization] has facilities. We also seek to support candidates who focus on broader issues of importance, including those that strengthen our communities and those that create a more diverse and inclusive workforce and society.
- Beyond policies that impact our economy and financial system, [Organization] is also focused on efforts that affect our associates and customers. We actively lend our voice to national and local efforts to advance affordable housing goals, set environmental standards, and create a more diverse and inclusive workforce and society through our support of the Equality Act, the Equal Rights Amendment and other diversity and equality initiatives. Through our speaker series, policy communications and “Get Out the Vote



(GOTV)" drives, we provide employees of all political backgrounds with tools and information to engage on the issues that matter most to them.

## CONTACT US

The Council is here to provide you with information and guidance as you manage your PAC and political involvement activities. Please contact us to discuss processes, share sample language or methodologies, and compare strategies as you navigate rising public scrutiny of political contribution practices. Contact Kristin Brackemyre at [kbrackemyre@pac.org](mailto:kbrackemyre@pac.org) or Victoria Ellington at [vellington@pac.org](mailto:vellington@pac.org) to learn more.